

1 [Multifamily Housing Revenue Note - Hunters View Phase IIA - Not to Exceed \$41,000,000]

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3 **Resolution authorizing the issuance and delivery of a multifamily housing revenue note**
4 **in an aggregate principal amount not to exceed \$41,000,000 for the purpose of**
5 **providing financing for the acquisition and construction of a 107-unit multifamily rental**
6 **housing project known as Hunters View Phase IIA; approving the form of and**
7 **authorizing the execution of a funding loan agreement providing the terms and**
8 **conditions of the note and authorizing the execution and delivery thereof; approving**
9 **the form of and authorizing the execution of a regulatory agreement and declaration of**
10 **restrictive covenants; approving the forms of and authorizing the execution of certain**
11 **loan documents; authorizing the collection of certain fees; ratifying and approving any**
12 **action heretofore taken in connection with the note and the project; granting general**
13 **authority to City officials to take actions necessary to implement this Resolution; and**
14 **related matters.**

15

16 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
17 "Board") desires to provide for a portion of the costs of the acquisition and construction by HV
18 Partners 2, LP, a California limited partnership (the "Borrower"), of a 107-unit affordable
19 multifamily housing residential rental development located at 112 Middle Point Road, San
20 Francisco, California, known as "Hunters View Phase IIA" (the "Project"), to provide housing
21 for persons and families of very low income through the issuance of multifamily housing
22 revenue bonds or notes; and

23 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue
24 revenue notes for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of
25 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of

1 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of
2 California ("Health and Safety Code"), as now in effect and as it may from time to time
3 hereafter be amended or supplemented (collectively, the "Act"); and

4 WHEREAS, The interest on the Note (hereinafter defined) may qualify for tax
5 exemption under Section 103 of the Internal Revenue Code of 1986, as amended, (the
6 "Code"), only if the Note is approved in accordance with Section 147(f) of the Code; and

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

10 WHEREAS, On January 14, 2014, this Board, after a hearing at which there was an
11 opportunity for persons to comment on the issuance of the Note, in Resolution No. 5-14,
12 approved the issuance of the Note for the purposes of Section 147(f) of the Code in an
13 amount not to exceed \$45,000,000; and

14 WHEREAS, On March 19, 2014, CDLAC in its resolution number 14-34, allocated an
15 amount equal to \$41,000,000 in qualified private activity bonds to the Project; and

16 WHEREAS, There has been prepared and presented to the Board for consideration at
17 this meeting the documentation required for the issuance of the Note, and such
18 documentation is on file with the Clerk of the Board of Supervisors (the "Clerk of the Board");
19 and

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

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

5 WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation, and
6 Curls Bartling PC, as co-bond counsel with respect to the Note ("Co-Bond Counsel"); and

7 WHEREAS, Citibank, N.A. (the "Bank") has expressed its intention to purchase, or
8 cause an affiliate to purchase, the Note authorized hereby; now, therefore, be it

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

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

13 Section 2. Approval of Issuance of Note. In accordance with the Act and the Funding
14 Loan Agreement (hereinafter defined), the City is hereby authorized to issue and deliver a
15 revenue note of the City, such note to be issued in one or more series and subseries, and
16 designated as "City and County of San Francisco Multifamily Housing Revenue Note (Hunters
17 View Phase IIA), 2014 Series D," or such other designation as may be necessary or
18 appropriate to distinguish such series from every other series of notes of the City, in an
19 aggregate principal amount not to exceed \$41,000,000 (the "Note"), with an interest rate not
20 to exceed twelve percent (12%) per annum for the Note, and which shall have a final maturity
21 date not later than December 1, 2049. The Note shall be in the form set forth in and
22 otherwise in accordance with the Funding Loan Agreement, and shall be executed by the
23 manual or facsimile signature of the Mayor of the City (the "Mayor") and as further provided in
24 the Funding Loan Agreement.

1 Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement (the
2 "Funding Loan Agreement"), by and between Citibank, N.A., the City, and U.S. Bank National
3 Association, as fiscal agent (the "Fiscal Agent"), in the form presented to the Board, a copy of
4 which is on file with the Clerk of the Board, is hereby approved. The Mayor, Director of the
5 Mayor's Office of Housing and Community Development (the "Director") or any Authorized
6 Governmental Lender Representative of the City (as such term is defined in the Funding Loan
7 Agreement) is hereby authorized to execute the Funding Loan Agreement (collectively,
8 "Authorized Representatives" and each, an "Authorized Representative"), approved as to form
9 by the City Attorney of the City (the "City Attorney"), in substantially said form, together with
10 such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
11 approve or recommend in accordance with Section 7 hereof.

12 Section 4. Approval of Regulatory Agreement and Declaration of Restrictive
13 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the
14 "Regulatory Agreement"), between the City and the Borrower, in the form presented to the
15 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each
16 Authorized Representative is hereby authorized to execute the Regulatory Agreement,
17 approved as to form by the City Attorney, in substantially said form, together with such
18 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
19 approve or recommend in accordance with Section 7 hereof.

20 Section 5. Approval of City Loan Documents. The Borrower Loan Agreement by and
21 between the City and the Borrower (the "Borrower Loan Agreement"), and the Assignment of
22 Leasehold Multifamily Deed of Trust and Loan Documents from the City to the Bank (the
23 "Assignment" and together with the Borrower Loan Agreement, the "City Loan Documents"), in
24 the forms presented to the Board, copies of which are on file with the Clerk of the Board, are
25 hereby approved. Each Authorized Representative is hereby authorized to execute the City

1 Loan Documents in substantially said form, together with such additions thereto and changes
2 therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance
3 with Section 7 hereof.

4 Section 6. Issuer Fees. The City, acting through the Mayor's Office of Housing and
5 Community Development, shall charge a fee for the administrative costs associated with
6 issuing the Note in an amount not to exceed 0.25% of the aggregate principal amount of the
7 Note. Such fee shall be payable at closing and may be contingent on the delivery of the Note.
8 The City shall also charge an annual fee for monitoring compliance with the provisions of the
9 Regulatory Agreement in an amount not to exceed 0.125% of the outstanding aggregate
10 principal amount of the Note, but no less than \$2,500 annually, for the term of the Regulatory
11 Agreement. The initial monitoring fee shall be payable at Note closing. The Board hereby
12 authorizes the Mayor's Office of Housing to charge and collect the fees described in this
13 section.

14 Section 7. Modifications, Changes, Additions. Any Authorized Representative
15 executing the Funding Loan Agreement, the Regulatory Agreement or the City Loan
16 Documents (collectively, the "City Agreements"), in consultation with the City Attorney and
17 Co-Bond Counsel, is hereby authorized to approve and make such modifications, changes or
18 additions to the City Agreements as may be necessary or advisable, provided that such
19 modification does not authorize an aggregate principal amount of the Note in excess of
20 \$41,000,000, provide for a final maturity on the Note later than December 1, 2049, or provide
21 for the Note to bear interest at a rate in excess of twelve percent (12%) per annum. The
22 approval of any modification, addition or change to any of the aforementioned documents
23 shall be evidenced conclusively by the execution and delivery of the document in question.

1 Section 8. Ratification. All actions heretofore taken by the officers and agents of the
2 City with respect to the sale and issuance of the Note are hereby approved, confirmed and
3 ratified.

4 Section 9. General Authority. The proper officers of the City are hereby authorized and
5 directed, for and in the name and on behalf of the City, to do any and all things and take any
6 and all actions and execute and deliver any and all certificates, agreements and other
7 documents, including but not limited to subordinations, tax documents and those documents
8 described in the City Agreements, which they, or any of them, may deem necessary or
9 advisable in order to consummate the lawful issuance and delivery of the Note and to
10 effectuate the purposes thereof and of the documents herein approved in accordance with this
11 Resolution in consultation with the City Attorney.

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

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16 APPROVED AS TO FORM:
17 DENNIS J. HERRERA
18 City Attorney

19 By: _____
20 KENNETH DAVID ROUX
21 Deputy City Attorney

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