

1 [Multifamily Housing Revenue Note - Bayview Senior Housing - 1751 Carroll Avenue -  
2 \$28,500,000]

3 **Resolution authorizing the execution, sale and delivery of a housing revenue note in an**  
4 **aggregate principal amount not to exceed \$28,500,000 for the purpose of providing**  
5 **financing for the construction of a 121-unit affordable multifamily senior residential**  
6 **rental housing project, known as Bayview Senior Housing; approving the form and**  
7 **authorizing the execution of a funding loan agreement and a borrower loan agreement;**  
8 **providing the terms and conditions of the note and authorizing the execution and**  
9 **delivery thereof; approving the form and authorizing the execution of a regulatory**  
10 **agreement and declaration of restrictive covenants; authorizing the collection of**  
11 **certain fees; approving modifications, changes, and additions to the documents;**  
12 **granting general authority to City officials to take actions necessary to implement this**  
13 **Resolution; and ratifying and approving any action heretofore taken in connection with**  
14 **the note and the Project, as defined herein.**

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, development,  
17 construction and equipping by Carroll Avenue Senior Homes, L.P., a California limited  
18 partnership (the "Borrower"), of a 121-unit affordable multifamily senior residential rental  
19 housing development located at 1751 Carroll Avenue, San Francisco, California, known as  
20 "Bayview Senior Housing" (the "Project"), to provide housing for persons of very low income  
21 through the execution of a multifamily housing revenue note; and

22 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue  
23 revenue obligations to provide financing for multifamily rental housing pursuant to the Charter  
24 of the City, Article I of Chapter 43 of the Administrative Code of the City and, to the extent  
25 applicable, Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health

1 and Safety Code of the State of California (the "Health and Safety Code"), as now in effect  
2 and as it may from time to time hereafter be amended or supplemented (collectively, the  
3 "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 issuance of the Note is approved in accordance with Section 147(f) of the  
7 Code; and

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

11 WHEREAS, The Mayor's Office of Housing held a public hearing at 10:00 a.m. on  
12 September 10, 2013, notice of which hearing was published in a newspaper of general  
13 circulation in the City in accordance with Section 147(f) of the Code, and an opportunity was  
14 provided for persons to comment on the execution and delivery of the Note in the amount of  
15 \$28,500,000 and the plan of financing for the Project; and

16 WHEREAS, On November 13, 2013, the California Debt Limit Allocation Committee  
17 (CDLAC) in its Resolution Number 13-83 allocated \$28,500,000 in qualified private activity  
18 bonds to the Project;

19 WHEREAS, There has been prepared and presented to the Board for consideration at  
20 this meeting the following documentation: Funding Agreement; Borrower Loan Agreement;  
21 Regulatory Agreement; CDLAC Resolution; and Tax Equity and Fiscal Responsibility Act  
22 (TEFRA) Public Hearing notice, which are all required for the execution and delivery of the  
23 Note, and such documentation is on file with the Clerk of the Board of Supervisors (the "Clerk  
24 of the Board"); and

25 WHEREAS, It appears that each of the documents which is now before this Board is

1 substantially in appropriate form and is an appropriate instrument to be executed and  
2 delivered for the purposes intended; and

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

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

9 WHEREAS, The City has engaged Squire Sanders (US) LLP and Garcia, Hernández,  
10 Sawhney & Bermudez, LLP, as co-note counsel with respect to the Note ("Co-Note Counsel");  
11 and

12 WHEREAS, Citibank, N.A., a national banking association, has expressed its intention  
13 to purchase, or cause an affiliate to purchase, the Note authorized hereby; now, therefore, be  
14 it

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

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

19 Section 2. Approval of Execution and Delivery of Note. In accordance with the Act and  
20 the Funding Loan Agreement, the City is hereby authorized to execute and deliver a revenue  
21 note of the City, which note comprises a Governmental Lender Note under the Funding Loan  
22 Agreement, such note to be designated as "City and County of San Francisco, Multifamily  
23 Housing Revenue Note (Bayview Senior Housing), 2014 Series," or such other designation as  
24 may be necessary or appropriate to distinguish such Note from any other bonds or notes of  
25 the City, in an aggregate principal amount not to exceed Twenty-Eight Million Five Hundred

1 Thousand Dollars (\$28,500,000) (the "Note"), with an interest rate not to exceed twelve  
2 percent (12%) per annum for the Note, and which shall have a final maturity date not later  
3 than forty years after the date on which the Note is executed and delivered. The Note shall be  
4 in the form set forth in and otherwise in accordance with the Funding Loan Agreement, and  
5 shall be executed by the manual or facsimile signature of the Mayor of the City (the "Mayor"),  
6 approved as to form by the City Attorney of the City (the "City Attorney").

7 Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement (the  
8 "Funding Loan Agreement"), by and among the City, Citibank, N.A., as funding lender  
9 ("Funding Lender"), and, as fiscal agent, a trust company, a state banking corporation or a  
10 national banking association with the authority to accept trusts in the State selected by the  
11 City and meeting the requirements of Section 11.9 of the Funding Loan Agreement, in the  
12 form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby  
13 approved. Each of the Mayor, the Director of the Mayor's Office of Housing and Community  
14 Development, the Housing Development Director of the Mayor's Office of Housing and  
15 Community Development or any Authorized Governmental Lender Representative (as such  
16 term is defined in the Funding Loan Agreement) (collectively, the "Authorized  
17 Representatives" and each, an "Authorized Representative") is hereby authorized to execute  
18 the Funding Loan Agreement, approved as to form by the City Attorney, in substantially said  
19 form, together with such additions thereto and changes therein as the City Attorney and Co-  
20 Note Counsel may approve or recommend in accordance with Section 7 hereof.

21 Section 4. Approval of Borrower Loan Agreement. The Borrower Loan Agreement (the  
22 "Borrower Loan Agreement"), by and between the City and the Borrower, in the form  
23 presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby  
24 approved. Each Authorized Representative is hereby authorized to execute the Borrower  
25 Loan Agreement, approved as to form by the City Attorney, in substantially said form, together

1 with such additions thereto and changes therein as the City Attorney and Co-Note Counsel  
2 may approve or recommend in accordance with Section 7 hereof.

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

11 Section 6. Issuer Fees. The City, acting through the Mayor's Office of Housing and  
12 Community Development, shall charge a fee for the administrative costs associated with  
13 issuing the Note in an amount not to exceed 0.25% of the aggregate principal amount of the  
14 Note. Such fee shall be payable at closing and may be contingent on the delivery of the Note.  
15 The City shall also charge an annual fee for monitoring compliance with the terms of the  
16 Regulatory Agreement in an amount not to exceed 0.125% of the outstanding principal  
17 amount of the Note, but no less than \$2,500 annually, for the term of the Regulatory  
18 Agreement. The initial monitoring fee shall be payable upon delivery of the Note. The Board  
19 hereby authorizes the Mayor's Office of Housing and Community Development to charge and  
20 collect the fees described in this section, which shall be computed as set forth in Section 19 of  
21 the Regulatory Agreement

22 Section 7. Modifications, Changes, Additions. Any Authorized Representative  
23 executing the Funding Loan Agreement, the Borrower Loan Agreement or the Regulatory  
24 Agreement (collectively, "City Agreements"), in consultation with the City Attorney and Co-  
25 Note Counsel, is hereby authorized to approve and make such modifications, changes or

1 additions to the City Agreements as may be necessary or advisable, provided that such  
 2 modification does not authorize an aggregate principal amount of the Note in excess of  
 3 \$28,500,000, provide for a final maturity on the Note that is later than forty years after date on  
 4 which the Note is executed and delivered, or provide for the Note to bear interest at a rate in  
 5 excess of twelve percent (12%) per annum. The approval of any modification, addition or  
 6 change to any of the aforementioned documents shall be evidenced conclusively by the  
 7 execution and delivery of the document in question.

8 Section 8. General Authority. The Authorized Representatives of the City are hereby  
 9 authorized and directed, for and in the name and on behalf of the City, to do any and all things  
 10 and take any and all actions and execute and deliver any and all certificates, agreements and  
 11 other documents, including but not limited to those documents described in the City  
 12 Agreements, which they, or any of them, may deem necessary or advisable in order to  
 13 consummate the lawful execution and delivery of the Note and to effectuate the purposes  
 14 thereof and of the documents herein approved in accordance with this Resolution.

15 Section 9. Ratification of Prior Actions. All actions heretofore taken by the officers and  
 16 agents of the City with respect to the issuance and delivery of the Note are hereby approved,  
 17 confirmed and ratified.

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

21  
 22  
 23  
 24  
 25

1 APPROVED AS TO FORM:

2

3 DENNIS J. HERRERA  
4 City Attorney

4

5 By: \_\_\_\_\_

6 HEIDI GEWERTZ  
7 Deputy City Attorney

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25