



CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

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STATE TREASURER

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EXECUTIVE DIRECTOR
JUDITH BLACKWELL

September 9, 2020

Daniel Adams
Acting Director
City and County of San Francisco
1 S. Van Ness Avenue
San Francisco, CA 94103

**RE: REVISED RESOLUTION ATTESTING TO THE TRANSFER OF
PRIVATE ACTIVITY BOND ALLOCATION
(681 Florida / Application 20-552)**

Dear Mr. Adams:

We received a letter dated July 13, 2020 from Mara Blitzer on behalf of your organization requesting a change to Resolution No. 20-098 for the 681 Florida Project. The purpose of this letter is to approve the requested change and provide you with the Revised Resolution (see attached).

In the letter, it was requested that the private placement purchaser of record be changed from US Bank to Wells Fargo. In addition, it was also requested that the minimum taxable tail be changed from \$5,972,500 and Applicable to \$0 and Not Applicable. The Revised Resolution No. 20-098, Exhibit A, Item numbers 8 and 19 reflect this change.

The revised Resolution No. 20-098 establishes the terms and conditions under which the allocation has been granted. Please read it carefully and keep a copy in your permanent files. Please do not hesitate to call should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Genevieve V. Jopanda".

Genevieve V. Jopanda
Chief Deputy Treasurer

ENCLOSURE

cc: Sarah Nusser, City and County of San Francisco
Toger Swanson, Esq., Kutak Rock LLP
Don S. Falk, 681 Florida Housing Associates, LP

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

RESOLUTION NO. 20-098

Revised September 9, 2020

**A RESOLUTION TRANSFERRING A PORTION OF THE 2020 STATE CEILING
ON QUALIFIED PRIVATE ACTIVITY BONDS FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

WHEREAS, the California Debt Limit Allocation Committee ("Committee") has received an application ("Application") from the City and County of San Francisco ("Applicant") for the transfer to the Applicant of a portion of the 2020 State Ceiling on Qualified Private Activity Bonds under Section 146 of the Internal Revenue Code of 1986, as amended, for use by the Applicant to issue bonds or other obligations ("Bonds") for a Project as specifically described in Exhibit A ("Project") (capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Regulations of the Committee implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds); and

WHEREAS, the Project Sponsor has represented and the Applicant has confirmed in the Application certain facts and information concerning the Project; and

WHEREAS, in evaluating the Project and allocating a portion of the State Ceiling on Qualified Private Activity Bonds to the Applicant for the benefit of the Project, the Committee has relied upon the written facts and information represented in the Application by the Project Sponsor and the Applicant; and

WHEREAS, it is appropriate for the Committee to make a transfer of a portion of the 2020 State Ceiling on Qualified Private Activity Bonds ("Allocation") in order to benefit such Project described in the Application.

NOW, THEREFORE, the California Debt Limit Allocation Committee resolves as follows:

Section 1. There is hereby transferred to the Applicant an amount of the 2020 State Ceiling on Qualified Private Activity Bonds equal to **\$50,000,000**. Such Allocation may be used only by the Applicant and only for the issuance of Bonds for the Project, as specifically described in Exhibit A. All of the terms and conditions of Exhibit A are incorporated herein as though set forth in full (this resolution, together with Exhibit A are hereafter referred to collectively as this "Resolution").

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds. The Project Sponsor and the Applicant, and all of their respective successors and assignees, will be bound by such terms and conditions. The Applicant shall monitor the Project for compliance with the terms and conditions of this Resolution. In addition, the Project shall be subject to the monitoring provisions of the California Code of Regulations, Title 4, Section 10337(c) and Section 5220 of the Committee's Regulations.

Section 3. Any modification to the Project made prior to the issuance of the Bonds that impacts the resolution must be reported to the Executive Director and, if the Executive Director determines such modification to be material in light of the Committee's Regulations, shall require reconsideration by the Committee before the Allocation may be used for the Project. After Bonds are issued, the terms and conditions set forth in this Resolution shall be enforceable by the Committee through an action for specific performance or any other available remedy. In addition, after bonds are issued, changes to Items #1, #6, #7, #10 thru #12, #14 thru #16, #18 thru #26, and #37 of the Exhibit A require Committee or Executive Director approval for the term of commitment; changes to item #2, #13, #17, #27, and #39 thru #41 of the Exhibit A cannot be altered; changes to Items #3 thru #5 of the Exhibit A require no Committee or Executive Director approval but any alterations must be reported to CDLAC staff for the affordability period; changes to Items #8 and #9 of the Exhibit A require no CDLAC notification; and changes to Items #28 thru #36 and #38 of the Exhibit A require Committee or Executive Director approval only prior to the Project being Placed in Service by the CA Tax Credit Allocation Committee (TCAC).

Section 4. Any material changes in the structure of the bond sale prior to the issuance of the Bonds and not previously approved by the Committee shall require approval of the Committee Chair or the Executive Director.

RESOLUTION NO. 20-098

Revised September 9, 2020

Page 2 of 3

Section 5. The transfer of proceeds from the sale of bonds to a project other than the Project subject to this Resolution is allowable only with the prior approval of the Executive Director in consultation with the Chair, except when the Project is unable to utilize any of its allocation and the Applicant is requesting the transfer of the entire Allocation to different project(s). In such case, prior approval of the Committee must be obtained. Any transfer made pursuant to this Section may only be made to another project of the same issuer that has been previously approved by the Committee.

Section 6. The Applicant is not authorized to use the Allocation transferred hereby to make a carryforward election with respect to the Project. The Applicant is not authorized to transfer the Allocation to any governmental unit in the State other than the Committee.

Section 7. The Allocation transferred herein to the Applicant shall automatically revert to this Committee unless the Applicant has issued Bonds for the Project by the close of business on **October 13, 2020**. Upon the discretion of the Executive Director, the expiration may be extended pursuant to the provisions in Chapter 1, Article 8 of the Committee's Regulations. Please see section 14 for further provisions.

Section 8. Within twenty-four (24) hours of using the Allocation to issue Qualified Private Activity Bonds, the Applicant shall notify the Committee at CDLAC@treasurer.ca.gov that the Allocation has been used. This notice shall identify the Applicant, the Project or Program, the date the Allocation was used and the amount of Allocation used.

Section 9. Within fifteen (15) calendar days of the Bond closing, the Applicant or its counsel shall formally transmit to the Committee information regarding the issuance of the Bonds by submitting a completed Report of Action Taken in a form prescribed by and made available by the Committee.

Section 10. Any differences between the amount of Bonds issued and the amount of the Allocation granted in Section 1 of this Resolution shall automatically revert to the Committee. If at any time prior to the expiration date set forth in Section 7 hereof, the Applicant determines that part or all of the Allocation will not be used to issue Bonds by that date, the Applicant shall take prompt action by resolution of its governing Board or by action of its authorized officer to return such unused Allocation to the Committee.

Section 11. The staff of the Committee is authorized and directed to transmit a copy of this Resolution to the Applicant together with a request that the Applicant retain a copy of this Resolution in the Applicant's official records for the term of the Bonds under this Allocation or the term of the income and rental restrictions whichever is longer. The Committee staff is further directed to retain a copy of this Resolution in the files of the Committee (or any successor thereto) for the same period of time.

Section 12. In consideration of the Allocation transferred to the Applicant and the Project Sponsor, the Applicant and the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Furthermore, the Applicant and the Project Sponsor expressly agree that the terms and conditions of this Resolution may be enforced by the Committee through an action for specific performance or any other available remedy, provided however, that the Committee agrees not to take such action or enforce any such remedy that would be materially adverse to the interests of Bondholders. In addition, the Applicant and the Project Sponsor shall ensure that the Bond documents, as appropriate, expressly provide that the Committee is a third party beneficiary of the terms and conditions set forth in this Resolution.

Section 13. The Certification of Compliance II or equivalent form is to be submitted by the Project Sponsor to the Applicant by the Applicant's specified deadline, but no later than March 1st annually until the project's Certificate of Completion has been submitted to the Applicant. Following the submission of the Certificate of Completion or equivalent form to the Applicant, the Certification of Compliance II is to be submitted March 1st every three years thereafter. In addition, an Annual Applicant Public Benefits and On-going Compliance Self-Certification (Self Certification) form must be submitted by the Applicant online every year until the Certificate of Completion has been submitted to the Applicant. After the completion of the project has been reported, the Self Certification will be required to be submitted March 1st every three years thereafter pursuant to Section 5144 of the CDLAC Regulations. Verification to CDLAC of income and rental information is not required in advance of the submission of the Certificate of Completion. A copy of the Certification of Compliance II and the Certificate of Completion forms may be found at this website location: <http://www.treasurer.ca.gov/cdlac>. Failure to submit compliance may result in disqualification from future program participation.

Section 14. The applicant may return the allocation to the Committee without assesment of negative points or forfeiture of the performance deposit if the formal written notification is received by the Committee no later than **June 14, 2020** for this project.

Section 15. This Resolution shall take effect immediately upon its adoption.

* * *
CERTIFICATION

I, Genevieve V. Jopanda, Chief Deputy Treasurer, hereby certify that the above is a full, true, and correct copy of the Resolution adopted at a meeting of the Committee held in the Jesse Unruh Building, 915 Capitol Mall, Room 587, Sacramento, California 95814, on April 14, 2020 at 11:03am with the following votes recorded:

AYES: State Treasurer Fiona Ma, CPA
Gayle Miller for Governor Gavin Newsom
Anthony Sertich for State Controller Betty T. Yee

NOES: None
ABSTENTIONS: None
ABSENCES: None



Genevieve V. Jopanda, Chief Deputy Treasurer

Date: September 9, 2020

RESOLUTION NO. 20-098
Revised September 9, 2020
(QUALIFIED RESIDENTIAL RENTAL PROJECT)
EXHIBIT A

- | | |
|---------------------------------|--|
| 1. Applicant: | City and County of San Francisco |
| 2. Application No.: | 20-552 |
| 3. Project Sponsor: | 681 Florida Housing Associates, LP (MEDA 681 Florida, LLC / 681 Florida TNDC, LLC) |
| 4. Property Management Co.: | Tenderloin Neighborhood Development Corporation |
| 5. Project Name: | 681 Florida |
| 6. Type of Project: | New Construction/Family |
| 7. Location: | San Francisco, CA |
| 8. Private Placement Purchaser: | Wells Fargo Bank, N.A./California Community Reinvestment Corporation |
| Cash Flow Bond: | Not Applicable |

All units identified in the CDLAC resolution, including both the Federally Bond-Restricted Units and the Other Restricted Units, will be incorporated into the Bond Regulatory Agreement. Assumptions to be included in the Bond Regulatory Agreement regarding the Other Restricted Units will include the AMI as outlined in the CDLAC resolution, a limitation that tenants pay no more than 30% of their income and 1.5 persons per bedroom occupancy standard to determine the applicable rent.

Not Applicable

- | | |
|------------------------------|-----------------------|
| 9. Public Sale: | Not Applicable |
| Credit Enhancement Provider: | Not Applicable |
- | | | | |
|--|-----------------|-----------|------------------------------|
| 10. Total Number of Units: | 129 plus | 1 | unrestricted manager unit(s) |
| 11. Total Number of Restricted Rental Units: | | 94 | |
12. The term of the income and rental restrictions for the Project will be at least 55 years from the date 50% occupancy is achieved or when the project is otherwise placed in service.
13. The Regulatory Agreement shall not terminate prior to the end of the CDLAC Resolution affordability term in the event of foreclosure, exercise of power of sale, and/or transfer of title by deed in lieu of foreclosure in connection with a deed of trust directly or indirectly securing the repayment of Cash Flow Permanent Bonds.
14. The Project will utilize Gross Rents as defined in Section 5170 of the Committee's Regulations.
Applicable
15. Income and Rental Restrictions
- a. Federally Bond-Restricted Set-aside Units:
At least **40%** of the total units will be restricted at 60% of the Area Median Income.
- b. Other Restricted Units
For the entire term of the income and rental restrictions, the Project will have:
- At least **94** Qualified Residential units rented or held vacant for rental for persons or families whose income is at or below 50% of the Area Median Income.
- At least **0** Qualified Residential units rented or held vacant for rental for persons or families whose income is at or below 60% of the Area Median Income.

RESOLUTION NO. 20-098

Exhibit A

Revised September 9, 2020

Page 2 of 5

16. **10%** of the units will be restricted to households with incomes no greater than **50%** of the Area Median Income in accordance with Section 5191 of the Committee's Regulations. These units will be distributed as follows:

Applicable

Studios:	5
One-bedroom:	3
Two-bedroom:	4
Three-bedroom:	1
Four-bedroom:	0
Five-bedroom	0

17. For acquisition and rehabilitation projects, a minimum of \$15,000 in hard construction costs will be expended for each Project unit.

Not Applicable

18. A minimum of \$35,614,213 of public funds will be expended for the Project.

Applicable

19. At a minimum, the financing for the Project shall include a Taxable Tail in the amount of \$0,000. Taxable debt may only be utilized for Project related expenses, not for the cost of issuance, for which the Project Sponsor could otherwise have used tax-exempt financing.

Not Applicable

20. If the Project received points for having large family restricted units for the entire term of the income and rental restrictions, the Project will have at least 0 three-bedroom or larger units.

Not Applicable

21. For a period of fifteen (15) years after the Project is placed in use, the Project will provide to Project residents high-speed Internet or wireless (WiFi) service in each Project unit.

Not Applicable

22. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents an after school program of an ongoing nature on-site or there must be an after school program available to Project residents within 1/2 mile of the Project or except where Project will provide no cost round trip transportation. The programs shall include, but are not limited to: tutoring, mentoring, homework club, art, and recreation activities to be provided weekdays throughout the school year for at least ten (10) hours per week.

Not Applicable

23. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents instructor-led educational, health and wellness, or skill building classes. The classes shall include, but are not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation & preparation, and smoking cessation. Classes shall be provided at a minimum of 84 hours per year (drop-in computer labs, monitoring and technical assistance shall not qualify) and be located within 1/2 mile of the Project or except where Project will provide no-cost round trip transportation.

Applicable

24. For a period of fifteen (15) years after the Project is placed in use, the Project will offer to Project residents 20 hours or more per week of licensed childcare on-site or there must be 20 hours or more per week of licensed childcare available to Project residents within 1/2 mile of the Project or except where Project will provide no cost round trip transportation.

Not Applicable

RESOLUTION NO. 20-098

Exhibit A

Revised September 9, 2020

Page 5 of 5

40. As specified in Section 5144(c) of the Committee's Regulations, compliance with the income and rental requirements of the Federally Bond-Restricted Units identified in the Committee Resolution and the Bond Regulatory Agreement must be demonstrated by the Applicants initial review of 20% of all management files associated with the Federally Bond-Restricted units and subsequent review every three years of 20% of all management files associated with the Federally Bond-Restricted units.

Applicable

41. As specified in Section 5144(d) of the Committee's Regulations, applicants are required to ensure an onsite inspection as well as an on-site review of the 20% Federally Bond-Restricted units is performed every 3 years after the Qualified Project Period has commenced.

The following entity will conduct the site and file inspections:

Not Applicable