

1 [Multifamily Housing Revenue Notes and Variable Rate Multifamily Housing Revenue Bonds -
2 Transbay Block 8 - Not to Exceed \$302,390,833]

3 **Resolution authorizing the issuance and delivery of a multifamily housing revenue note**
4 **in an aggregate principal amount not to exceed \$19,290,833 for the purpose of**
5 **providing financing for the acquisition and construction of an 80-unit multifamily rental**
6 **housing project located in the City at 250 Fremont Street (also known as Transbay**
7 **Block 8 Affordable Apartments); authorizing the issuance and delivery of variable rate**
8 **multifamily housing revenue bonds in an aggregate principal amount not to exceed**
9 **\$263,100,000 and a multifamily housing revenue note in an aggregate principal amount**
10 **not to exceed \$20,000,000 for the purpose of providing financing for the acquisition**
11 **and construction of a 350-unit multifamily rental housing project located in the City at**
12 **450 Folsom Street (also known as Transbay Block 8 Tower Apartments); approving, for**
13 **purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, the**
14 **issuance of the tax-exempt portion of said bonds and said notes in an aggregate**
15 **principal amount not to exceed \$282,359,227; approving the form of and authorizing the**
16 **execution of funding loan agreements providing the terms and conditions of the**
17 **multifamily housing revenue notes and authorizing the execution and delivery thereof;**
18 **approving the form of and authorizing the execution of one or more regulatory**
19 **agreements and declarations of restrictive covenants; approving the forms of and**
20 **authorizing the execution of certain loan documents; approving the forms of and**
21 **authorizing the execution of an indenture of trust providing the terms and conditions of**
22 **the variable rate multifamily housing revenue bonds and authorizing the execution and**
23 **delivery thereof; approving the form of and authorizing the execution of a bond**
24 **purchase agreement for such bonds; approving the form of and authorizing an official**
25 **statement for such bonds and authorizing the distribution thereof; authorizing the**

1 **collection of certain fees; ratifying and approving any action heretofore taken in**
2 **connection with the bonds, the notes and the projects; granting general authority to**
3 **City officials to take actions necessary to implement this Resolution, subject to the**
4 **terms of this Resolution; and related matters, as defined herein.**

5
6 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
7 "Board") desires to provide for a portion of the costs of the acquisition and construction by T8
8 Housing Partners, L.P., a California limited partnership, or an affiliate thereof ("Borrower I"), of
9 an 80-unit affordable multifamily housing rental development located at 250 Fremont Street,
10 San Francisco, California (also known as Transbay Block 8 Affordable Apartments) ("Project
11 I"), to provide housing for persons and families of very low income through the issuance of
12 multifamily housing revenue bonds or notes; and

13 WHEREAS, The Board desires to provide for a portion of the costs of the acquisition,
14 development and construction by T8 Urban Housing Associates, LLC, a Delaware limited
15 liability company, or an affiliate thereof, and/or T8 Urban Condo Owner, LLC, a Delaware
16 limited liability company, or an affiliate thereof (the "Bond Borrowers"), of a 350-unit
17 multifamily housing rental development located at 450 Folsom Street, San Francisco,
18 California (also known as Transbay Block 8 Tower Apartments) ("Project II" and together with
19 Project I, the "Project"), a portion of which will provide housing for persons and families of very
20 low income through the issuance of multifamily housing revenue bonds or notes; and

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

1 the State of California ("Health and Safety Code"), as now in effect and as they may from time
2 to time hereafter be amended or supplemented (collectively, the "Act"); and

3 WHEREAS, On December 16, 2015, CDLAC, in its resolution number 15-153,
4 allocated an amount equal to \$19,290,833 in qualified private activity bond volume cap to
5 Project I; and

6 WHEREAS, On December 16, 2015, CDLAC, in its resolution number 15-152,
7 allocated an amount equal to \$263,068,394 in qualified private activity bond volume cap to
8 Project II; and

9 WHEREAS, The City caused a notice of public hearing to appear in The San Francisco
10 Examiner, a newspaper of general circulation in the City, at least two weeks prior to the
11 scheduled date of such hearing; and

12 WHEREAS, On the date and time and at the location specified in such notice, the
13 Mayor's Office of Housing and Community Development held such public hearing, in which an
14 opportunity was provided for persons to comment on the issuance of the aforesaid multifamily
15 housing revenue bonds and notes for the Project; and

16 WHEREAS, The minutes of such public hearing were provided to the Board of
17 Supervisors prior to this meeting; and

18 WHEREAS, There has been prepared and presented to the Board for consideration at
19 this meeting the documentation required for the issuance and sale of the Notes and the Bonds
20 (each as hereinafter defined), and such documentation is on file with the Clerk of the Board of
21 Supervisors (the "Clerk of the Board"); and

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

25

1 WHEREAS, The Board finds that the public interest and necessity require that the City
2 at this time make arrangements for the sale of said Notes and the Bonds; and

3 WHEREAS, Note I (hereinafter defined) is a limited obligation of the City, the sole
4 source of repayment of which shall be payments made by Borrower I under Borrower Loan
5 Agreement I (hereinafter defined), together with investment income of certain funds and
6 accounts held under Funding Loan Agreement I (hereinafter defined); and

7 WHEREAS, Note II (hereinafter defined) is a limited obligation of the City, the sole
8 source of repayment of which shall be payments made by T8 Urban Housing Associates,
9 BMR, L.P. ("Borrower II") under Borrower Loan Agreement II (hereinafter defined), together
10 with investment income of certain funds and accounts held under Funding Loan Agreement II
11 (hereinafter defined); and

12 WHEREAS, the Bonds are a limited obligation of the City, the sole source of repayment
13 of which shall be payments made by the Bond Borrowers under the Loan Agreement
14 (hereinafter defined), payments under a letter of credit arranged by the Bond Borrowers, or
15 other collateral pledged for the repayment of the Bonds, together with investment income of
16 certain funds and accounts held under the Indenture of Trust (hereinafter defined); and

17 WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation, and
18 Curls Bartling P.C., as co-bond counsel with respect to the Notes and the Bonds ("Co-Bond
19 Counsel"); and

20 WHEREAS, Wells Fargo Bank, National Association ("Wells") has expressed its
21 intention to make the loan under Funding Loan Agreement I (hereinafter defined) and thereby
22 become the holder of Note I; and

23 WHEREAS, Citibank, N.A. ("Citibank") has expressed its intention to make the loan
24 under Funding Loan Agreement II (hereinafter defined) and thereby become the holder of
25 Note II; and

1 WHEREAS, Citigroup Global Markets Inc. (“Underwriter I”), and Goldman, Sachs &
2 Co., as underwriters (“Underwriter II,” and together with Underwriter I, the “Underwriters”),
3 have expressed their intention to purchase, or cause an affiliate to purchase, the Bonds
4 authorized hereby; now, therefore, be it

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

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

9 Section 2. Approval of Issuance of Note I. In accordance with the Act and Funding
10 Loan Agreement I (hereinafter defined), the City is hereby authorized to issue and deliver a
11 revenue note of the City, such note to be issued in one or more series and subseries, and
12 designated as "City and County of San Francisco Multifamily Housing Revenue Note
13 (Transbay Block 8 Affordable Apartments), 2016 Series J," or such other designation as may
14 be necessary or appropriate to distinguish such series from every other series of notes of the
15 City, in an aggregate principal amount not to exceed \$19,290,833 ("Note I"), with an interest
16 rate not to exceed twelve percent (12%) per annum for Note I, and which shall have a final
17 maturity date not later than forty (40) years after the issuance thereof. Note I shall be in the
18 form set forth in and otherwise in accordance with Funding Loan Agreement I, and shall be
19 executed by the manual or facsimile signature of the Mayor of the City (the "Mayor") and as
20 further provided in Funding Loan Agreement I.

21 Section 3. Approval of Funding Loan Agreement I. The Funding Loan Agreement
22 relating to Note I (the “Funding Loan Agreement I”), by and among Wells, the City, and U.S.
23 Bank National Association, as fiscal agent (the “Fiscal Agent”), in the form presented to the
24 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor,
25 the Director of the Mayor's Office of Housing and Community Development (the "Director"), or

1 any Authorized Governmental Lender Representative (as such term is defined in the Funding
2 Loan Agreement) (collectively, "Authorized Representatives" and each, an "Authorized
3 Representative") is hereby authorized to execute Funding Loan Agreement I, approved as to
4 form by the City Attorney of the City (the "City Attorney"), in substantially said form, together
5 with such additions thereto and changes therein as the City Attorney and Co-Bond Counsel
6 may approve or recommend in accordance with Section 16 hereof.

7 Section 4. Approval of City Loan Documents I. The Borrower Loan Agreement by and
8 between the City and Borrower I ("Borrower Loan Agreement I"), and an assignment of certain
9 security interests and loan documents from the City to Wells ("Assignment I" and together with
10 Borrower Loan Agreement I, the "City Loan Documents I"), in the forms presented to the
11 Board, copies of which are on file with the Clerk of the Board, are hereby approved. Each
12 Authorized Representative is hereby authorized to execute the City Loan Documents I in
13 substantially said forms, together with such additions thereto and changes therein as the City
14 Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 16
15 hereof.

16 Section 5. Approval of Issuance of Note II. In accordance with the Act and Funding
17 Loan Agreement II (hereinafter defined), the City is hereby authorized to issue and deliver a
18 revenue note of the City, such note to be issued in one or more series and subseries, and
19 designated as "City and County of San Francisco Multifamily Housing Revenue Note
20 (Transbay Block 8 Tower Apartments), 2016 Series I," or such other designation as may be
21 necessary or appropriate to distinguish such series from every other series of notes of the
22 City, in an aggregate principal amount not to exceed \$20,000,000 ("Note II" and together with
23 Note I, the "Notes"), with an interest rate not to exceed twelve percent (12%) per annum for
24 Note II, and which shall have a final maturity date not later than forty (40) years after the
25 issuance thereof. Note II shall be in the form set forth in and otherwise in accordance with

1 Funding Loan Agreement II, and shall be executed by the manual or facsimile signature of the
2 Mayor and as further provided in Funding Loan Agreement II.

3 Section 6. Approval of Funding Loan Agreement II. The Funding Loan Agreement
4 relating to Note II ("Funding Loan Agreement II" and together with Funding Loan Agreement I,
5 the "Funding Loan Agreements"), by and among Citibank, the City, and U.S. Bank National
6 Association, as fiscal agent, in the form presented to the Board, a copy of which is on file with
7 the Clerk of the Board, is hereby approved. Each Authorized Representative is hereby
8 authorized to execute Funding Loan Agreement II, approved as to form by the City Attorney,
9 in substantially said form, together with such additions thereto and changes therein as the City
10 Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 16
11 hereof.

12 Section 7. Approval of City Loan Documents II. The Borrower Loan Agreement by and
13 between the City and Borrower II ("Borrower Loan Agreement II" and together with Borrower
14 Loan Agreement I, the "Borrower Loan Agreements"), and an assignment of certain security
15 interests and loan documents from the City to Citibank ("Assignment II" and together with
16 Borrower Loan Agreement II, "City Loan Documents II"), in the forms presented to the Board,
17 copies of which are on file with the Clerk of the Board, are hereby approved. Each Authorized
18 Representative is hereby authorized to execute the City Loan Documents II in substantially
19 said forms, together with such additions thereto and changes therein as the City Attorney and
20 Co-Bond Counsel may approve or recommend in accordance with Section 16 hereof.

21 Section 8. Approval of Issuance of Bonds. In accordance with the Act and the
22 Indenture of Trust, the City is hereby authorized to issue and deliver tax-exempt and/or
23 taxable bonds of the City, such bonds to be issued in one or more series and subseries, and
24 designated as "City and County of San Francisco Variable Rate Multifamily Housing Revenue
25 Bonds (Transbay Block 8 Tower Apartments), 2016 Series H," or such other designation as

1 may be necessary or appropriate to distinguish such series from every other series of bonds
2 or notes of the City, in an aggregate principal amount not to exceed \$263,100,000 (the
3 "Bonds"), with an interest rate not to exceed twelve percent (12%) per annum for the Bonds
4 (other than when owned by a credit or liquidity enhancer thereof, in which case there shall be
5 no maximum rate), and which shall have a final maturity date not later than forty (40) years
6 after the issuance thereof. The Bonds shall be in the form set forth in and otherwise in
7 accordance with the Indenture of Trust, and shall be executed by the manual or facsimile
8 signature of the Mayor and as further provided in the Indenture of Trust.

9 Section 9. Approval of Indenture of Trust. The Indenture of Trust (the "Indenture of
10 Trust"), by and between the City and U.S. Bank National Association, as trustee (the
11 "Trustee"), in the form presented to the Board, a copy of which is on file with the Clerk of the
12 Board, is hereby approved. The Mayor, the Director or any Authorized Governmental Lender
13 Representative (as such term is defined in the Indenture of Trust) is hereby authorized to
14 execute the Indenture of Trust (collectively, "Authorized Representatives" and each, an
15 "Authorized Representative"), approved as to form by the City Attorney, in substantially said
16 form, together with such additions thereto and changes therein as the City Attorney and Co-
17 Bond Counsel may approve or recommend in accordance with Section 16 hereof.

18 Section 10. Approval of Loan Agreement. The Loan Agreement relating to the Bonds,
19 by and among the City, the Bond Borrowers, and the Trustee (the "Loan Agreement"), in the
20 form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
21 approved. Each Authorized Representative is hereby authorized to execute the Loan
22 Agreement in substantially said form, together with such additions thereto and changes
23 therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance
24 with Section 16 hereof.

1 Section 11. Approval of Bond Purchase Agreements. The Bonds are authorized to be
2 sold to the Underwriters at a price equal to the principal amount thereof, less an underwriting
3 discount or underwriting fee not to exceed one-half of one percent (0.5%) of the principal
4 amount of the Bonds. The bond purchase agreement by and among the City, the Bond
5 Borrowers and Underwriter I (“Bond Purchase Agreement I”), and the bond purchase
6 agreement by and among the City, the Bond Borrowers and Underwriter II (“Bond Purchase
7 Agreement II,” and together with Bond Purchase Agreement I, the “Bond Purchase
8 Agreements”), each in the form presented to the Board, a copy of which is on file with the
9 Clerk of the Board, is hereby approved. Each Authorized Representative is hereby authorized
10 to execute the Bond Purchase Agreements in substantially said form, together 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 16 hereof.

13 Section 12. Approval of Official Statement. The form of official statement relating to the
14 Bonds (the “Official Statement”), a copy of which is on file with the Clerk of the Board, is
15 hereby approved. Each Authorized Representative is hereby authorized to execute the
16 Official Statement in substantially said form, together with such additions thereto and changes
17 therein as the City Attorney and Hawkins Delafield & Wood LLP, disclosure counsel to the
18 City, may approve or recommend in accordance with Section 16 hereof. The Underwriters
19 are hereby authorized to distribute the Official Statement to prospective and actual purchasers
20 of the Bonds.

21 Section 13. Approval of Regulatory Agreements and Declarations of Restrictive
22 Covenants. The form of Regulatory Agreement and Declaration of Restrictive Covenants for
23 Project I (“Regulatory Agreement I”), by and between the City and Borrower I, or an affiliate
24 thereof, presented to the Board, a copy of which is on file with the Clerk of the Board, is
25 hereby approved. The form of Regulatory Agreement and Declaration of Restrictive

1 Covenants for Project II ("Regulatory Agreement II"), by and among the City, T8 Urban
2 Housing Associates, LLC and T8 Urban Housing Associates, BMR, L.P., or affiliates thereof,
3 presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
4 approved. Each Authorized Representative is hereby authorized to execute such Regulatory
5 Agreements, approved as to form by the City Attorney, in substantially said forms, together
6 with such additions thereto and changes therein as the City Attorney and Co-Bond Counsel
7 may approve or recommend in accordance with Section 16 hereof.

8 Section 14. Approval of Tax-Exempt Obligations. For purposes of Section 147(f) of the
9 Internal Revenue Code of 1986, as amended, this Board of Supervisors, as the applicable
10 elected representative of (i) the governmental unit issuing the Bonds and the Notes, and (ii)
11 the governmental unit having jurisdiction over the area in which the Project is located, hereby
12 approves the issuance of Note I in an aggregate principal amount not to exceed \$19,290,833
13 and the issuance of the tax-exempt portion of the Bonds and Note II in an aggregate principal
14 amount not to exceed \$263,068,394.

15 Section 15. Issuer Fees. The City, acting through the Mayor's Office of Housing and
16 Community Development, shall charge a fee for the administrative costs associated with
17 issuing the Notes and the Bonds in an amount not to exceed 0.25% of the maximum
18 aggregate principal amount of the Notes and the Bonds. Such fee shall be payable at closing
19 and may be contingent on the delivery of the Notes and the Bonds. The City shall also charge
20 an annual fee for monitoring compliance with the provisions of the Regulatory Agreements in
21 an amount not to exceed 0.125% of the outstanding aggregate principal amount of the Notes
22 and the Bonds, but no less than \$2,500 annually for each series of Notes or Bonds, for the
23 term of the Regulatory Agreements. The initial monitoring fees shall be payable at the closing
24 of the applicable Notes or Bonds. The Board hereby authorizes the Mayor's Office of Housing
25 and Community Development to charge and collect the fees described in this section.

1 Section 16. Modifications, Changes, Additions. Any Authorized Representative
2 executing the Funding Loan Agreements, the Regulatory Agreements, the City Loan
3 Documents I, the City Loan Documents II, the Indenture of Trust, the Loan Agreement, the
4 Bond Purchase Agreement or the Official Statement (collectively, the "City Documents"), in
5 consultation with the City Attorney and Co-Bond Counsel, is hereby authorized to approve
6 and make such modifications, changes or additions to the City Documents as may be
7 necessary or advisable, provided that such modification does not authorize an aggregate
8 principal amount of Notes or Bonds in excess of the amounts set forth herein, provide for a
9 final maturity on the Notes or the Bonds later than forty (40) years after the issuance thereof,
10 or provide for the Notes or the Bonds to bear interest at a rate in excess of twelve percent
11 (12%) per annum (other than Bonds owned by a credit or liquidity enhancer thereof, in which
12 case there shall be no maximum rate). The approval of any modification, addition or change
13 to any of the aforementioned documents shall be evidenced conclusively by the execution and
14 delivery of the document in question.

15 Section 17. Ratification. All actions heretofore taken by the officers and agents of the
16 City with respect to the sale and issuance of the Notes and the Bonds, as consistent with the
17 documents authorized herein and this Resolution, are hereby approved, confirmed and
18 ratified.

19 Section 18. General Authority. The proper officers of the City are hereby authorized
20 and directed, for and in the name and on behalf of the City, to do any and all things and take
21 any and all actions and approve, execute and deliver any and all certificates, agreements and
22 other documents, including but not limited to subordinations, intercreditor agreements,
23 assignments, contingency draw-down agreements, tax documents and those documents
24 described in the City Documents, which they, or any of them, may deem necessary or
25 advisable in order to consummate the lawful issuance and delivery of the Notes and the

1 Bonds and to effectuate the purposes thereof and of the documents herein approved in
2 accordance with this Resolution in consultation with the City Attorney. Any such actions are
3 solely intended to further the purposes of the Resolution, and are subject in all respects to the
4 terms of the Resolution, and any such action cannot increase the risk to the City, or require
5 the City to spend any resources, and such official shall consult with the City Attorney prior to
6 execution and provided that within 90 days of the documents approved by this Resolution
7 being executed by all parties, such final documents (showing marked changes, if any) shall be
8 provided to the Clerk of the Board, for inclusion in the official file, together with a brief
9 explanation of any changes from the date of the adoption of this Resolution.

10 Section 19. File. All documents referenced herein as being on file with the Clerk of the
11 Board are located in File No. _____, which is hereby declared to be a part of this
12 Resolution as if set forth fully herein.

13
14 APPROVED AS TO FORM:
15 DENNIS J. HERRERA
16 City Attorney

17 By: _____
18 HEIDI J. GEWERTZ
19 Deputy City Attorney
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