

1 [Issuance and Delivery - Multifamily Housing Revenue Note - 121 Golden Gate Avenue
2 Senior Community Housing - Not to Exceed \$25,370,000]

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4 **Resolution: 1) authorizing the issuance and delivery of a multifamily housing revenue**
5 **note in a principal amount not to exceed \$25,370,000 for the purpose of providing**
6 **financing for the acquisition and construction of a 90-unit multifamily rental housing**
7 **project known as 121 Golden Gate Avenue Senior Community; 2) approving the form**
8 **of and authorizing the execution of a Funding Loan Agreement; 3) approving the form**
9 **of and authorizing the execution of a Borrower Loan Agreement; 4) providing the**
10 **terms and conditions of the note and authorizing the execution and delivery thereof;**
11 **5) approving the form of and authorizing the execution of a Regulatory Agreement**
12 **and Declaration of Restrictive Covenants; 6) authorizing the collection of certain fees;**
13 **7) approving issuance of the note following a public hearing; 8) approving**
14 **modifications, changes and additions to the documents; 9) granting general authority**
15 **to City officials to take actions necessary to implement this resolution; and 10)**
16 **ratifying and approving any action heretofore taken in connection with the note and**
17 **the project.**

18
19 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
20 "Board") desires to provide for a portion of the costs of the acquisition and construction by
21 Mercy Housing California 50, a California limited partnership (the "Borrower"), of a 90-unit
22 residential rental development located at 121 Golden Gate Avenue, San Francisco,
23 California, known as "121 Golden Gate Avenue Senior Community" (the "Project"), to
24 provide housing for persons and families of very low income through the issuance of a
25 multifamily housing revenue note; and

1 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue
2 revenue obligations to provide financing for multifamily rental housing pursuant to the
3 Charter of the City, Article I of Chapter 43 of the Administrative Code of the City and, to the
4 extent applicable, Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of
5 the Health and Safety Code of the State of California ("Health and Safety Code"), as now in
6 effect and as it may from time to time hereafter be amended or supplemented (collectively,
7 the "Act"); and

8 WHEREAS, The interest on the Note (hereinafter defined) may qualify for tax
9 exemption under Section 103 of the Internal Revenue Code of 1986, as amended, (the
10 "Code"), only if the issuance of the Note is approved in accordance with Section 147(f) of
11 the Code; and

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

15 WHEREAS, The Mayor's Office of Housing held a public hearing at 11:00 am on
16 Monday, June 11, 2012, notice of which hearing was published in a newspaper of general
17 circulation in the City in accordance with Section 147(f) of the Code, and an opportunity was
18 provided for persons to comment on the execution and delivery of the Note and the plan of
19 financing for the Project; and

20 WHEREAS, There has been prepared and presented to the Board for consideration
21 at this meeting the documentation required for the issuance of the Note, and such
22 documentation is on file with the Clerk of the Board of Supervisors (the "Clerk of the
23 Board"); and

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

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

6 WHEREAS, The City has engaged Sidley Austin LLP and Lofton & Jennings, as co-
7 bond counsel with respect to the Note ("Co-Note Counsel"); and

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

11 RESOLVED, by this Board of Supervisors of the City and County of San Francisco as
12 follows:

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

15 Section 2. Approval of Issuance of Note. In accordance with the Act and the
16 Funding Loan Agreement (hereinafter defined), the City is hereby authorized to issue and
17 deliver a revenue note of the City, which note comprises a Governmental Lender Note under
18 the Funding Loan Agreement, such note to be designated as "City and County of San
19 Francisco, California Multifamily Housing Revenue Note (121 Golden Gate Avenue Senior
20 Community), 2012 Series B," or such other designation as may be necessary or appropriate
21 to distinguish such Note from any other bonds or notes of the City, in an aggregate principal
22 amount not to exceed \$25,370,000 (Twenty-Five Million Three Hundred Seventy Thousand
23 Dollars) (the "Note"), with an interest rate not to exceed twelve percent (12%) per annum for
24 the Note, and which shall have a final maturity date not later than August 1, 2047. The Note
25 shall be in the form set forth in and otherwise in accordance with the Funding Loan

1 Agreement (defined below), and shall be executed by the manual or facsimile signature of
2 the Mayor of the City (the "Mayor") and attested by the manual or facsimile signature of the
3 Clerk of the Board.

4 Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement (the
5 "Funding Loan Agreement"), by and among the City, Citibank, N.A., as funding lender (the
6 "Funding Lender") and U. S. Bank, National Association, as Fiscal Agent, in the form
7 presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
8 approved. Each of the Mayor, the Director of the Mayor's Office of Housing, the Housing
9 Development Director of the Mayor's Office of Housing or any Authorized Governmental
10 Lender Representative (as such term is defined in the Funding Loan Agreement)
11 (collectively, the "Authorized Representatives" and each, an "Authorized Representative) is
12 hereby authorized to execute the Funding Loan Agreement, approved as to form by the City
13 Attorney of the City (the "City Attorney"), in substantially said form, together with such
14 additions thereto and changes therein as the City Attorney and Co-Note Counsel may
15 approve or recommend in accordance with Section 8 hereof.

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

23 Section 5. Approval of Regulatory Agreement and Declaration of Restrictive
24 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the
25 "Regulatory Agreement"), between the City and the Borrower, in the form presented to the

1 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each
2 Authorized Representative is hereby authorized to execute the Regulatory Agreement,
3 approved as to form by the City Attorney, in substantially said form, together with such
4 additions thereto and changes therein as the City Attorney and Co-Note Counsel may
5 approve or recommend in accordance with Section 8 hereof.

6 Section 6. Issuer Fees. The City, acting through the Mayor's Office of Housing, shall
7 charge a fee for the administrative costs associated with issuing the Note in an amount not
8 to exceed 0.25% of the principal amount of the Note. Such fee shall be payable at bond
9 closing and may be contingent on the delivery of the Note. The City shall also charge an
10 annual fee for monitoring the restricted units in an amount not to exceed 0.125% of the
11 outstanding principal amount of the Note, but no less than \$2,500 annually, for the term of
12 the Regulatory Agreement. The initial monitoring fee shall be payable upon delivery of the
13 Note. The Board hereby authorizes the Mayor's Office of Housing to charge and collect the
14 fees described in this section.

15 Section 7. Approval of Note Following a Public Hearing. This Board hereby
16 approves the execution and delivery of the Note in an amount set forth in Section 2 above.
17 It is the purpose and intent of this Board that this Resolution constitute approval of the
18 execution and delivery of the Note by the applicable elected representative of the
19 governmental unit having jurisdiction over the area in which the Project is located for the
20 purposes of, and in accordance with, Section 147(f) of the Code.

21 Section 8. Modifications, Changes, Additions. Any Authorized Representative
22 executing the Funding Loan Agreement, the Borrower Loan Agreement or the Regulatory
23 Agreement (collectively, the "City Agreements"), in consultation with the City Attorney and
24 Co-Note Counsel, is hereby authorized to approve and make such modifications, changes
25 or additions to the City Agreements as may be necessary or advisable, provided that such

1 modification does not authorize a principal amount of the Note in excess of \$25,370,000,
2 provide for a final maturity on the Note later than August 1, 2047, or provide for the Note to
3 bear interest at a rate in excess of twelve percent (12%) per annum. The approval of any
4 modification, addition or change to any of the aforementioned documents shall be evidenced
5 conclusively by the execution and delivery of the document in question.

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

13 Section 10. Ratification of Prior Actions. All actions heretofore taken by the officers
14 and agents of the City with respect to the issuance and delivery of the Note are hereby
15 approved, confirmed and ratified.

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

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5 APPROVED AS TO FORM:

6 DENNIS J. HERRERA
7 City Attorney

8
9 By: _____
10 KENNETH DAVID ROUX
11 Deputy City Attorney