

1 [Multifamily Housing Revenue Note - Mission Bay 9 LP - Not to Exceed \$49,132,841]

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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 \$49,132,841**
5 **for the purpose of providing financing for the construction of a 141-unit multifamily**
6 **rental housing project known as “Mission Bay South Block 9;” approving the form of**
7 **and authorizing the execution of a funding loan agreement, providing the terms and**
8 **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 project**
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; granting general authority to City officials to take**
16 **actions necessary to implement this Resolution, as defined herein; and related matters,**
17 **as defined herein.**

18
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 Mission Bay 9 LP, a California limited partnership (the “Borrower”), of a 141-unit (including
22 one manager’s unit) residential rental development project located at 410 China Basin Street,
23 in San Francisco, California, known as “Mission Bay South Block 9” (the “Project”), to provide
24 housing for persons of low and very-low income through the issuance of a multifamily housing
25 revenue note in one or more series (collectively, the “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 February 18, 2020, the California Debt Limit Allocation Committee
8 (“CDLAC”) in its Resolution Number 20-433, allocated an amount not to exceed \$49,132,841
9 in qualified private activity bond allocation 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 public interest and necessity require that the City at
18 this time make arrangements for the funding loan, the project 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 payment of which shall be payments made by the Borrower under the Project Loan
22 Agreement (hereinafter defined), together with investment income, if any, of certain funds and;
23 accounts held under the Funding Loan Agreement (hereinafter defined); and

24 WHEREAS, The City has engaged Quint & Thimmig LLP and Curls Bartling P.C., as
25 co-special counsel with respect to the Note (“Co-Special Counsel”); and

1 WHEREAS, Wells Fargo Bank, National Association (or an affiliate thereof) (the
2 “Funding Lender”) has expressed its intention to make the funding loan, to be evidenced by
3 the Note, to the City; now, therefore, be it

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

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

8 Section 2. Approval of Execution and Delivery of Note. In accordance with the Act
9 and the Funding Loan Agreement, the City is hereby authorized to execute and deliver a note
10 or notes in one or more series designated as “City and County of San Francisco, California
11 Multifamily Housing Revenue Note (Mission Bay South Block 9) Series 2020G” or such
12 additional other designations as may be necessary or appropriate to distinguish such series
13 from every other series of bonds or notes, in an aggregate principal amount not to exceed
14 \$49,132,841 with an interest rate not to exceed twelve percent (12%) per annum for the Note,
15 and which shall have a final maturity date of not later than forty (40) years from the date of
16 execution and delivery of the Note. The Note shall be in the form set forth in and otherwise in
17 accordance with the Funding Loan Agreement and shall be executed by the manual or
18 facsimile signature of the Mayor of the City (the “Mayor”).

19 Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement
20 (the “Funding Loan Agreement”) in the form presented to the Board, a copy of which is on file
21 with the Clerk of the Board, is hereby approved. The Funding Loan Agreement shall be
22 entered into by and among the City, the Funding Lender and U.S. Bank National Association
23 (the “Fiscal Agent”). Each of the Mayor, the Director (the “Director”) of the Mayor’s Office of
24 Housing and Community Development (“MOHCD”), the Housing Development Director of
25 MOHCD, and any other Authorized Officer (as such term is defined in the Funding Loan

1 Agreement), acting individually or collectively (each, an “Authorized City Representative”) is
2 hereby authorized to execute the Funding Loan Agreement, approved as to form by the City
3 Attorney of the City (the “City Attorney”), in substantially said form, together with such
4 additions thereto and changes therein as the City Attorney and Co-Special Counsel may
5 approve or recommend in accordance with Section 7 hereof.

6 Section 4. Approval of Project Loan Agreement. The Project Loan Agreement (the
7 “Project Loan Agreement”) by and among the City, the Fiscal Agent and the Borrower in the
8 form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
9 approved. Each Authorized City Representative is hereby authorized to execute the Project
10 Loan Agreement in substantially said form, together with such additions thereto and changes
11 therein as the City Attorney and Co-Special Counsel may approve or recommend in
12 accordance with Section 7 hereof.

13 Section 5. Approval of Regulatory Agreement and Declaration of Restrictive
14 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the
15 “Regulatory Agreement” and, together with the Funding Loan Agreement and the Project Loan
16 Agreement, the “City Documents”), between the City and the Borrower, in the form presented
17 to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each
18 Authorized City Representative is hereby authorized to execute the Regulatory Agreement,
19 approved as to form by the City Attorney, in substantially said form, together with such
20 additions thereto and changes therein as the City Attorney and Co-Special Counsel may
21 approve or recommend in accordance with Section 7 hereof.

22 Section 6. Issuer Fees. The City, acting through MOHCD, shall charge a fee for the
23 administrative costs associated with executing and delivering the Note in an amount not to
24 exceed one-quarter of one percent (0.25%) of the maximum aggregate principal amount of
25 the Note. Such fee shall be payable at funding loan closing and may be contingent on the

1 delivery of the Note. The City shall also charge an annual fee for monitoring compliance by
2 the Borrower with certain provisions of the Regulatory Agreement in an amount not to exceed
3 one-eighth of one percent (0.125%) of the maximum outstanding aggregate principal amount
4 of the Note, but no less than \$2,500 annually, from completion of construction through the
5 term of the Regulatory Agreement. The annual monitoring fee due during the construction
6 period shall be payable at funding loan closing. The Board hereby authorizes MOHCD to
7 charge and collect the fees described in this section.

8 Section 7. Modifications, Changes and Additions. Any Authorized City
9 Representative executing the City Documents, in consultation with the City Attorney and Co-
10 Special Counsel, is hereby authorized to approve and make such modifications, amendments,
11 changes or additions to the City Documents as may be necessary or advisable, provided that
12 such modification does not: (i) authorize an aggregate principal amount of the Note in excess
13 of \$49,132,841 (ii) provide for a final maturity of the Note later than forty (40) years from the
14 date of execution and delivery thereof; or (iii) provide for the Note to bear interest at a rate in
15 excess of twelve percent (12%) per annum. The approval of any modification, addition or
16 change to any of the aforementioned documents shall be evidenced conclusively by the
17 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 funding loan and the execution and delivery of the Note consistent
20 with the purposes of this Resolution and the City Documents are hereby approved, confirmed
21 and ratified.

22 Section 9. General Authority. The proper officers of the City (including each
23 Authorized City Representative) are hereby authorized and directed, for and in the name and
24 on behalf of the City, to do any and all things and take any and all actions and execute and
25 deliver any and all certificates, agreements (including, but not limited to, tax documents and

1 such agreements to provide adequate or additional security or indemnities as required by
2 lenders to consummate the financing) and other documents and amendments, including but
3 not limited to those documents described in the City Documents, which they, or any of them,
4 may deem necessary or advisable in order to consummate the lawful execution and delivery
5 of the Note and to effectuate the purposes thereof and of the City Documents in consultation
6 with the City Attorney. Any such actions are solely intended to further the purposes of this
7 Resolution, and are subject in all respects to the terms of the Resolution. No such actions
8 shall increase the risk to the City or require the City to spend any resources not otherwise
9 contemplated herein. Final versions of such documents (showing marked changes, if any)
10 shall be provided to the Clerk of the Board for inclusion in the official file within thirty (30) days
11 of execution by all parties.

12 Section 10. File. All documents referenced herein as being on file with the Clerk of
13 the 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 Section 11. This Resolution shall take effect from and after its adoption by the Board and
16 approval by the Mayor.

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18 APPROVED AS TO FORM:
19 DENNIS J. HERRERA
20 City Attorney

21 By: /s/ Kenneth D. Roux
22 Kenneth D. Roux
23 Deputy City Attorney

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