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MAYOR WILLIE L. BROWN, JR. BOARD OF SUPERVISORS
Supervisor Newsom

[Multifamily Housing Revenue Bonds]

Resolution authorizing the issuance and delivery of multifamily housing revenue bonds (as defined herein) in an aggregate principal amount not to exceed \$11,750,000 for the purpose of providing financing for a multifamily rental housing project; authorizing the sale of the bonds; approving the form of and authorizing the execution of an indenture providing the terms and conditions of the bonds; approving the form of and authorizing the execution of a bond purchase contract providing the terms and conditions for the sale of the bonds; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; approving the form of and authorizing the execution of a loan agreement; approving the form of and authorizing the execution of an intercreditor agreement; approving the form of and authorizing the preparation and distribution of a preliminary official statement and the preparation and distribution of an official statement relating to the bonds; approving and authorizing the execution and delivery of any document necessary to implement this resolution; making low income housing findings; ratifying and approving any action heretofore taken in connection with the bonds and the project; and related matters.

WHEREAS, The Board of Supervisors of the City and County of San Francisco (the "Board") desires to provide for the financing of the acquisition and construction by 1166 Howard Street Associates, a California limited partnership (the "Borrower") of a proposed multifamily rental housing development for low and moderate income persons to be known as the 8th and Howard Family Apartments (the "Project") through the issuance of revenue bonds; and

WHEREAS, The City is authorized to issue revenue bonds for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and, to the extent applicable, Section 52097.5 of the California Health and Safety Code, as now in effect and as it may from time to time hereafter be amended or supplemented (collectively, the "Act"); and

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

WHEREAS, The Project is located wholly within the City and County of San Francisco, California; and

WHEREAS, On July 18, 2000, the Director of the Mayor's Office of Housing of the City and County of San Francisco (the "Mayor's Office of Housing") caused a notice stating that a public hearing with respect to the issuance of the Bonds would be held by the Mayor's Office of Housing on August 3, 2000, to appear in the <u>Independent</u>, which is a newspaper of general circulation in the City, such date of publication being not less than fourteen days prior to the date of the hearing; and

WHEREAS, The Mayor's Office of Housing held the public hearing described above, and an opportunity was provided for interested parties to present arguments for and against the issuance of the Bonds and the nature and location of the Project to be financed by the issuance of the Bonds; and

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

WHEREAS, There has been prepared and presented to the Board for consideration at this meeting the documentation required for the issuance of such Bonds; and

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

WHEREAS, Newman and Associates, Inc. and The Chapman Company (collectively, the "Underwriters") have expressed their intention to purchase the Bonds authorized hereby, and the Board finds that the public interest and necessity require that the City at this time make arrangements for the sale of such Bonds; and

WHEREAS, Citibank, N.A. (the "Credit Bank") has agreed, subject to the satisfaction of certain conditions, to facilitate the financing of the Project by providing a letter of credit to support the Bonds; now, therefore, be it

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

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

Section 2. Approval of Issuance of Bonds. In accordance with the Act and the Indenture (hereinafter defined), the City is hereby authorized to issue revenue bonds of the City, such bonds to be designated as "City and County of San Francisco Variable Rate Demand Multifamily Housing Revenue Bonds, Series 2000B (8th and Howard Family Apartments)," in an aggregate principal amount not to exceed \$11,750,000 (the "Bonds"), with an initial interest rate not to exceed eight percent (8%) per annum for the Bonds, and which shall have a final maturity date not later than December 1, 2034. The Bonds shall be in the form set forth in and otherwise in accordance with the Indenture, and shall be executed by the manual or facsimile signature of the Mayor of the City (the "Mayor") and the manual or facsimile seal of the City shall be impressed or reproduced thereon and attested by the manual or facsimile signature of the Clerk of the Board.

Section 3. Indenture. The Indenture (the "Indenture"), between the City and a trustee bank to be determined by the City (the "Trustee"), in substantially the form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor, the Director of the Mayor's Office of Housing or any Authorized City Representative (as such term is defined in the Indenture) is hereby authorized to execute, and the Clerk of the Board or an authorized designee is hereby authorized to attest, the Indenture in substantially said form, with such additions thereto and changes therein as the City Attorney of the City and County of San Francisco (the "City Attorney") and Co-Bond Counsel may approve or recommend in accordance with Section 10 hereof.

Section 4. Bond Purchase Contract. The City is hereby authorized to sell the Bonds pursuant to the terms and conditions of a Bond Purchase Contract (the "Bond Purchase Contract"), among the City, the Borrower and the Underwriters in substantially the form presented to the Board, a copy of which is on file with the Clerk of the Board; and such Bond Purchase Contract is hereby approved. The Mayor, the Director of the Mayor's Office of Housing or any Authorized City Representative is hereby authorized to execute, and the Clerk of the Board or an authorized designee is hereby authorized to attest, the Bond Purchase Contract, in substantially said form, with such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 10 hereof.

Section 5. Regulatory Agreement and Declaration of Restrictive Covenants. The form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), among the City, the Trustee and the Borrower, in substantially the form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor, the Director of the Mayor's Office of Housing or any Authorized City Representative is hereby authorized to execute the Regulatory Agreement, in substantially

said form, with such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 10 hereof.

Section 6. Loan Agreement. The form of Loan Agreement (the "Loan Agreement") among the City, the Trustee and the Borrower, in substantially the form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor, the Director of the Mayor's Office of Housing or any Authorized City Representative is hereby authorized to execute the Loan Agreement, in substantially said form, with such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 10 hereof.

Section 7. Intercreditor Agreement. The form of Intercreditor Agreement (the "Intercreditor Agreement") among the City, the Trustee and the Credit Bank, in substantially the form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor, the Director of the Mayor's Office of Housing or any Authorized City Representative is hereby authorized to execute the Intercreditor Agreement, in substantially said form, with such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 10 hereof.

Section 8. Approval of the Form and Circulation of Official Statement Relating to Bonds. The form of preliminary official statement relating to the Bonds (the "Preliminary Official Statement"), to be used in connection with the offer and sale of the Bonds, in substantially the form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved, and the Board hereby ratifies and approves distribution of the Preliminary Official Statement to the Underwriters, with such additions thereto or changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 10 hereof and approves the preparation and distribution of a final Official Statement following the sale of the Bonds.

Section 9. Approval of Bonds. This Board hereby approves the issuance of the Bonds by the City to finance the costs of the Project. It is the purpose and intent of this Board that this Resolution constitute approval of the Bonds by the applicable elected representative of the issuer of the Bonds and the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with Section 147(f) of the Code.

Section 10. Modifications, Changes, Additions. Any Authorized City Representative executing a document approved herein, in consultation with the City Attorney and Co-Bond Counsel, is hereby authorized to approve and make such modifications, changes or additions to the Indenture, the Regulatory Agreement, the Loan Agreement, the Intercreditor Agreement, the Bond Purchase Contract, and the Preliminary Official Statement as may be necessary or advisable, provided that such modification does not authorize an aggregate principal amount of Bonds in excess of \$11,750,000, provide for a final maturity on the Bonds later than December 1, 2034 or provide the Bonds to bear interest at a rate in excess of twelve percent (12%) per annum. The approval of any modification, addition, or change to any of the aforementioned documents shall be evidenced conclusively by the execution and delivery of the document in question.

Section 11. Low Income Housing Findings. This Board hereby finds and determines that this Resolution constitutes final approval of a proposal that may result in housing assistance benefiting persons of low income within the meaning of Section 36005 of the California Health and Safety Code (the "Health and Safety Code"). This Board also finds that the Project is being financed in significant part with Proposition A (Affordable Housing Bonds) proceeds approved by the voters in November, 1996, such that to the extent required under Article XXXIV of the California Constitution, the Project has been approved by the voters of the City. Furthermore, this Board finds and determines that the City's support of the Project

does not constitute an activity to "develop, construct, or acquire" a low rent housing project, in that the City's activities are limited to those described in Section 37001.5(e) of the Health and Safety Code, including assistance to the Project and monitoring compliance with conditions accepted by a grantee of assistance.

Section 12. Ratification. All actions heretofore taken by the officers and agents of the City with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to those documents described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this Resolution.

Section 13. All documents referenced herein as being on file with the Clerk of the Board are located in File No. 001876 .

APPROVED AS TO FORM:

LOUISE H. RENNE City Attorney

By: Michelle W. Syton

MICHELLE W. SEXTON Deputy City Attorney



City and County of San Francisco Tails

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

Resolution

File Number:

001876

Date Passed:

Resolution authorizing the issuance and delivery of multifamily housing revenue bonds (as defined herein) in an aggregate principal amount not to exceed \$11,750,000 for the purpose of providing financing for a multifamily rental housing project; authorizing the sale of bonds; approving the form of and authorizing the execution of an indenture providing the terms and conditions of the bonds; approving the form of and authorizing the execution of a bond purchase contract providing the terms and conditions for the sale of the bonds; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; approving the form of and authorizing the execution of an intercreditor agreement; approving the form of and authorizing the execution of an intercreditor agreement; approving the form of and authorizing the preparation and distribution of a preliminary official statement and the preparation and distribution of an official statement relating to the bonds; approving and authorizing the execution and delivery of any document necessary to implement this resolution; making low income housing findings; ratifying and approving any action heretofore taken in connection with the bonds and the project; and related matters.

November 20, 2000 Board of Supervisors — ADOPTED

Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

File No. 001876

I hereby certify that the foregoing Resolution was ADOPTED on November 20, 2000 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young

Clerk of the Board

Mayor Willie L. Brown Jr.

NOV 2 3 2000

Date Approved