

1 [Multifamily Housing Revenue Note - 145 Guerrero Street - Francis of Assisi Community - Not  
2 to Exceed \$50,000,000]

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 \$50,000,000**  
5 **for the purpose of providing financing for the acquisition and rehabilitation of a 110-**  
6 **unit multifamily rental housing project located at 145 Guerrero Street, known as**  
7 **Francis of Assisi Community; approving the form of and authorizing the execution of a**  
8 **funding loan agreement providing the terms and conditions of the loan from the**  
9 **funding lender to the City, and the execution and delivery of the note; approving the**  
10 **form of and authorizing the execution of a borrower loan agreement providing the**  
11 **terms and conditions of the loan from the City to the borrower; approving the form of**  
12 **and authorizing the execution of a regulatory agreement and declaration of restrictive**  
13 **covenants; authorizing the collection of certain fees; approving modifications, changes**  
14 **and additions to the documents; ratifying and approving any action heretofore taken in**  
15 **connection with the back-to-back loans, the note, and the project, as defined herein;**  
16 **granting general authority to City officials to take actions necessary to implement this**  
17 **Resolution, as defined herein; and related matters.**

18  
19 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the  
20 "Board") desires to provide for a portion of the costs of the acquisition and rehabilitation by  
21 Mercy Housing California 69, L.P., a California limited partnership (the "Borrower"), of a 110-  
22 unit residential rental development located at 145 Guerrero Street, in San Francisco,  
23 California, known as "Francis of Assisi Community" (the "Project"), to provide housing for  
24 persons and families of low income and very low income through the issuance of multifamily  
25 housing revenue bonds or notes; 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, The interest on the Note (hereinafter defined) may qualify for tax  
8 exemption under Section 103 of the Internal Revenue Code of 1986, as amended, (the  
9 "Code"), only if the Note is approved in accordance with Section 147(f) of the Code; and

10           WHEREAS, The Mayor's Office of Housing and Community Development held a duly  
11 noticed public hearing on October 30, 2015 at which hearing an opportunity was provided for  
12 persons to comment on the issuance of the Note; and

13           WHEREAS, This Board, on December 1, 2015, adopted Resolution No. 451-15,  
14 approving the execution and delivery of the Note solely for the purposes of Section 147(f) of  
15 the Code in an amount not to exceed \$50,000,000; and

16           WHEREAS, On May 18, 2016, the California Debt Limit Allocation Committee (CDLAC)  
17 in its Resolution Number 16-70 allocated \$50,000,000 in qualified private activity obligations  
18 to the Project; and

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

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

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

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

8           WHEREAS, The City has engaged Stradling Yocca Carlson & Rauth, a Professional  
9 Corporation, and Amira Jackmon Attorney at Law, as co-special counsel with respect to the  
10 Note (“Co-Special Counsel”); and

11           WHEREAS, Citibank, N.A. (or an affiliate thereof) (the “Funding Lender”) has  
12 expressed its intention to lend the City and County of San Francisco the funding loan in  
13 exchange for the Note authorized hereby; now, therefore, be it

14           RESOLVED, by this Board of Supervisors of the City and County of San Francisco as  
15 follows:

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

18           Section 2. Approval of Execution and Delivery of Note. In accordance with the Act, the  
19 Funding Loan Agreement (hereinafter defined) and the Borrower Loan Agreement (hereinafter  
20 defined), the City is hereby authorized to execute and deliver notes in one or more series and  
21 subseries, and designated as “City and County of San Francisco Multifamily Housing  
22 Revenue Note (Francis of Assisi Community), 2016 Series G,” or such other designation as  
23 may be necessary or appropriate to distinguish such series from every other series of bonds  
24 or notes, in an aggregate principal amount not to exceed \$50,000,000 (the “Note”), with an  
25 interest rate not to exceed twelve percent (12%) per annum for the Note, and which shall have

1 a final maturity date not later than forty (40) years from the date of execution and delivery of  
2 the Note. The Note shall be in the form set forth in and otherwise in accordance with the  
3 Funding Loan Agreement (hereinafter defined) and shall be executed by the manual or  
4 facsimile signature of the Mayor of the City (the "Mayor").

5 Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement (the  
6 "Funding Loan Agreement") in the form presented to the Board, a copy of which is on file with  
7 the Clerk of the Board, is hereby approved. The Funding Loan Agreement shall be entered  
8 into by and among the City, the Funding Lender and a trust company, a state banking  
9 corporation or a national banking association with the authority to accept trusts in the State of  
10 California selected by the Director of the Mayor's Office of Housing and Community  
11 Development (the "Director") and otherwise meeting the requirements of the Funding Loan  
12 Agreement (the "Fiscal Agent"). Each of the Mayor, the Director, the Housing Development  
13 Director of the Mayor's Office of Housing and Community Development or any other  
14 Authorized Governmental Lender Representative (as such term is defined in the Funding  
15 Loan Agreement) is hereby authorized to execute the Funding Loan Agreement, approved as  
16 to form by the City Attorney of the City (the "City Attorney"), in substantially said form, together  
17 with such additions thereto and changes therein as the City Attorney and Co-Special Counsel  
18 may approve or recommend in accordance with Section 7 hereof.

19 Section 4. Approval of Borrower Loan Agreement. The Borrower Loan Agreement (the  
20 "Borrower Loan Agreement") by and among the City, the Fiscal Agent and the Borrower, in  
21 the form presented to the Board, a copy of which is on file with the Clerk of the Board, is  
22 hereby approved. Each Authorized Governmental Lender Representative is hereby  
23 authorized to execute the Borrower Loan Agreement in substantially said form, together with  
24 such additions thereto and changes therein as the City Attorney and Co-Special Counsel may  
25 approve or recommend in accordance with Section 7 hereof.

1           Section 5. Approval of Regulatory Agreement and Declaration of Restrictive  
2 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the  
3 “Regulatory Agreement” and, together with the Funding Loan Agreement and the Borrower  
4 Loan Agreement, the “City Documents”), between the City and the Borrower, in the form  
5 presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby  
6 approved. Each Authorized Governmental Lender Representative is hereby authorized to  
7 execute the Regulatory Agreement, approved as to form by the City Attorney, in substantially  
8 said form, together with such additions thereto and changes therein as the City Attorney and  
9 Co-Special Counsel may approve or recommend in accordance with Section 7 hereof.

10           Section 6. Issuer Fees. The City, acting through the Mayor’s Office of Housing and  
11 Community Development, shall charge a fee for the administrative costs associated with  
12 executing and delivering the Note in an amount not to exceed 0.25% of the aggregate  
13 principal amount of the Note. Such fee shall be payable at funding loan closing and may be  
14 contingent on the funding loan closing. The City shall also charge an annual fee for  
15 monitoring the restricted units in an amount not to exceed 0.125% of the outstanding  
16 aggregate principal amount of the Note, but no less than \$2,500 annually, for the term of the  
17 Regulatory Agreement. The initial monitoring fee shall be payable at funding loan closing.  
18 The Board hereby authorizes the Mayor’s Office of Housing and Community Development to  
19 charge and collect the fees described in this section.

20           Section 7. Modifications, Changes, Additions. Any Authorized Governmental Lender  
21 Representative executing the City Agreements, in consultation with the City Attorney and Co-  
22 Special Counsel, is hereby authorized to approve and make such modifications, changes or  
23 additions to the City Agreements as may be necessary or advisable, provided that such  
24 modification does not authorize an aggregate principal amount of the Note in excess of  
25 \$50,000,000, provide for a final maturity of the Note later than forty (40) years, or provide for

1 the Note to bear interest at a rate in excess of twelve percent (12%) per annum. The approval  
2 of any modification, addition or change to any of the aforementioned documents shall be  
3 evidenced conclusively by the execution and delivery of the document in question.

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


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

20 Section 10. File. All documents referenced herein as being on file with the Clerk of the  
21 Board are located in File No. 160896, which is hereby declared to be a part of this  
22  
23  
24  
25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Resolution as if set forth fully herein.

APPROVED AS TO FORM:  
DENNIS J. HERRERA  
City Attorney

By:   
KENNETH DAVID ROUX  
Deputy City Attorney  
n:\financlas2016\1600830\01123842.docx



City and County of San Francisco

Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 160896

Date Passed: September 13, 2016

Resolution authorizing the execution and delivery of a multifamily housing revenue note in one or more series in an aggregate principal amount not to exceed \$50,000,000 for the purpose of providing financing for the acquisition and rehabilitation of a 110-unit multifamily rental housing project located at 145 Guerrero Street, known as Francis of Assisi Community; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the loan from the funding lender to the City, and the execution and delivery of the note; approving the form of and authorizing the execution of a borrower loan agreement providing the terms and conditions of the loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; authorizing the collection of certain fees; approving modifications, changes and additions to the documents; ratifying and approving any action heretofore taken in connection with the back-to-back loans, the note, and the project, as defined herein; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and related matters.

September 07, 2016 Budget and Finance Committee - RECOMMENDED

September 13, 2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

File No. 160896

I hereby certify that the foregoing Resolution was ADOPTED on 9/13/2016 by the Board of Supervisors of the City and County of San Francisco.

Handwritten signature of Angela Calvillo
Angela Calvillo
Clerk of the Board

Handwritten signature of Mayor
Mayor

9/22/2016
Date Approved