

1 [Multifamily Housing Revenue Note and Various Agreements - Hunters View - Not to Exceed
2 \$41,000,000]

3
4 **Resolution authorizing the execution and delivery of a multifamily housing revenue**
5 **note, as defined herein, in an aggregate principal amount not to exceed \$41,000,000 for**
6 **the purpose of providing financing for a multifamily rental housing project; approving**
7 **the form of and authorizing the execution of a funding loan agreement providing the**
8 **terms and conditions of the note; approving the form of and authorizing the execution**
9 **of a regulatory agreement and declaration of restrictive covenants; approving the form**
10 **of and authorizing the execution of a borrower loan agreement; ratifying and approving**
11 **any action heretofore taken in connection with the note and the project; granting**
12 **general authority to City officials to take actions necessary to implement this**
13 **resolution; and related matters.**

14
15 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
16 "Board") desires to provide for a portion of the costs of construction by HV Partners 1, LP, a
17 California limited partnership, (the "Borrower"), of a proposed 107-unit residential rental
18 development to provide housing for persons of low and very low income to be known as
19 Hunters View Phase I, located at 112 Middle Point Road (Middle Point and West Point Roads;
20 Block 4624, Lots 3, 4 and 9, Block 4720, Lot 27), San Francisco, California (the "Project"),
21 through the execution and delivery of revenue notes; and,

22 WHEREAS, The City and County of San Francisco (the "City") is authorized to execute
23 and deliver revenue notes for such purpose pursuant to the Charter of the City, Article I of
24 Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal
25 Code and, to the extent applicable, Section 52097.5 of the California Health and Safety Code

1 (“Health and Safety Code”), as now in effect and as it may from time to time hereafter be
2 amended or supplemented (collectively, the “Act”); and,

3 WHEREAS, The interest on the Note (hereinafter defined) may qualify for tax
4 exemption under Section 103 of the Internal Revenue Code of 1986, as amended, (the
5 “Code”), only if the Note is approved in accordance with Section 147(f) of the Code; and,

6 WHEREAS, There has been prepared and presented to the Board for consideration at
7 this meeting the documentation required for the execution and delivery of the Note, and such
8 documentation is on file with the Clerk of the Board of Supervisors (the “Clerk of the Board”);
9 and,

10 WHEREAS, It appears that each of the documents which is now before this Board is
11 substantially in appropriate form and is an appropriate instrument to be executed and
12 delivered for the purposes intended; and,

13 WHEREAS, The Board finds that the public interest and necessity require that the City
14 at this time make arrangements for the execution and delivery of such Note; and,

15 WHEREAS, Citibank, N.A. (the “Funding Lender”), has expressed its intention to
16 purchase or cause its affiliate to purchase the Note authorized hereby, and,

17 RESOLVED, By this Board of Supervisors of the City and County of San Francisco as
18 follows:

19 Section 1. Approval of Recitals. The Board hereby finds and declares that the
20 above recitals are true and correct.

21 Section 2. Approval of Execution and Delivery of the Note. In accordance with the
22 Act and the Funding Loan Agreement (hereinafter defined), the City is hereby authorized to
23 execute and deliver revenue notes of the City, such note to be issued in one series and
24 designated as “City and County of San Francisco Multifamily Housing Revenue Note (Hunters
25 View Phase I) 2011 Series A,” in an aggregate principal amount not to exceed \$41,000,000

1 (the "Note"), with an initial interest rate not to exceed twelve percent (12%) per annum for the
2 Note, and which shall have a final maturity date not later than June 1, 2016. The Mayor of the
3 City, the Director of the Mayor's Office of Housing, the Director of Housing Development and
4 the Deputy Director of the Mayor's Office of Housing (each an "Authorized Representative")
5 are hereby authorized and directed to execute the Note on behalf of the City in the form set
6 forth in the Funding Loan Agreement, with such additions thereto and changes therein as the
7 City Attorney of the City and County of San Francisco (the "City Attorney") and Tax Counsel
8 (as defined in the Funding Loan Agreement) may approve or recommend in accordance with
9 Section 6 hereof. The Note, when executed by the City, shall be delivered to the Funding
10 Lender.

11 Section 3. Funding Loan Agreement. The Funding Loan Agreement (the "Funding
12 Loan Agreement"), between the City and the Funding Lender, in substantially the form
13 presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
14 approved. Any Authorized Representative is hereby authorized to execute, and the Clerk of
15 the Board or an authorized designee is hereby authorized to attest, the Funding Loan
16 Agreement in substantially said form, with such additions thereto and changes therein as the
17 City Attorney and Tax Counsel may approve or recommend in accordance with Section 6
18 hereof.

19 Section 4. Regulatory Agreement and Declaration of Restrictive Covenants. The
20 form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory
21 Agreement"), between the City and the Borrower, in substantially the form presented to the
22 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Any
23 Authorized Representative is hereby authorized to execute the Regulatory Agreement, in
24 substantially said form, with such additions thereto and changes therein as the City Attorney
25 and Tax Counsel may approve or recommend in accordance with Section 6 hereof.

1 Section 5. Borrower Loan Agreement. The form of Borrower Loan Agreement (the
2 “Borrower Loan Agreement”) between the City and the Borrower, and agreed to and
3 acknowledged by the Funding Lender, in substantially the form presented to the Board, a
4 copy of which is on file with the Clerk of the Board, is hereby approved. Any Authorized
5 Representative is hereby authorized to execute the Borrower Loan Agreement, in
6 substantially said form, with such additions thereto and changes therein as the City Attorney
7 and Tax Counsel may approve or recommend in accordance with Section 6 hereof.

8 Section 6. Modifications, Changes, Additions. Any Authorized Representative
9 executing the Funding Loan Agreement, the Regulatory Agreement or the Borrower Loan
10 Agreement (collectively, the “City Agreements”), in consultation with the City Attorney and Tax
11 Counsel, is hereby authorized to approve and make such modifications, changes or additions
12 to the City Agreements as may be necessary or advisable, provided that such modification
13 does not authorize an aggregate principal amount of Note in excess of \$41,000,000, provide
14 for a final maturity on the Note later than June 1, 2016, or provide for the Note to bear interest
15 at a rate in excess of twelve percent (12%) per annum. The approval of any modification,
16 addition or change to any of the aforementioned documents shall be evidenced conclusively
17 by the execution and delivery of the document in question.

18 Section 7. Low Income Housing Findings. This Board hereby finds and determines
19 that this Resolution constitutes final approval of a proposal that may result in housing
20 assistance benefiting persons of low income within the meaning of Section 36005 of Health
21 and Safety Code. Furthermore, this Board finds and determines that the City’s support of the
22 Project does not constitute an activity to “develop, construct, or acquire” a low rent housing
23 project pursuant to Section 37001.5(a) and (d) of the Health and Safety Code.

1 Section 8. Ratification. All actions heretofore taken by the officers and agents of the
2 City with respect to the execution and delivery of the Note is hereby approved, confirmed and
3 ratified.

4 Section 9. General Authority. The proper officers of the City are hereby authorized
5 and directed, for and in the name and on behalf of the City, to do any and all things and take
6 any and all actions and execute and deliver any and all certificates, agreements and other
7 documents, including but not limited to those documents described in the Funding Loan
8 Agreement and the other documents herein approved, which they, or any of them, may deem
9 necessary or advisable in order to consummate the lawful execution and delivery of the Note
10 and to effectuate the purposes thereof and of the documents herein approved in accordance
11 with this Resolution.

12 Section 10. All documents referenced herein as being on file with the Clerk of the
13 Board are located in File No. _____, which is hereby declared to be a part of this
14 resolution as if set forth fully herein.

15
16 APPROVED AS TO FORM:

17 DENNIS J. HERRERA
18 City Attorney

19
20 By: _____
21 KENNETH DAVID ROUX
22 Deputy City