

1 [Multifamily Housing Revenue Bonds - Columbia Park Apartments - 1035 Folsom Street and  
2 21 Columbia Square Park - Not to Exceed \$13,779,028]

3 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**  
4 **in an aggregate principal amount not to exceed \$13,779,028 for the purpose of**  
5 **providing financing for the acquisition and rehabilitation of a 50-unit multifamily**  
6 **residential rental housing project known as Columbia Park Apartments; approving the**  
7 **form of and authorizing the execution of a trust indenture providing terms and**  
8 **conditions of the bonds; approving the form of and authorizing the execution of a**  
9 **regulatory agreement and declaration of restrictive covenants; approving the form of**  
10 **and authorizing the execution of a loan agreement; authorizing the collection of certain**  
11 **fees; ratifying and approving any action heretofore taken in connection with the bonds**  
12 **and the project, as defined herein; granting general authority to City officials to take**  
13 **actions necessary to implement this Resolution; and related matters.**

14  
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 and rehabilitation by  
17 Mercy Housing California 67, L.P., a California limited partnership (the “Borrower”), of a 50-  
18 unit residential rental housing development located at 1035 Folsom Street and 21 Columbia  
19 Square Park, San Francisco, California, known as “Columbia Park Apartments” (the “Project”),  
20 to provide housing for persons and families of low income through the issuance of multifamily  
21 housing revenue bonds; and

22 WHEREAS, The City and County of San Francisco (the “City”) is authorized to issue  
23 revenue bonds for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of  
24 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of  
25 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of

1 California (“Health and Safety Code”), as now in effect and as it may from time to time  
2 hereafter be amended or supplemented (collectively, the “Act”); and

3 WHEREAS, Any Bonds (hereinafter defined) to be issued to finance the Project will be  
4 limited obligations of the City, the sole source of repayment for which shall be payments made  
5 by the Borrower together with investment income on certain funds and accounts; and

6 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section  
7 103 of the Internal Revenue Code of 1986, as amended, (the “Code”), only if the Bonds are  
8 approved in accordance with Section 147(f) of the Code; and

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

12 WHEREAS, On August 18, 2015, the City published a notice regarding its intent to hold  
13 a public hearing with respect to the issuance of the Bonds in a newspaper of general  
14 circulation in the City and such hearing was held on September 1, 2015, by the Mayor’s Office  
15 of Housing and Community Development and an opportunity was provided for persons to  
16 comment on the issuance of the Bonds and the financing of the Project; and

17 WHEREAS, Thereafter, on September 29, 2015, pursuant to Resolution No. 357-15,  
18 this Board approved the issuance of the Bonds for the purposes of Section 147(f) of the Code,  
19 declared its intent to issue the Bonds and authorized officers of the City to submit an  
20 application and related documents to the California Debt Limit Allocation Committee  
21 (“CDLAC”) and take other actions in connection with the proposed financing of the Project;  
22 and

23 WHEREAS, On December 16, 2015, CDLAC in its Resolution No. 15-154, allocated  
24 \$13,779,028 in qualified private activity bond volume cap to the Project; and  
25

1           WHEREAS, There has been prepared and presented to this Board for consideration at  
2 this meeting the documentation required for the issuance of the Bonds, and such  
3 documentation is on file with the Clerk of the Board of Supervisors (the “Clerk of the Board”);  
4 and

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

8           WHEREAS, This Board finds that public interest and necessity require that the City at  
9 this time make arrangements for the sale of the Bonds; and

10           WHEREAS, The City has engaged Quint & Thimmig LLP and Garcia Hernández  
11 Sawhney, LLP, as co-bond counsel with respect to the Bonds (“Co-Bond Counsel”); and

12           WHEREAS, Silicon Valley Bank has expressed its intention to purchase, or cause an  
13 affiliate to purchase, the Bonds 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. This Board hereby finds and declares that the above  
17 recitals are true and correct.

18           Section 2.   Approval of Issuance of Bonds. In accordance with the Act and the  
19 Indenture (hereinafter defined), the City is hereby authorized to issue and deliver revenue  
20 bonds of the City, such bonds to be issued in one or more series, and designated as “City and  
21 County of San Francisco Multifamily Housing Revenue Bonds (Columbia Park Apartments),  
22 Series 2016A,” or such other designation as may be necessary or appropriate to distinguish  
23 such series from every other series of bonds of the City, in an aggregate principal amount not  
24 to exceed \$13,779,028 (the “Bonds”), with an interest rate not to exceed twelve percent (12%)  
25 per annum for the Bonds, and which shall have a final maturity date not later than forty (40)

1 years from the date of issuance of the Bonds. The Bonds shall be in the form set forth in and  
2 otherwise in accordance with the Indenture, and shall be executed by the manual signature of  
3 the Mayor of the City (the “Mayor”) and as further provided in the Indenture.

4 Section 3. Indenture. The Trust Indenture (the “Indenture”), by and between the City  
5 and a Trustee (the “Trustee”) to be selected by the Director of the Mayor's Office of Housing  
6 and Community Development (the “Director”), in the form presented to this Board, a copy of  
7 which is on file with the Clerk of the Board, is hereby approved. Each of the Mayor, the  
8 Director or any other Authorized Representative (as such term is defined in the Indenture) of  
9 the City (collectively, the “Authorized Officers”) is hereby authorized to execute the Indenture  
10 in said form, together with such additions thereto and changes therein as the City Attorney  
11 and Co-Bond Counsel may approve or recommend in accordance with Section 7 hereof.

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

19 Section 5. Approval of Loan Agreement. The Loan Agreement (the “Loan  
20 Agreement”), by and among the City, the Trustee and the Borrower, in the form presented to  
21 this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each  
22 Authorized Officer is hereby authorized to execute the Loan Agreement in said form, together  
23 with such additions thereto and changes therein as the City Attorney and Co-Bond Counsel  
24 may approve or recommend in accordance with Section 7 hereof.

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

11           Section 7.    Modifications, Changes, Additions. Any Authorized Officer executing the  
12 Indenture, the Loan Agreement or the Regulatory Agreement (collectively, the "City  
13 Agreements"), in consultation with the City Attorney and Co-Bond Counsel, is hereby  
14 authorized to approve and make such modifications, changes or additions to the City  
15 Agreements as may be necessary or advisable, provided that such modification does not  
16 authorize an aggregate principal amount of the Bonds in excess of \$13,779,028, provide for a  
17 final maturity on the Bonds later than 40 years from the date of issuance of the Bonds, or  
18 provide for the Bonds to bear interest at a rate in excess of twelve percent (12%) per annum.  
19 The approval of any modification, addition or change to any of the City Agreements shall be  
20 evidenced conclusively by the execution and delivery of the document in question.

21           Section 8.    Ratification. All actions heretofore taken by the officers and agents of the  
22 City with respect to the sale, issuance and delivery of the Bonds, as consistent with the City  
23 Agreements and this Resolution, are hereby approved, confirmed and ratified.

24           Section 9.    General Authority. The proper officers of the City, including but not limited  
25 to the Authorized Officers, are hereby authorized and directed, for and in the name and on

1 behalf of the City, to do any and all things and take any and all actions and execute and  
2 deliver any and all certificates, agreements and other documents, including but not limited to  
3 subordinations, assignments, tax documents and those documents described in the City  
4 Agreements, which they, or any of them, may deem necessary or advisable in order to  
5 consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes  
6 thereof and of the City Agreements. Any such actions are solely intended to further the  
7 purposes of this Resolution, and are subject in all respects to the terms of the Resolution. No  
8 such actions shall increase the risk to the City or require the City to spend any resources not  
9 otherwise granted herein. Final versions of any such documents shall be provided to the  
10 Clerk of the Board for inclusion in the official file within 30 days of execution by all parties.

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

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

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18 By: \_\_\_\_\_

19 Kenneth David Roux  
20 Deputy City Attorney

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