

1 [Multifamily Housing Revenue Note - 88 Broadway Family Apartments - Not to Exceed
2 \$55,280,000]

3 **Resolution authorizing the execution and delivery of a multifamily housing revenue**
4 **note in one or more series in an aggregate principal amount not to exceed \$55,280,000**
5 **for the purpose of providing financing for the construction of a 125-unit multifamily**
6 **rental housing project known as “88 Broadway Family Apartments;” approving the**
7 **form of and authorizing the execution of a funding loan agreement, providing the terms**
8 **and conditions of the loan from the funding lender to the City, and the execution and**
9 **delivery of the note; approving the form of and authorizing the execution of a borrower**
10 **loan agreement providing the terms and conditions of the loan from the City to the**
11 **borrower; approving the form of and authorizing the execution of a regulatory**
12 **agreement and declaration of restrictive covenants; authorizing the collection of**
13 **certain fees; approving modifications, changes and additions to the documents;**
14 **ratifying and approving any action heretofore taken in connection with the back-to-**
15 **back loans, the note and the project, as defined herein; and granting general authority**
16 **to City officials to take actions necessary to implement this Resolution, and related**
17 **matters, as defined herein.**

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19 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
20 “Board”) desires to provide for the financing of a portion of the costs of the construction by
21 88 Broadway Family LP, a California limited partnership (the “Borrower”), of a 125-unit
22 residential rental development project located at 88 Broadway, in San Francisco, California,
23 known as “88 Broadway Family Apartments” (the “Project”), to provide housing for persons
24 and families of low income through the issuance of a multifamily housing revenue note (the
25 “Note”); and

1 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue
2 revenue notes for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of
3 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of
4 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of
5 California ("Health and Safety Code"), as now in effect and as it may from time to time
6 hereafter be amended or supplemented (collectively, the "Act"); and

7 WHEREAS, On December 12, 2018, the California Debt Limit Allocation Committee
8 ("CDLAC") in its Resolution Number 18-151, allocated an amount not to exceed \$55,280,000
9 in qualified private activity bonds to the Project; and

10 WHEREAS, There has been prepared and presented to the Board for consideration at
11 this meeting the documentation required for the execution and delivery of the Note, and such
12 documentation is on file with the Clerk of the Board of Supervisors (the "Clerk of the Board");
13 and

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

17 WHEREAS, The Board finds that the public interest and necessity require that the City
18 at this time make arrangements for the funding loan, the borrower loan and the execution and
19 delivery of the Note; and

20 WHEREAS, The Note will be a limited obligation of the City, the sole source of
21 repayment of which shall be payments made by the Borrower under the Borrower Loan
22 Agreement (hereinafter defined), together with investment income of certain funds and
23 accounts held under the Funding Loan Agreement (hereinafter defined); and

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1 WHEREAS, The City has engaged Orrick, Herrington & Sutcliff LLP and Amira
2 Jackmon, Attorney at Law, as co-special counsel with respect to the Note (“Co-Special
3 Counsel”); and

4 WHEREAS, Bank of America, N.A. (or an affiliate thereof) (the “Funding Lender”) has
5 expressed its intention to make the funding loan, to be evidenced by the Note, to the City;
6 now, therefore, be it

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

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

11 Section 2. Approval of Execution and Delivery of Note. In accordance with the Act
12 and the Funding Loan Agreement, the City is hereby authorized to execute and deliver a note
13 or notes in one or more series designated as “City and County of San Francisco Multifamily
14 Housing Revenue Note (88 Broadway Family Apartments), Series 2019C” or such other
15 designation as may be necessary or appropriate to distinguish such series from every other
16 series of bonds or notes, in an aggregate principal amount not to exceed \$55,280,000 (the
17 “Note”), with an interest rate not to exceed twelve percent (12%) per annum for the Note, and
18 which shall have a final maturity date not later than forty (40) years from the date of execution
19 and delivery of the Note. The Note shall be in the form set forth in and otherwise in
20 accordance with the Funding Loan Agreement and shall be executed by the manual or
21 facsimile signature of the Mayor of the City (the “Mayor”).

22 Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement
23 (the “Funding Loan Agreement”) in the form presented to the Board, a copy of which is on file
24 with the Clerk of the Board, is hereby approved. The Funding Loan Agreement shall be
25 entered into by and among the City, the Funding Lender and U.S. Bank National Association

1 (the "Fiscal Agent"). Each of the Mayor, the Director (the "Director") of the Mayor's Office of
2 Housing and Community Development ("MOHCD"), the Deputy Director of Housing of
3 MOHCD, and any other Authorized Governmental Lender Representative (as such term is
4 defined in the Funding Loan Agreement), acting individually or collectively (each, an
5 "Authorized City Representative") is hereby authorized to execute the Funding Loan
6 Agreement, approved as to form by the City Attorney of the City (the "City Attorney"), in
7 substantially said form, together with such additions thereto and changes therein as the City
8 Attorney and Co-Special Counsel may approve or recommend in accordance with Section 7
9 hereof.

10 Section 4. Approval of Borrower Loan Agreement. The Borrower Loan Agreement
11 (the "Borrower Loan Agreement") by and among the City, the Fiscal Agent and the Borrower
12 and the Assignment of Deed of Trust and Loan Documents, from the City to the Funding
13 Lender (the "Assignment"), in the forms presented to the Board, copies of which are on file
14 with the Clerk of the Board, are hereby approved. Each Authorized City Representative is
15 hereby authorized to execute the Borrower Loan Agreement and the Assignment in
16 substantially said form, together with such additions thereto and changes therein as the City
17 Attorney and Co-Special Counsel may approve or recommend in accordance with Section 7
18 hereof.

19 Section 5. Approval of Regulatory Agreement and Declaration of Restrictive
20 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the
21 "Regulatory Agreement" and, together with the Funding Loan Agreement, the Assignment and
22 the Borrower Loan Agreement, the "City Documents"), between the City and the Borrower, in
23 the form presented to the Board, a copy of which is on file with the Clerk of the Board, is
24 hereby approved. Each Authorized City Representative is hereby authorized to execute the
25 Regulatory Agreement, approved as to form by the City Attorney, in substantially said form,

1 together with such additions thereto and changes therein as the City Attorney and Co-Special
2 Counsel may approve or recommend in accordance with Section 7 hereof.

3 Section 6. Issuer Fees. The City, acting through MOHCD, shall charge a fee for the
4 administrative costs associated with executing and delivering the Note in an amount not to
5 exceed 0.25% of the aggregate principal amount of the Note. Such fee shall be payable at
6 funding loan closing and may be contingent on the funding loan closing. The City shall also
7 charge an annual fee for monitoring the restricted units in the Project in an amount not to
8 exceed 0.125% of the outstanding aggregate principal amount of the Note, but no less than
9 \$2,500 annually, from completion of construction through the term of the Regulatory
10 Agreement. The annual monitoring fee due during the construction period shall be payable at
11 funding loan closing. The Board hereby authorizes MOHCD to charge and collect the fees
12 described in this section.

13 Section 7. Modifications, Changes, Additions. Any Authorized City Representative
14 executing the City Documents, in consultation with the City Attorney and Co-Special Counsel,
15 is hereby authorized to approve and make such modifications, changes or additions to the
16 City Documents as may be necessary or advisable, provided that such modification does not
17 authorize an aggregate principal amount of the Note in excess of \$55,280,000, provide for a
18 final maturity of the Note later than forty (40) years, or provide for the Note to bear interest at
19 a rate in excess of twelve percent (12%) per annum. The approval of any modification,
20 addition or change to any of the aforementioned documents shall be evidenced conclusively
21 by the execution and delivery of the document in question.

22 Section 8. Ratification. All actions heretofore taken by the officers and agents of the
23 City with respect to the funding loan and the execution and delivery of the Note consistent
24 with the City Documents are hereby approved, confirmed and ratified.

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1 Section 9. General Authority. The proper officers of the City are hereby authorized
2 and directed, for and in the name and on behalf of the City, to do any and all things and take
3 any and all actions and execute and deliver any and all certificates, agreements (including
4 such agreements to provide adequate or additional security or indemnities as required by
5 lenders to consummate the financing) and other documents, including but not limited to those
6 documents described in the City Documents, which they, or any of them, may deem
7 necessary or advisable in order to consummate the lawful execution and delivery of the Note
8 and to effectuate the purposes thereof and of the City Documents. Any such actions are
9 solely intended to further the purposes of this Resolution, and are subject in all respects to the
10 terms of the Resolution. No such actions shall increase the risk to the City or require the City
11 to spend any resources not otherwise granted herein. Final versions of such documents shall
12 be provided to the Clerk of the Board for inclusion in the official file within 30 days of execution
13 by all parties.

14 Section 10. File. All documents referenced herein as being on file with the Clerk of
15 the Board are located in File No. 190147, which is hereby declared to be a part of this
16 Resolution as if set forth fully herein.

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1 Section 11. This Resolution shall take effect from and after its adoption by the Board
2 and approval by the Mayor.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA
6 City Attorney

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9 By: _____
10 Kenneth D. Roux
11 Deputy City Attorney
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