

File No. 190686

Committee Item No. 7

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: June 20, 2019

Board of Supervisors Meeting:

Date: _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
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| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
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| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER

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| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Project Memo |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | TEFRA Hearing Minutes - June 3, 2019 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | TEFRA Hearing Notice - May 21, 2019 |

Prepared by: John Carroll

Date: June 14, 2019

Prepared by: John Carroll

Date: _____

1 [Multifamily Housing Revenue Bonds - 1064-1068 Mission Street - Not to Exceed
2 \$103,000,000]

3 **Resolution declaring the intent of the City and County of San Francisco ("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 **("Director") to submit an application and related documents to the California Debt Limit**
7 **Allocation Committee ("CDLAC") to permit the issuance of residential mortgage**
8 **revenue bonds in an aggregate principal amount not to exceed \$103,000,000**
9 **for 1064-1068 Mission Street (San Francisco, California 94103); authorizing and**
10 **directing the Director to direct the Controller's Office to hold in trust an amount not to**
11 **exceed \$100,000 in accordance with CDLAC procedures; authorizing the Director to**
12 **certify to CDLAC that the City has on deposit the required amount; authorizing the**
13 **Director to pay an amount equal to such deposit to the State of California if the City**
14 **fails to issue the residential mortgage revenue bonds; approving, for purposes of the**
15 **Internal Revenue Code of 1986, as amended, the issuance and sale of residential**
16 **mortgage revenue bonds by the City in an aggregate principal amount not to**
17 **exceed \$103,000,000; authorizing and directing the execution of any documents**
18 **necessary to implement this Resolution; and ratifying and approving any action**
19 **heretofore taken in connection with the Project, as defined herein, and the Application,**
20 **as defined herein.**

21
22
23 WHEREAS, The Board of Supervisors of the City and County of San Francisco ("Board
24 of Supervisors"), after careful study and consideration, has determined that there is a
25

1 residents of the City and in furtherance of the health, safety, and welfare of the public for the
2 City to assist in the financing of multi-family rental housing units; and

3 WHEREAS, Acting under and pursuant to the powers reserved to the City under
4 Sections 3, 5, and 7 of Article XI of the Constitution of the State of California and
5 Sections 1.101 and 9.107 of the Charter of the City and County of San Francisco, the City has
6 enacted the City and County of San Francisco Residential Mortgage Revenue Bond Law
7 (“City Law”), constituting Article I of Chapter 43 of the San Francisco Administrative Code, in
8 order to establish a procedure for the authorization, issuance and sale of residential mortgage
9 revenue bonds by the City for the purpose of providing funds to encourage the availability of
10 adequate housing and home finance for persons and families of low or moderate income, and
11 to develop viable communities by providing decent housing, enhanced living environments,
12 and increased economic opportunities for persons and families of low or moderate income;
13 and

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

19 WHEREAS, 1064 Mission, L.P., a California limited partnership (or an affiliate thereof
20 or successor thereto) (the “Borrower”) desires to acquire and construct a 258-unit affordable
21 residential rental housing development located at 1064 – 1068 Mission, San Francisco,
22 California 94103, containing two residential complexes, one for seniors and one for adults
23 (“Project”); and
24
25

1 WHEREAS, The Developer has requested that the City assist in the financing of the
2 Project through the issuance of one or more series of tax-exempt mortgage revenue bonds
3 (“Bonds”); and

4 WHEREAS, The City expects that proceeds of the Bonds will be used to pay certain
5 costs incurred in connection with the Project prior to the date of issuance of the Bonds; and

6 WHEREAS, The City intends to issue the Bonds in an amount not to
7 exceed \$103,000,000 and to loan the proceeds of the Bonds to the Developer (“Loan”) to
8 finance the costs of the Project; and

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

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

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

18 WHEREAS, The interest on the Bonds may qualify for tax exemption under
19 Section 103 of the Internal Revenue Code of 1986, as amended (“Code”), only if the Bonds
20 are approved in accordance with Section 147(f) of the Code; and

21 WHEREAS, The City now wishes to approve the issuance of the Bonds in order to
22 satisfy the public approval requirements of Section 147(f) of the Code; and

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

24 WHEREAS, On May 20, 2019, the City caused a notice stating that a public hearing
25 with respect to the issuance of the Bonds would be held by the Mayor’s Office of Housing and

1 Community Development on June 3, 2019, published in the Notices section of the Mayor's
2 Office of Housing and Community Development website (at <https://sfmohcd.org/notices-0>);
3 and

4 WHEREAS, The Mayor's Office of Housing and Community Development held the
5 public hearing described above on June 3, 2019, and an opportunity was provided for persons
6 to comment on the issuance of the Bonds and the Project; and

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

10 WHEREAS, Section 146 of the Code limits the amount of tax-exempt private activity
11 bonds, which include qualified mortgage bonds, that may be issued in any calendar year by
12 entities within a state and authorizes the legislature of each state to provide the method of
13 allocating authority to issue tax-exempt private activity bonds within the respective state; and

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

18 WHEREAS, Section 8869.85(b) of the Government Code requires that a local agency
19 file an application for a portion of the state ceiling with or upon the direction of the California
20 Debt Allocation Committee ("CDLAC") prior to the issuance of tax-exempt private activity
21 bonds, including qualified mortgage bonds; and

22 WHEREAS, CDLAC procedures require an applicant for a portion of the state ceiling to
23 certify to CDLAC that applicant has on deposit an amount equal to one-half of one percent
24 (0.5%) of the amount of allocation requested not to exceed \$100,000; now, therefore, be it
25

1 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
2 follows:

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

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

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

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

18 Section 5. The maximum principal amount of debt expected to be issued for the Project
19 is \$103,000,000.

20 Section 6. This Board of Supervisors, as the applicable elected representative of the
21 governmental unit having jurisdiction over the area in which the Project is located, hereby
22 approves the issuance of the Bonds for purposes of Section 147(f) of the Code.

23 Section 7. This approval of the issuance of the Bonds by the City is neither an approval
24 of the underlying credit issues of the proposed Project nor an approval of the financial
25 structure of the Bonds.

1 Section 8. The Board of Supervisors hereby authorizes the Director of the Mayor's
2 Office of Housing and Community Development, including any acting or interim director, or
3 such person's designee ("Director"), on behalf of the City, to submit an application
4 ("Application"), and such other documents as may be required, to CDLAC pursuant to
5 Government Code Section 8869.85 for an allocation for the Project of a portion of the state
6 ceiling for private activity bonds in a principal amount not to exceed \$103,000,000.

7 Section 9. An amount equal to one-half of one percent (0.5%) of the amount of the
8 CDLAC allocation requested for the Project, not to exceed \$100,000 ("Deposit"), is hereby
9 authorized to be held on deposit in connection with the Application and the applicable CDLAC
10 procedures, and the Director is authorized to certify to CDLAC that such funds are available.

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

15 Section 11. The officers and employees of the City, including the Director, are hereby
16 authorized and directed, jointly and severally, to do any and all things necessary or advisable
17 to consummate the receipt of an allocation from CDLAC and otherwise effectuate the
18 purposes of this Resolution, consistent with the documents cited herein and this Resolution,
19 and all actions previously taken by such officers and employees with respect to the Project,
20 consistent with the documents cited herein and this Resolution, including but not limited to the
21 submission of the application to CDLAC, are hereby ratified and approved.

22 ///


23 ///

24 ///

25 ///

1 Section 12. This Resolution shall take effect from and after its adoption by the Board
2 and approval by the Mayor.
3

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

7 By: 
8 KENNETH DAVID ROUX
9 Deputy City Attorney
10 n:\financlas2019\1900590\01367012.docx

Project Description
Multifamily Securities Program
City and County of San Francisco

1064-68 Mission Permanent Supportive Housing

Overview

The funds described in the “Financing Structure” section below will be used to finance the new construction of 1064-68 Mission Street Permanent Supportive Housing, a 258-unit affordable multifamily housing project to be located at 1064 Mission Street, 94103 in the City and County of San Francisco (the "Project"). The Project will contain two separate residential complexes, one with 103 units for seniors plus one resident manager unit and one with 153 units for adults plus one resident manager unit. The Project will be owned and operated by the Borrower.

Upon completion, the Project will include approximately 156,931 square feet of gross floor area, comprised of 150,931 square feet of residential area and 6,000 square feet of non-residential area. Non-residential spaces will include a culinary training program for formerly homeless and homeless persons.

Total project costs, including the cost to acquire the land and construct new buildings, will be approximately \$143,593,930, or \$556,656 per dwelling unit.

The residential unit distribution, which will include 2 1-bedroom superintendent unit[s], is:

<u>Unit type</u>	<u>Number of units</u>
Studio	256
1-Bedroom	2
2-Bedroom	0
3-Bedroom	0
4-Bedroom	0

99 percent of the residential units will serve households earning less than 50 percent of the San Francisco County Area Median Income (AMI), while the balance of units will serve 2 resident staff.

Residents

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

Site Description and Scope of Work

Address: 1064-1068 Mission Street, San Francisco, CA 94103
Block/Lot: Block 3703/Lots 40 and 84

Property amenities will include:

- Lounges with TV and computers
- Wifi throughout the building
- Social services offices
- Laundry rooms
- Programmable activity rooms

- Community Rooms
- Landscaped courtyards
- Community Open Space
- Computer stations
- Property management offices and In Home Support Services staff office space

Development and Management Team

Project Sponsor[s]: Mercy Housing California and
 Episcopal Community Services of San Francisco
 General Contractor: Cahill Contractors LLC.
 Architect of Record: Herman Coliver Locus Architecture
 Property Manager: Caritas Management Corporation.

Project Ownership Structure

Borrower Entity: 1064 Mission, L.P., a California limited partnership
 Co General Partners: Mercy Housing 1064 Mission LLC, a Ca LLC and
 1064 Mission LLC, a Ca LLC
 Managing Members of the LLCs:
 Mercy Housing Calwest, a CA non profit public benefit corp
 ECS Housing Corporation, a CA non profit public benefit corp

An investor 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;
- equity generated from the syndication of 4% low income housing tax credits (LIHTC);
- General Partner contribution
- FHLB – Affordable housing program forgiveable debt
- 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 January 1st 2020 and January 15th, 2020, with construction commencing within approximately 10 days after closing. All construction is scheduled to be completed by early August 2021.

There are currently no residential tenants. The site is a parking lot.

Narrative Description of Project Sponsor Experience

The Developer is comprised of Episcopal Community Services of San Francisco ("ECS") as Lead Developer and Mercy Housing California ("Mercy") as Co-Developer.

ECS will be the co-developer, lead service provider and eventual sole managing general partner and asset manager of the Mission Street developments. With 35 years' experience serving homeless people in San Francisco, ECS recognized early that shelter was not sufficient. In 1990, the organization committed to develop the first new construction supportive housing facility in San Francisco. On land owned by ECS, its Canon Kip Community House opened in 1994, as home to 103 formerly homeless single adult tenants. ECS followed by acquiring land for the development of 47 units of family housing at Canon Barcus in 2002 and then 134 units at Bishop Swing Community House which it opened in 2009. Its master-leased developments and its service provision at MHC sites extend ECS's current reach to 1,200 tenants at 11 supportive housing sites. ECS's continuum of shelter, supportive housing, rapid rehousing, and services make it a leader in the community's efforts to end homelessness. In the past two years, its work has been recognized by the Board of Supervisors (Certificate of Honor for commitment to people experiencing homelessness, 2017); the California Department of Rehabilitation (Certificate of Appreciation for continued motivation of clients, 2017); the SF Business Times (nomination of ECS's CFO for CFO of the Year Award, 2017); and the MHA-SF (MHSA Achievement in Recovery Award to CHEFS, 2016).

ECS's financial and administrative capacity also ensure its ability to develop and open two new supportive housing developments simultaneously, and continue to operate and serve its tenants successfully. This is evidenced by ECS's budget growth from \$20 million to \$33 million in the past four years, with \$27.2 million in FY18 grants from five City agencies, plus additional State and federal pass-through dollars and annually receiving clean audits both from its independent auditor (financial) and the City (financial and programmatic). Further, ECS opened the 1st Navigation Center within 28 days of receiving its notification of selection from the City and within three days established a harsh weather "pop-up" shelter in the basement of Next Door shelter for 50 additional overnight residents in 2017 and 2016, as well as managed an emergency shelter at the Gene Friend Recreation Center (at 6th and Folsom Streets) during a December storm within three hours of the City's request.

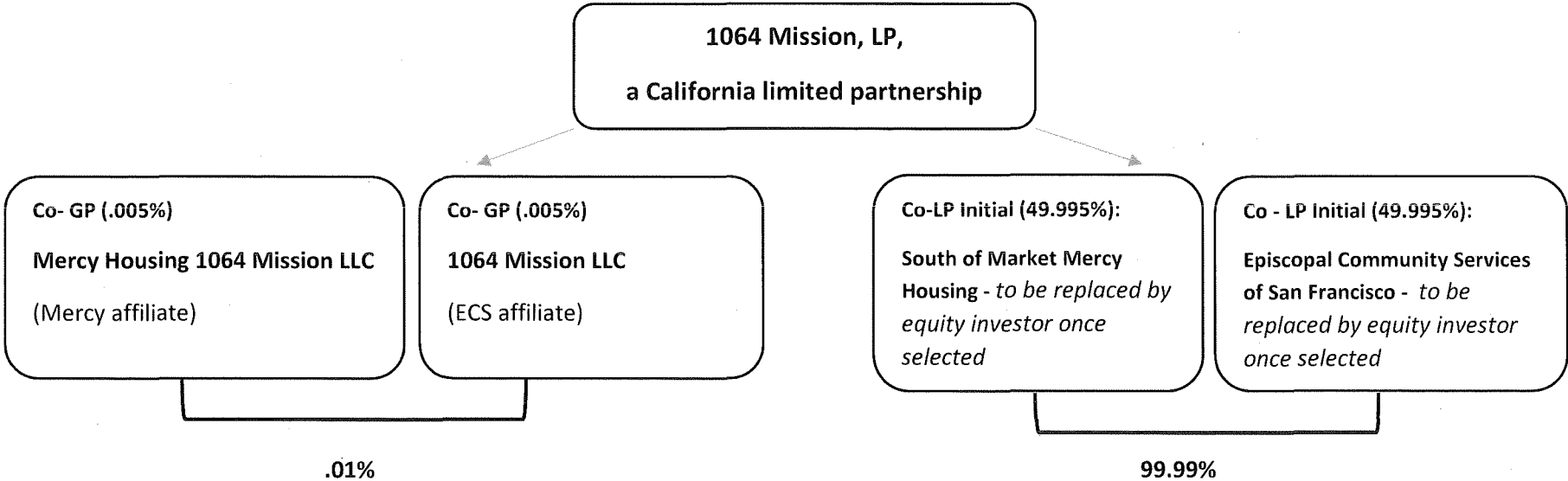
Mercy will be ECS's development partner and co-developer of this project. This partnership builds upon a relationship that has been forged over the past 20 years with the organizations partnering on many developments in different capacities. MHC was development consultant on ECS's Canon Barcus Community House (from 2000-2004), and the two organizations are working currently on the re-syndication and major rehab of Canon Kip Community House. Further, ECS acts as service provider, providing intensive case management, at both Mercy's 1180 4th Street (family housing with 50 units for formerly homeless families) and Rose Hotel (permanent supportive housing for single adults.)

Mercy has developed over 50 properties in San Francisco over the past 35 years. Many of these properties were the result of strong affordable housing expertise, commitment & perseverance to combine unique financing sources to create innovative housing models. Mercy's most senior housing development staff comprised of Barbara Gualco, Ramie Dare, Sharon Christen and Tim Dunn have over 80 combined years of affordable housing development experience in San Francisco. Sharon Christen led the Mission Creek Senior Community development which was the first affordable senior development in San Francisco that worked with the DPH referral program to house frail, homeless seniors. Mercy was able to obtain both MHP housing dollars as well as their community facilities funding for the adult day health center and

navigate HCD to obtain the housing preference for over 1/3 of the units. A more recent example of an innovative housing model is the recently completed Bill Sorro Community. Mercy was able to obtain TOD funding from HCD and very last of the HUD 811 capital funding with the goal of leveraging as much financing as possible to reduce the per unit City contribution on a very small complex site. The Section 811 and associated Project Rental Assistance Contract rental subsidies allow 14 of the units to serve a very underserved developmentally disabled population.

Both ECS and MHC has extensive experience developing permanent supportive housing, new construction, infill projects with constrained budgets and complex financing structures including projects in the immediate mid Market/SOMA neighborhood.

1064 Mission Street Borrower Organization Chart



CITY AND COUNTY OF SAN FRANCISCO

Public Hearing as required by Section 147(f) of the Internal Revenue Code of 1986

1064-68 Mission

Date: June 3, 2019

Time: 11:00 AM

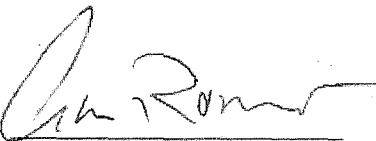
Location: Mayor's Office of Housing and Community Development (MOHCD)
City and County of San Francisco
1 South Van Ness Avenue, 5th Floor, Room 5084
San Francisco, CA 94103

Present: Anne Romero, MOHCD
Barbara Gualco, Mercy Housing California
Gunnar Pignotti, Mercy Housing California
Rebecca Gigi, Episcopal Community Services

The hearing was held to obtain public comment on the proposed issuance by the City and County of San Francisco of multifamily housing revenue bonds in an amount not to exceed \$103 million for the purpose of financing the construction of a 258 - unit residential rental housing development located at 1064-68 Mission Street in San Francisco ("Project"). The project will contain two separate residential complexes, one with 103 units for seniors plus one resident manager unit and one with 153 units for adults plus one resident manager unit. The development will be owned by **1064 Mission, L.P.**, a **California limited partnership** formed by Mercy Housing California and Episcopal Community Services of San Francisco, or any successor thereto.

The public hearing was convened at 11:00 AM. There were no written comments received on the proposed issuance. Except for a representative from the Mayor's Office of Housing and Community Development (Anne Romero, Senior Project Manager) and the project sponsors (Barbara Gualco, Gunnar Pignotti and Rebecca Gigi), there were no persons present wishing to comment on the proposed issuance or on the project. The hearing was adjourned at 11:30 AM.

Minutes prepared by:


Anne Romero

Date: June 3, 2019

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on June 3, 2019 at 11:00 AM, in the Mayor's Office of Housing and Community Development, 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, the City and County of San Francisco (the "City") will conduct a public hearing (the "Public Hearing") at which time the City will hear and consider information concerning the proposed sale and issuance by the City of multifamily affordable housing mortgage revenue bonds (the "Bonds") in an aggregate principal amount not to exceed One Hundred Three Million Dollars (\$103,000,000). The proceeds of the Bonds will be loaned to 1064 Mission, L.P., a California limited partnership (or an affiliate thereof or successor thereto) (the "Borrower"), pursuant to a loan agreement (the "Loan Agreement"). The proceeds of the Bonds loaned to the Borrower will be used to finance the construction of approximately 258 permanent supportive housing units of residential rental housing located at 1064-1068 Mission Street, San Francisco, California 94103, currently defined as Block 3703 / Lots 084 and 040 (the "Project"). The Project will contain two separate residential complexes, one with 103 units for seniors plus one resident manager unit and one with 153 units for adults plus one resident manager unit. The Project will be owned and operated by the Borrower.

The Bonds will be paid entirely by the Borrower from the revenues of the Project, in accordance with the Loan Agreement. Neither the full faith and credit nor the taxing power of the City, the State of California (the "State") or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal, premium, if any, or interest on the Bonds, nor shall the City, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal, premium, if any, or interest on the Bonds.

The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

All those interested in matters related to the issuance of the Bonds and to the financing of the Project are invited to attend and be heard at this hearing. Interested parties may appear in person at the time and place indicated above or submit written comments, which must be received prior to the Public Hearing, to the City, c/o Anne Romero, Mayor's Office of Housing and Community Development, at the address indicated above.

Date: Tuesday, May 21, 2019

CITY AND COUNTY OF SAN FRANCISCO
Kate Hartley, Director
Mayor's Office of Housing and Community
Development

CERTIFICATE OF TEFRA PUBLICATION
1064-68 Mission Supportive Housing

This Certificate of Publication is executed this day for the purposes of demonstrating compliance with Section 147(f) of the Internal Revenue Code of 1986, as Amended (the "Code") and applicable Treasury Regulations (the "Regulations"). The undersigned, as a duly qualified and appointed representative of the City and County of San Francisco acting through the Mayor's Office of Housing and Community Development (the "Issuer"), hereby certifies as follows:

1. A Notice of Public Hearing, attached as Exhibit A, with respect to the issuance of tax-exempt bonds/obligations (the "Bonds") of the Issuer for the benefit of the project described therein (the "Project") was published on the Issuer's primary website address of <https://sfmohcd.org/notices-0> on **May 21, 2019**.

2. The Notice of Public Hearing was posted in an area of the Issuer's website that is used to inform its residents about events affecting the residents and which is clearly identified and accessible to members of the general public seeking information concerning the issuance of the Bonds and the Project.

3. Evidence of the website publication of the Notice of Public Hearing is attached hereto as Exhibit B. This Issuer will maintain records showing that the Notice of Public Hearing containing the requisite information was timely posted on the Issuer's website.

4. The Notice of Hearing remained published on the Issuer's website for a period of **fourteen** consecutive days and the Issuer held the hearing as described in the Notice of Public Hearing on **June 3, 2019**.

5. Following the hearing, the Issuer submitted the request for approval of the Issuance of the Bonds and Project to the applicable elected representative of the Issuer as required by Section 147(f) of the Code and the Regulations.

Dated: June 3, 2019

**CITY AND COUNTY OF SAN
FRANCISCO**

By: 

Name: Anne Romero

Title: Senior Project Manager

Mayor's Office of Housing and Community
Development

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on June 3, 2019 at 11:00 AM, in the Mayor's Office of Housing and Community Development, 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, the City and County of San Francisco (the "City") will conduct a public hearing (the "Public Hearing") at which time the City will hear and consider information concerning the proposed sale and issuance by the City of multifamily affordable housing mortgage revenue bonds (the "Bonds") in an aggregate principal amount not to exceed One Hundred Three Million Dollars (\$103,000,000). The proceeds of the Bonds will be loaned to 1064 Mission, L.P., a California limited partnership (or an affiliate thereof or successor thereto) (the "Borrower"), pursuant to a loan agreement (the "Loan Agreement"). The proceeds of the Bonds loaned to the Borrower will be used to finance the construction of approximately 258 permanent supportive housing units of residential rental housing located at 1064-1068 Mission Street, San Francisco, California 94103, currently defined as Block 3703 / Lots 084 and 040 (the "Project"). The Project will contain two separate residential complexes, one with 103 units for seniors plus one resident manager unit and one with 153 units for adults plus one resident manager unit. The Project will be owned and operated by the Borrower.

The Bonds will be paid entirely by the Borrower from the revenues of the Project, in accordance with the Loan Agreement. Neither the full faith and credit nor the taxing power of the City, the State of California (the "State") or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal, premium, if any, or interest on the Bonds, nor shall the City, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal, premium, if any, or interest on the Bonds.

The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

All those interested in matters related to the issuance of the Bonds and to the financing of the Project are invited to attend and be heard at this hearing. Interested parties may appear in person at the time and place indicated above or submit written comments, which must be received prior to the Public Hearing, to the City, c/o Anne Romero, Mayor's Office of Housing and Community Development, at the address indicated above.

Date: Tuesday, May 21, 2019

CITY AND COUNTY OF SAN FRANCISCO
Kate Hartley, Director
Mayor's Office of Housing and Community
Development

EXHIBIT B
EVIDENCE OF PUBLICATION



Mayor's Office of Housing and Community Development



[Rent](#)

[Own](#)

[Services](#)

[Vision & Impact](#)

[Partner Resources](#)

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Notices

General Notices

- [April 1, 2019 - Affordable Housing Bond Working Group Public Meeting Notice](#)
- [May 21, 2019 - Notice of Public Hearing - 500-520 Turk and 555 Larkin Street TEFRA Hearing.](#)
- [May 21, 2019 - Notice of Public Hearing - 1064-1068 Mission Street TEFRA Hearing.](#)

Community Development Meeting Agendas & Minutes

- [Citizen's Committee on Community Development](#)
- [SoMa Fund Community Advisory Committee](#)

Environmental Reviews

MOHCD performs environmental reviews for all public buildings in San Francisco.

[Archived meetings \(pre-2015\)](#)

[Relocation Appeals Board](#)

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):	City elective office(s) held:
Members, Board of Supervisors	Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor:	
1064 Mission, L.P., 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 1064-68 Mission project is **1064 Mission, L.P.**, a California limited partnership. 1064 Mission, L.P. has no employees and decisions are made by its co-general partners, Mercy Housing 1064 Mission LLC, a California Limited Liability Corporation and 1064 Mission LLC, a California Limited Liability Corporation, with managing members Mercy Housing Calwest, a California nonprofit public benefit corporation and ECS Housing Corporation, a California nonprofit public benefit corporation.

Please see the below Board list to comply with request #1. Additionally, the contractor's chief executive officer, chief financial officer and deputy directors are Mercy Housing Calwest and ECS Housing Corporation's governing officers as the result of 1064 Mission, L.P.'s relationship to Mercy Housing Calwest and ECS Housing Corporation.

Mercy Housing Calwest Board of Directors:

Name	Title
Amy Bayley	Assistant Secretary
Doug Shoemaker	President
Joe Rosenblum	Secretary
Vince Dodds	Treasurer
Barbara Gualco	Vice President
Bruce Saab	Vice President
Ed Holder	Vice President
Erika Villablanca	Vice President
Jane Graf	Vice President
Jennifer Dolin	Vice President
Melissa Clayton	Vice President
Rich Ciraulo	Vice President
Stephan Daues	Vice President
Steve Spears	Vice President
Val Agostino	Vice President

ECS Housing Corporation Officers:

Name	Title
Mary Elizabeth Stokes	President
David Cooke	Secretary
Scott Hagan	Treasurer
Todd Clayter	Vice President
Richard Springwater	Chair
Michael Franklin	
Susanna Singer	
Barbara Solomon	

Chief Executive Officers: Doug Shoemaker (President) and Mary Elizabeth Stokes (ECS Executive Director)

Chief Financial Officer(s): Vince Dodds (Treasurer) and Eric Larra (ECS)

Chief Operating Officer: Chris Callandrillo (ECS)

Deputy Directors: Barbara Gualco, Doug Shoemaker, Joe Rosenblum, Melissa Clayton, Val Agostino

Items #3, #4 and #5 do not apply to 1064 Mission, L.P.

Contractor address:
1064 Mission, L.P.
Care of: Mercy Housing California
1256 Market Street
San Francisco, CA 94102
Attn: Executive Director

Date that contract was approved:

Amount of contract: **Not to exceed \$103,000,000**

Describe the nature of the contract that was approved: Inducement and TEFRA resolution authorizing the Director of MOHCD to submit an application for residential mortgage revenue bonds in an aggregate principal amount not to exceed \$103,000,000 to the California Debt Limit Allocation Committee for bond financing in support of the development of a project at 1064-68 Mission Street, San Francisco, California 94103.

Comments:

This contract was approved by (check applicable):

the City elective officer(s) identified on this form (Mayor London N. Breed)

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 <i>(Please print clearly.)</i>	
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: <u>Board.of.supervisors@sfgov.org</u>

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



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Sophia Kittler
RE: Multifamily Housing Revenue Bonds – 1064-68 Mission Street, San Francisco, California 94103 - Not to Exceed \$103,000,000
DATE: Tuesday, June 11, 2019

BY: *[Signature]*
2019 JUN 11 PM 4:39
BOARD OF SUPERVISORS
SAN FRANCISCO
AFFIDAVIT

Resolution declaring the intent of the City and County of San Francisco (“City”) to reimburse certain expenditures from proceeds of future bonded indebtedness; authorizing the Director of the Mayor’s Office of Housing and Community Development (“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 \$103,000,000 for 1064-1068 Mission 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; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue bonds by the City in an aggregate principal amount not to exceed \$103,000,000; 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.

Should you have any questions, please contact Sophia Kittler at 415-554-6153.