

1 [Multifamily Housing Revenue Bonds - Broadway Sansome Apartments – Not to Exceed  
2 \$23,900,000]

3 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**  
4 **in an aggregate principal amount not to exceed \$23,900,000 for the purpose of**  
5 **providing financing for the acquisition and construction of a 75-unit multifamily rental**  
6 **housing project known as Broadway Sansome Apartments; approving the form of and**  
7 **authorizing the execution of a trust indenture providing the terms and conditions of the**  
8 **bonds; approving the form of and authorizing the execution of a regulatory agreement**  
9 **and declaration of restrictive covenants; approving the forms of and authorizing the**  
10 **execution of certain loan documents; authorizing the collection of certain fees;**  
11 **ratifying and approving any action heretofore taken in connection with the bonds and**  
12 **the project; granting general authority to City officials to take actions necessary to**  
13 **implement this 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 the acquisition and construction by  
17 Broadway Sansome Associates, L.P., a California limited partnership (the "Borrower"), of a  
18 75-unit residential rental development located at 235 Broadway Street, San Francisco,  
19 California, known as "Broadway Sansome Apartments" (the "Project"), to provide housing for  
20 persons and families of very low income through the issuance of revenue bonds; and

21 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue  
22 revenue bonds for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of  
23 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of  
24 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of  
25

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

3 WHEREAS, The interest on the Bonds (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 Bonds are approved in accordance with Section 147(f) of the Code; and

6 WHEREAS, This Board is the elected legislative body of the City and is the applicable  
7 elected representative required to approve the issuance of the Bonds within the meaning of  
8 Section 147(f) of the Code; and

9 WHEREAS, On June 26, 2012, this Board, in Resolution No. 249-12, approved the  
10 issuance of the Bonds for the purposes of Section 147(f) of the Code; and

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

15 WHEREAS, It appears that each of the documents which is now before this Board,  
16 including an Indenture, a Loan Agreement, a Regulatory Agreement, a Subordination  
17 Agreement and an Assignment (each of which is defined and described below), is  
18 substantially in appropriate form and is an appropriate instrument to be executed and  
19 delivered for the purposes intended; and

20 WHEREAS, The Bonds will be a limited obligation of the City, the sole source of  
21 repayment for which shall be payments made by the Borrower under the Loan Agreement  
22 together with investment income on certain funds and accounts held under the Indenture; and

23 WHEREAS, The Board finds that the public interest and necessity require that the City  
24 at this time make arrangements for the sale of the Bonds; and

1           WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation and  
2 Amira Jackmon, Attorney at Law, as co-bond counsel with respect to the Bonds ("Co-Bond  
3 Counsel"); and,

4           WHEREAS, Silicon Valley Bank (the "Bank") has expressed its intention to purchase,  
5 or cause an affiliate to purchase, the Bonds authorized hereby; now, therefore, be it

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

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

10          Section 2. Approval of Issuance of Bonds. In accordance with the Act and the  
11 Indenture (hereinafter defined), the City is hereby authorized to issue and deliver revenue  
12 bonds of the City, such bonds to be issued in one or more series and subseries, and  
13 designated as "City and County of San Francisco, California Multifamily Housing Revenue  
14 Bonds (Broadway Sansome Apartments), Series 2013A," or such other designation as may  
15 be necessary or appropriate to distinguish such series from every other series of bonds, in an  
16 aggregate principal amount not to exceed \$23,900,000 (the "Bonds"), with an interest rate not  
17 to exceed twelve percent (12%) per annum for the Bonds, and which shall have a final  
18 maturity date not later than February 1, 2038. The Bonds shall be in the form set forth in and  
19 otherwise in accordance with the Indenture, and shall be executed by the manual or facsimile  
20 signature of the Mayor of the City (the "Mayor") and attested by the manual or facsimile  
21 signature of the Clerk of the Board.

22          Section 3. Indenture. The Trust Indenture (the "Indenture"), by and between the City  
23 and U.S. Bank National Association, as trustee (the "Trustee"), in the form presented to the  
24 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor,  
25 Director of the Mayor's Office of Housing (the "Director") or any Authorized Representative of

1 the City (as such term is defined in the Indenture) is hereby authorized to execute the  
2 Indenture, approved as to form by the City Attorney of the City (the "City Attorney"), in  
3 substantially said form, together with such additions thereto and changes therein as the City  
4 Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 7  
5 hereof.

6 Section 4. Regulatory Agreement and Declaration of Restrictive Covenants. The  
7 Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory  
8 Agreement"), between the City and the Borrower, in the form presented to the Board, a copy  
9 of which is on file with the Clerk of the Board, is hereby approved. The Mayor, the Director or  
10 any Authorized Representative is hereby authorized to execute the Regulatory Agreement,  
11 approved as to form by the City Attorney, in substantially said form, together with such  
12 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may  
13 approve or recommend in accordance with Section 7 hereof.

14 Section 5. City Loan Documents. The Loan Agreement by and among the City, the  
15 Trustee and the Borrower (the "Loan Agreement"), the Subordination Agreement by and  
16 between the City and the Trustee in favor of the Bank (the "Subordination Agreement"), and  
17 the Assignment of Deed of Trust Documents from the City to the Trustee (the "Assignment"  
18 and together with the Loan Agreement and the Subordination Agreement, the "City Loan  
19 Documents"), in the forms presented to the Board, copies of which are on file with the Clerk of  
20 the Board, are hereby approved. The Mayor, the Director or any Authorized Representative is  
21 hereby authorized to execute the Loan Documents in substantially said form, together with  
22 such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may  
23 approve or recommend in accordance with Section 7 hereof.

24 Section 6. Issuer Fees. The City, acting through the Mayor's Office of Housing, shall  
25 charge a fee for the administrative costs associated with issuing the Bonds in an amount not

1 to exceed 0.25% of the aggregate principal amount of the Bonds. Such fee shall be payable at  
2 bond closing and may be contingent on the bond sale. The City shall also charge an annual  
3 fee for monitoring the restricted units in an amount not to exceed 0.125% of the outstanding  
4 aggregate principal amount of the Bonds, but no less than \$2,500 annually, for the term of the  
5 Regulatory Agreement. The initial monitoring fee shall be payable at bond closing. The Board  
6 hereby authorizes the Mayor's Office of Housing to charge and collect the fees described in  
7 this section.

8 Section 7. Modifications, Changes, Additions. Any Authorized Representative  
9 executing the Indenture, the Regulatory Agreement or the City Loan Documents (collectively,  
10 the "City Agreements"), in consultation with the City Attorney and Co-Bond Counsel, is hereby  
11 authorized to approve and make such modifications, changes or additions to the City  
12 Agreements as may be necessary or advisable, provided that such modification does not  
13 authorize an aggregate principal amount of Bonds in excess of \$23,900,000, provide for a  
14 final maturity on the Bonds later than February 1, 2038, or provide for the Bonds to bear  
15 interest at a rate in excess of twelve percent (12%) per annum. The approval of any  
16 modification, addition or change to any of the aforementioned documents shall be evidenced  
17 conclusively by the execution and delivery of the document in question.

18 Section 8. Ratification. All actions heretofore taken by the officers and agents of the  
19 City with respect to the sale and issuance of the Bonds are hereby approved, confirmed and  
20 ratified.

21 Section 9. General Authority. The proper officers of the City are hereby authorized and  
22 directed, for and in the name and on behalf of the City, to do any and all things and take any  
23 and all actions and execute and deliver any and all certificates, agreements and other  
24 documents, including but not limited to those documents described in the Indenture, the City  
25 Loan Documents and the Regulatory Agreement, which they, or any of them, may deem

1 necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds  
2 and to effectuate the purposes thereof and of the documents herein approved in accordance  
3 with this Resolution.

4 Section 10. File. All documents referenced herein as being on file with the Clerk of the  
5 Board are located in File No. 130177, which is hereby declared to be a part of this Resolution  
6 as if set forth fully herein.

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APPROVED AS TO FORM:

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DENNIS J. HERRERA  
City Attorney

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By: \_\_\_\_\_  
HEIDI J. GEWERTZ  
Deputy City Attorney

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