

1 [Multifamily Housing Revenue Bonds - 1990 Folsom Street - Not to Exceed \$90,000,000]

2
3 **Resolution declaring the intent of the City and County of San Francisco (the "City") to**
4 **reimburse certain expenditures from proceeds of future bonded indebtedness;**
5 **authorizing the Director of the Mayor's Office of Housing and Community Development**
6 **(the "Director") to submit an application and related documents to the California Debt**
7 **Limit Allocation Committee ("CDLAC") to permit the issuance of residential mortgage**
8 **revenue bonds in an aggregate principal amount not to exceed \$90,000,000 for**
9 **1990 Folsom Street; authorizing and directing the Director to direct the Controller's**
10 **Office to hold in trust an amount not to exceed \$100,000 in accordance with CDLAC**
11 **procedures; authorizing the Director to certify to CDLAC that the City has on deposit**
12 **the required amount; authorizing the Director to pay an amount equal to such deposit**
13 **to the State of California if the City fails to issue the residential mortgage revenue**
14 **bonds; authorizing and directing the execution of any documents necessary to**
15 **implement this Resolution; and ratifying and approving any action heretofore taken in**
16 **connection with the Project, as defined herein, and the Application, as defined herein.**

17
18 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
19 "Board of Supervisors"), after careful study and consideration, has determined that there is a
20 shortage of safe and sanitary housing within the City and County of San Francisco (the "City"
21 or "County"), particularly for low and moderate income persons, and that it is in the best
22 interest of the residents of the City and in furtherance of the health, safety, and welfare of the
23 public for the City to assist in the financing of multi-family rental housing units; and

24 WHEREAS, Acting under and pursuant to the powers reserved to the City under
25 Sections 3, 5, and 7 of Article XI of the Constitution of the State of California and Sections

1 1.101 and 9.107 of the Charter of the City and County of San Francisco, the City has enacted
2 the City and County of San Francisco Residential Mortgage Revenue Bond Law (the "City
3 Law"), constituting Article I of Chapter 43 of the San Francisco Administrative Code, in order
4 to establish a procedure for the authorization, issuance and sale of residential mortgage
5 revenue bonds by the City for the purpose of providing funds to encourage the availability of
6 adequate housing and home finance for persons and families of low or moderate income, and
7 to develop viable communities by providing decent housing, enhanced living environments,
8 and increased economic opportunities for persons and families of low or moderate income;
9 and

10 WHEREAS, In addition, pursuant to Division 31 of the Health and Safety Code of the
11 State of California, and particularly Chapter 7 of Part 5 thereof (the "State Law"), the City is
12 empowered to issue and sell bonds for the purpose of making mortgage loans or otherwise
13 providing funds to finance the development of multi-family rental housing including units for
14 lower income households and very low income households; and

15 WHEREAS, 1990 Folsom Housing Associates, LP, a California limited partnership (or
16 any successor thereto including any successor owner of the Project, the "Developer"), desires
17 to construct a 143-unit affordable residential rental housing development located at 1990
18 Folsom Street, San Francisco, California 94103 (the "Project"); and

19 WHEREAS, The Developer has requested that the City assist in the financing of the
20 Project through the issuance of one or more series of tax-exempt mortgage revenue bonds or
21 notes (the "Bonds"); and

22 WHEREAS, The City expects that proceeds of the Bonds will be used to pay certain
23 costs incurred in connection with the Project prior to the date of issuance of the Bonds; and
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1 WHEREAS, The City intends to issue the Bonds in an amount not to exceed
2 \$90,000,000 and to loan the proceeds of the Bonds to the Developer (the "Loan") to finance
3 the costs of the Project; and

4 WHEREAS, The Bonds will be limited obligations, payable solely from pledged
5 security, including Project revenues, and will not constitute a debt of the City; and

6 WHEREAS, The Board of Supervisors has determined that the moneys advanced and
7 to be advanced to pay certain expenditures of the Project are or will be available only for a
8 temporary period and it is necessary to reimburse such expenditures with respect to the
9 Project from the proceeds of the Bonds; and

10 WHEREAS, Section 1.150-2 of the United States Treasury Regulations requires that
11 the Board of Supervisors declare its reasonable official intent to reimburse prior expenditures
12 for the Project with proceeds of the Bonds; and

13 WHEREAS, The Project is located wholly within the City; and

14 WHEREAS, Section 146 of the Internal Revenue Code of 1986, as amended (the
15 "Code") limits the amount of tax-exempt private activity bonds, which include qualified
16 mortgage bonds, that may be issued in any calendar year by entities within a state and
17 authorizes the legislature of each state to provide the method of allocating authority to issue
18 tax-exempt private activity bonds within the respective state; and,

19 WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State
20 of California governs the allocation in the State of California of the state ceiling established by
21 Section 146 of the Code among governmental units in the State having the authority to issue
22 tax-exempt private activity bonds; and,

23 WHEREAS, Section 8869.85(b) of the Government Code requires that a local agency
24 file an application for a portion of the state ceiling with or upon the direction of the California
25

1 Debt Allocation Committee ("CDLAC") prior to the issuance of tax-exempt private activity
2 bonds, including qualified mortgage bonds; and,

3 WHEREAS, CDLAC procedures require an applicant for a portion of the state ceiling to
4 certify to CDLAC that applicant has on deposit an amount equal to one-half of one percent
5 (1/2%) of the amount of allocation requested not to exceed \$100,000.00; now, therefore be it

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

8 Section 1. The Board of Supervisors finds and determines that the foregoing recitals
9 are true and correct.

10 Section 2. The Board of Supervisors adopts this Resolution for purposes of
11 establishing compliance with the requirements of Section 1.150-2 of the United States
12 Treasury Regulations. This Resolution does not bind the Board of Supervisors to issue the
13 Bonds, approve the Loan or to make any expenditure, incur any indebtedness or proceed with
14 the Project.

15 Section 3. The Board of Supervisors hereby declares its official intent under United
16 States Treasury Regulations Section 1.150-2 to use proceeds of the Bonds to reimburse
17 expenditures incurred in connection with the Project. The Board of Supervisors hereby further
18 declares its intent to use such proceeds to reimburse the Developer for actual expenditures
19 made by the Developer on the Project.

20 Section 4. On the date of the expenditure to be reimbursed, all reimbursable costs of
21 the Project will be of a type properly chargeable to a capital account under general federal
22 income tax principles.

23 Section 5. The maximum principal amount of debt expected to be issued for the Project
24 is \$90,000,000.

1 Section 6. The Board of Supervisors hereby authorizes the Director of the Mayor's
2 Office of Housing and Community Development, or her designee (the "Director"), on behalf of
3 the City, to submit an application (the "Application"), and such other documents as may be
4 required, to CDLAC pursuant to Government Code Section 8869.85 for an allocation for the
5 Project of a portion of the state ceiling for private activity bonds in a principal amount not to
6 exceed \$90,000,000.

7 Section 7. An amount equal to \$100,000 ("Deposit") is hereby authorized to be held on
8 deposit in connection with the Application and the applicable CDLAC procedures, and the
9 Director is authorized to certify to CDLAC that such funds are available.

10 Section 8. If the City receives a CDLAC allocation for the Project and the Bonds are not
11 issued, the Mayor's Office of Housing and Community Development is hereby authorized to
12 cause an amount equal to the Deposit to be paid to the State of California, if and to the extent
13 required by CDLAC.

14 Section 9. The officers and employees of the City and the Director are hereby
15 authorized and directed, jointly and severally, to do any and all things necessary or advisable
16 to consummate the receipt of an allocation from CDLAC and otherwise effectuate the
17 purposes of this Resolution, consistent with the documents cited herein and this Resolution,
18 and all actions previously taken by such officers and employees with respect to the Project,
19 consistent with the documents cited herein and this Resolution, including but not limited to the
20 submission of the application to CDLAC, are hereby ratified and approved.

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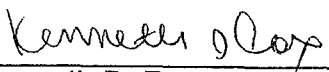
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1 Section 10. This Resolution shall take effect from and after its adoption by the Board of
2 Supervisors and approval by the Mayor.

3
4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA
6 City Attorney

7
8 By: 
9 Kenneth D. Roux
10 Deputy City Attorney
11 n:\speclas2017\0100007\01229685.docx

**City and County of San Francisco
Multifamily Securities Program
Project Description**

1990 Folsom

Overview

The funds described in the “Financing Structure” section below will be used to finance the development of 1990 Folsom, a 143-unit affordable multifamily housing project to be located at 1990 Folsom Street, San Francisco, CA 94103 (the “Project”).

Upon completion, the Project will include approximately 154,800 square feet of gross floor area, comprised of 140,667 square feet of residential area and 14,133 square feet of non-residential area. Non-residential spaces will include ground floor childcare and Production, Distribution, and Repair (“PDR”) space.

Total project costs, including the cost to acquire the land and construct a new building, will be approximately \$112 million or \$790,000 per dwelling unit. This includes acquisition costs of \$8 million.

The residential unit distribution, which will include one 2-bedroom superintendent unit, is:

<u>Unit type</u>	<u>Number of units</u>
Studio	23
1-Bedroom	48
2-Bedroom	61
3-Bedroom	11
4-Bedroom	0

Twenty-five percent of the units will be set aside for households relocated from Potrero Hill under the HOPE SF program. Ten percent of the residential units will serve households earning no more than 40% of the San Francisco County Area Median Income (“AMI”), 25% of the units will serve households earning no more than 50% of AMI, while the balance of units will serve households earning no more than 60% of AMI.

Residents

No residents will be displaced as the site is currently a vacant lot.

Site Description and Scope of Work

Address: 1990 Folsom Street, San Francisco, CA 94103
Block/Lot: 3552/012

Property amenities will include:

- Laundry room
- Two community rooms, including a community kitchen
- Extensive community gardens
- On-site tenant services & property management

Development and Management Team

Project Sponsors: Tenderloin Neighborhood Development Corporation (TNDC),
Mission Economic Development Agency (MEDA)
General Contractor: Nibbi Brothers General Contractors
Architect of Record: Leddy, Maytum, & Stacy
Property Manager: Tenderloin Neighborhood Development Corporation (TNDC)

Project Ownership Structure

Borrower Entity: 1990 Folsom Housing Associates, LP
Managing General Partner: 1990 Folsom TNDC GP LLC, MEDA 1990 Folsom LLC

An investor to-be determined limited partner will own a 99.99% interest in the borrower entity.

Financing Structure

The following sources of capital financing are expected to be utilized:

- Tax-exempt bonds issued by the City;
- 4% low-income housing tax credits ("LIHTC");
- An Affordable Housing Program ("AHP") loan through the Federal Home Loan Bank of San Francisco;
- A conventional first mortgage; and
- Soft debt from the City.

The sale of LIHTC will generate equity financing for the Project. The amount of private activity tax-exempt bonds used during construction will be sized specifically to meet the 50% of aggregate basis test required for the LIHTC.

Schedule

Financing is anticipated to close between December 2018 and February 2019, with construction commencing within 7 days closing. All construction is scheduled to be completed by December 2020.

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

COUNTY OF SAN FRANCISCO
 DEPARTMENT OF PUBLIC WORKS
 2017 NOV 11 PM 12:30
 Time stamp
 or meeting date
 BY *AB*

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Ronen

Subject:

Multifamily Housing Revenue Bonds – 1990 Folsom Street - Not to Exceed \$90,000,000

The text is listed:

Resolution declaring the intent of the City and County of San Francisco (the "City") to reimburse certain expenditures from proceeds of future bonded indebtedness; authorizing the Director of the Mayor's Office of Housing and Community Development (the "Director") to submit an application and related documents to the California Debt Limit Allocation Committee ("CDLAC") to permit the issuance of residential mortgage revenue bonds in an aggregate principal amount not to exceed \$90,000,000 for 1990 Folsom Street (San Francisco, California 94103); authorizing and directing the Director to direct the Controller's Office to hold in trust an amount not to exceed \$100,000 in accordance with CDLAC procedures; authorizing the Director to certify to CDLAC that the City has on deposit the required amount; authorizing the Director to pay an amount equal to such deposit to the State of California if the City fails to issue the residential mortgage revenue bonds; authorizing and directing the execution of any documents necessary to implement this Resolution; and ratifying and approving any action heretofore taken in connection with the Project, as defined herein, and the Application, as defined herein.

Signature of Sponsoring Supervisor:

J. Kone

For Clerk's Use Only

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>
Name of contractor: 1990 Folsom Housing Associates, LP, a California limited partnership

Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.

The borrowing entity for the 1990 Folsom project is 1990 Folsom Housing Associates, LP, a California limited partnership. This entity has no employees, and decisions are made by Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation ("TNDC"), and Mission Economic Development Agency, a California nonprofit public benefit corporation ("MEDA"), which control its general partners.

Please see the lists below in response to Items (1) and (2).

	TNDC	MEDA
Board of Directors	Margaret Schrand Lisa Blakely Elizabeth Tracey Dave Kroot Samia Rashed Curtis Bradford Sally Carlson Saul Feldman Chris Gouig Lisa Le Dick McNeil Jr. Erica Mohan Josh Mukhopadhyay Patrick Murcia Jan Peters Ascanio Piomelli Nicole Rivera Loren Sanborn Amy Tharpe Kristy Wang Amory Sharpe Freddie Martin	Jane Duong William Ortiz-Cartagena Whitney Jones Matthew Haney Karling Aguilera-Fort Kevin Stein Kavita Gobburi Jabari Herbert
Chief Executive Officer	Donald S. Falk	Luis Granados
Chief Financial Officer	Paul Sussman	John Sedlander
Chief Operating Officer	Elizabeth Orlin	Jillian Spindle

Items (3), (4), and (5) do not apply to 1990 Folsom Housing Associates, LP.

Contractor address: 1990 Folsom Housing Associates, LP c/o Tenderloin Neighborhood Development Corporation 201 Eddy Street San Francisco, California 94102	
Date that contract was approved: (By the SF Board of Supervisors)	Amount of contract: Not to exceed \$90,000,000
Describe the nature of the contract that was approved: The contract constitutes approval of a resolution declaring the City's intent to issue tax-exempt multifamily housing revenue bonds to finance an affordable housing project located at 1990 Folsom Street in San Francisco. The resulting obligations will be conduit debt with no recourse to the City's general fund.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: **San Francisco Board of Supervisors**
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information (Please print clearly.)

Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

