

1 [Multifamily Housing Revenue Note - Western Park Apartments - Not to Exceed \$30,000,000]

2

3 **Resolution authorizing the execution, sale, and delivery of a multifamily housing**  
4 **revenue note in an aggregate principal amount not to exceed \$30,000,000 for the**  
5 **purpose of providing financing for the acquisition and rehabilitation of a 182-unit**  
6 **affordable multifamily senior residential rental housing project known as Western Park**  
7 **Apartments; approving the form of and authorizing the execution of a funding loan**  
8 **agreement and a borrower loan agreement; providing the terms and conditions of the**  
9 **note and authorizing the execution and delivery thereof; approving the form of and**  
10 **authorizing the execution of a regulatory agreement and declaration of restrictive**  
11 **covenants; authorizing the collection of certain fees; approving modifications, changes**  
12 **and additions to the documents; granting general authority to City officials to take**  
13 **actions necessary to implement this Resolution; and ratifying and approving any**  
14 **action heretofore taken in connection with the note and the Project (as defined herein).**

15

16 WHEREAS, The Board of Supervisors of the City and County of San Francisco  
17 ("Board") desires to provide for a portion of the costs of the acquisition and rehabilitation by  
18 Western Park Apartments, L.P., a California limited partnership ("Borrower"), of a 182-unit  
19 affordable multifamily senior residential rental housing development located at 1280 Laguna  
20 Street, San Francisco, California, known as "Western Park Apartments" ("Project"), to provide  
21 housing for persons of very low income through the execution of a multifamily mortgage  
22 revenue note; and

23 WHEREAS, The City and County of San Francisco ("City") is authorized to issue  
24 revenue obligations to provide financing for multifamily rental housing pursuant to the Charter  
25 of the City, Article I of Chapter 43 of the Administrative Code of the City and, to the extent

1 applicable, Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health  
2 and Safety Code of the State of California ("Health and Safety Code"), as now in effect and as  
3 it may from time to time hereafter be amended or supplemented (collectively, "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, ("Code"),  
6 only if the issuance of the Note is approved in accordance with Section 147(f) of the Code;  
7 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 April  
12 1, 2013, notice of which hearing was published in a newspaper of general circulation in the  
13 City in accordance with Section 147(f) of the Code, and an opportunity was provided for  
14 persons to comment on the execution and delivery of the Note in the amount of \$25,000,000  
15 and the plan of financing for the Project; and

16 WHEREAS, On May 7, 2013, this Board, in Resolution No. 135-13, approved the  
17 issuance of the Note in the amount of \$25,000,000 for purposes of Section 147(f) of the Code;  
18 and

19 WHEREAS, Subsequent to this Board's approval of Resolution No. 135-13, the  
20 Borrower determined that the maximum aggregate principal amount of the Note would need to  
21 be increased due to higher Project acquisition costs; and

22 WHEREAS, The Mayor's Office of Housing held a public hearing at 10:00 a.m. on July  
23 30, 2013, notice of which hearing was published in a newspaper of general circulation in the  
24 City in accordance with Section 147(f) of the Code, and an opportunity was provided for  
25

1 persons to comment on the execution and delivery of the Note up to the amount of  
2 \$35,000,000 and the plan of financing for the Project; and

3 WHEREAS, On July 30, 2013, this Board, in Resolution No. 309-13, approved the  
4 issuance of the Note in an amount not to exceed \$35,000,000 for purposes of Section 147(f)  
5 of the Code; and

6 WHEREAS, On July 17, 2013, the California Debt Limit Allocation Committee (CDLAC)  
7 in its resolution number 13-45 allocated \$25,000,000 in qualified private activity bonds to the  
8 Project and is expected, on September 18, 2013, to increase this allocation to \$30,000,000;  
9 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 ("Clerk of the Board"); and

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

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

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

22 WHEREAS, The City has engaged Squire Sanders (US) LLP and Curlls Bartling P.C.,  
23 as co-note counsel with respect to the Note ("Co-Note Counsel"); and

1           WHEREAS, Citibank, N.A., a national banking association, has expressed its intention  
2 to purchase, or cause an affiliate to purchase, the Note authorized hereby; now, therefore, be  
3 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 above  
7 recitals are true and correct.

8           Section 2. Approval of Execution and Delivery of Note. In accordance with the Act and  
9 the Funding Loan Agreement, the City is hereby authorized to execute and deliver a revenue  
10 note of the City, which note comprises a Governmental Lender Note under the Funding Loan  
11 Agreement, such note to be designated as "City and County of San Francisco, Multifamily  
12 Housing Revenue Note (Western Park Apartments), 2013 Series F," or such other  
13 designation as may be necessary or appropriate to distinguish such Note from any other  
14 bonds or notes of the City, in an aggregate principal amount not to exceed Thirty Million  
15 Dollars (\$30,000,000) (the "Note"), with an interest rate not to exceed twelve percent (12%)  
16 per annum for the Note, and which shall have a final maturity date not later than forty years  
17 after the date on which the Note is executed and delivered. The Note shall be in the form set  
18 forth in and otherwise in accordance with the Funding Loan Agreement, and shall be executed  
19 by the manual or facsimile signature of the Mayor of the City ("Mayor") and attested by the  
20 manual signature of the Clerk of the Board.

21           Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement  
22 ("Funding Loan Agreement"), by and among the City, Citibank, N.A., as funding lender  
23 ("Funding Lender") and U.S. Bank National Association, as fiscal agent, in the form presented  
24 to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each  
25 of the Mayor, the Director of the Mayor's Office of Housing and Community Development, the

1 Housing Development Director of the Mayor's Office of Housing and Community Development  
2 or any Authorized Governmental Lender Representative (as such term is defined in the  
3 Funding Loan Agreement) (collectively, "Authorized Representatives" and each, an  
4 "Authorized Representative") is hereby authorized to execute the Funding Loan Agreement,  
5 approved as to form by the City Attorney of the City ("City Attorney"), in substantially said  
6 form, together with such additions thereto and changes therein as the City Attorney and Co-  
7 Note Counsel may approve or recommend in accordance with Section 7 hereof.

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

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

23 Section 6. Issuer Fees. The City, acting through the Mayor's Office of Housing and  
24 Community Development, shall charge a fee for the administrative costs associated with  
25 issuing the Note in an amount not to exceed 0.25% of the aggregate principal amount of the

1 Note. Such fee shall be payable at closing and may be contingent on the delivery of the Note.  
2 The City shall also charge an annual fee for monitoring compliance with the terms of the  
3 Regulatory Agreement in an amount not to exceed 0.125% of the outstanding principal  
4 amount of the Note, but no less than \$2,500 annually, for the term of the Regulatory  
5 Agreement. The initial monitoring fee shall be payable upon delivery of the Note. The Board  
6 hereby authorizes the Mayor's Office of Housing and Community Development to charge and  
7 collect the fees described in this section.

8 Section 7. Modifications, Changes, Additions. Any Authorized Representative  
9 executing the Funding Loan Agreement, the Borrower Loan Agreement or the Regulatory  
10 Agreement (collectively, "City Agreements"), in consultation with the City Attorney and Co-  
11 Note Counsel, is hereby authorized to approve and make such modifications, changes or  
12 additions to the City Agreements as may be necessary or advisable, provided that such  
13 modification does not authorize an aggregate principal amount of the Note in excess of  
14 \$30,000,000, provide for a final maturity on the Note that is later than forty years after date on  
15 which the Note is executed and delivered, or provide for the Note to bear interest at a rate in  
16 excess of twelve percent (12%) per annum. The approval of any modification, addition or  
17 change to any of the aforementioned documents shall be evidenced conclusively by the  
18 execution and delivery of the document in question.

19 Section 8. General Authority. The proper officers of the City are hereby authorized and  
20 directed, for and in the name and on behalf of the City, to do any and all things and take any  
21 and all actions and execute and deliver any and all certificates, agreements and other  
22 documents, including but not limited to those documents described in the City Agreements,  
23 which they, or any of them, may deem necessary or advisable in order to consummate the  
24 lawful execution and delivery of the Note and to effectuate the purposes thereof and of the  
25 documents herein approved in accordance with this Resolution.

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

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

7  
8 APPROVED AS TO FORM:

9 DENNIS J. HERRERA  
10 City Attorney

11  
12 By: \_\_\_\_\_  
13       KENNETH ROUX  
14       Deputy City Attorney