

1 [Multifamily Housing Revenue Bonds – 575 Eddy Street Apartments]

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3 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**
4 **(as defined herein) in an aggregate principal amount not to exceed \$4,946,000 for the**
5 **purpose of providing financing for a multifamily rental housing project; approving the**
6 **form of and authorizing the execution of an indenture providing the terms and**
7 **conditions of the bonds; approving the form of and authorizing the execution of a**
8 **regulatory agreement and declaration of restrictive covenants; approving the form of**
9 **and authorizing the execution of a loan agreement; ratifying and approving any action**
10 **heretofore taken in connection with the bonds and the project; granting general**
11 **authority to city officials to take actions necessary to implement this resolution; and**
12 **related matters.**

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14 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
15 “Board”) desires to provide for the financing of the rehabilitation by 575 Eddy Street
16 Associates LP, a California limited partnership (the “Borrower”), of a proposed multifamily
17 rental housing development for low income persons, consisting of 47 units and located at 575
18 Eddy Street, San Francisco, California, known as the 575 Eddy Street Apartments (the
19 “Project”), through the issuance of revenue bonds; and,

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

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

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

7 WHEREAS, On August 2, 2005, this Board in Resolution No. 600-05 approved the
8 issuance of the Bonds for the purposes of Section 147(f) of the Code; and,

9 WHEREAS, There has been prepared and presented to the Board for consideration at
10 this meeting the documentation required for the issuance of such Bonds, and such
11 documentation is on file with the Clerk of the Board of Supervisors (the “Clerk of the Board”) in
12 File No. _____, which is hereby declared to be a part of this resolution as if set forth
13 fully herein; and,

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

17 WHEREAS, The Board finds that the public interest and necessity require that the City
18 at this time make arrangements for the sale of such Bonds; and,

19 WHEREAS, Wells Fargo Bank, National Association (the “Purchaser”), has expressed
20 its intention to purchase the Bonds authorized hereby; now, therefore, be it

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

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

1 Section 2. Approval of Issuance of Bonds. In accordance with the Act and the
2 Indenture (hereinafter defined), the City is hereby authorized to issue and deliver revenue
3 bonds of the City, such bonds to be issued in one or more series and designated as “City and
4 County of San Francisco Multifamily Housing Revenue Bonds, Series 2006_ (575 Eddy Street
5 Apartments),” or such other designation as may be necessary or appropriate to distinguish
6 such series from every other series of bonds, in an aggregate principal amount not to exceed
7 \$4,946,000 (the “Bonds”), with an initial interest rate not to exceed twelve percent (12%) per
8 annum for the Bonds, and which shall have a final maturity date not later than January 1,
9 2041. The Bonds shall be in the form set forth in and otherwise in accordance with the
10 Indenture, and shall be executed by the manual or facsimile signature of the Mayor of the City
11 (the “Mayor”) and the manual or facsimile seal of the City shall be impressed or reproduced
12 thereon and attested by the manual or facsimile signature of the Clerk of the Board.

13 Section 3. Indenture. The Indenture of Trust (the “Indenture”), between the City and
14 a trustee bank to be determined by the City (the “Trustee”), in substantially the form presented
15 to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The
16 Mayor, the Director or any Authorized City Representative (as such term is defined in the
17 Indenture) is hereby authorized to execute, and the Clerk of the Board or an authorized
18 designee is hereby authorized to attest, the Indenture in substantially said form, with such
19 additions thereto and changes therein as the City Attorney of the City and County of San
20 Francisco (the “City Attorney”) and Co-Bond Counsel may approve or recommend in
21 accordance with Section 6 hereof.

22 Section 4. Regulatory Agreement and Declaration of Restrictive Covenants. The
23 form of Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory
24 Agreement”), among the City, the Trustee, and the Borrower, in substantially the form
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1 presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
2 approved. The Mayor, the Director or any Authorized City Representative is hereby
3 authorized to execute the Regulatory Agreement, in substantially said form, with such
4 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
5 approve or recommend in accordance with Section 6 hereof.

6 Section 5. Loan Agreement. The form of Loan Agreement (the "Loan Agreement")
7 among the City, the Purchaser, as bondowner representative, and the Borrower, in
8 substantially the form presented to the Board, a copy of which is on file with the Clerk of the
9 Board, is hereby approved. The Mayor, the Director or any Authorized City Representative is
10 hereby authorized to execute the Loan Agreement, in substantially said form, with such
11 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
12 approve or recommend in accordance with Section 6 hereof.

13 Section 6. Modifications, Changes, Additions. Any Authorized City Representative
14 executing the Indenture, the Regulatory Agreement, or the Loan Agreement, in consultation
15 with the City Attorney and Co-Bond Counsel, is hereby authorized to approve and make such
16 modifications, changes or additions to the Indenture, the Regulatory Agreement, or the Loan
17 Agreement as may be necessary or advisable, provided that such modification does not
18 authorize an aggregate principal amount of Bonds in excess of \$4,946,000, provide for a final
19 maturity on the Bonds later than January 1, 2041, or provide the Bonds to bear interest at a
20 rate in excess of twelve percent (12%) per annum. The approval of any modification, addition
21 or change to any of the aforementioned documents shall be evidenced conclusively by the
22 execution and delivery of the document in question.

23 Section 7. Low Income Housing Findings. This Board hereby finds and determines
24 that this Resolution constitutes final approval of a proposal that may result in housing
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1 assistance benefiting persons of low income within the meaning of Section 36005 of the
2 California Health and Safety Code (the "Health and Safety Code"). This Board finds and
3 determines that the City's support of the Project does not constitute an activity to "develop,
4 construct, or acquire" a low rent housing project, in that the City's activities are limited to those
5 described in Section 37001.5(e) of the Health and Safety Code, including the provision of
6 assistance to the Project and monitoring compliance with the conditions of such assistance.

7 Section 8. Ratification. All actions heretofore taken by the officers and agents of the
8 City with respect to the sale and issuance of the Bonds are hereby approved, confirmed and
9 ratified.

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

18 APPROVED AS TO FORM:

19 DENNIS J. HERRERA
20 City Attorney

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22 By: _____
23 MICHAEL J. MARTIN
24 Deputy City Attorney

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