

File No. 180810

Committee Item No. 9

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date September 4, 2018

Board of Supervisors Meeting

Date _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong

Date August 29, 2018

Completed by: Linda Wong

Date _____

1 [Multifamily Housing Revenue Bonds - 1990 Folsom Street - Not to Exceed \$76,000,000]

2
3 **Resolution approving, for purposes of the Internal Revenue Code of 1986, as amended,**
4 **the issuance and sale of residential mortgage revenue bonds by the City and County of**
5 **San Francisco in an aggregate principal amount not to exceed \$76,000,000 for the**
6 **purpose of providing financing for the construction of a 143-unit multifamily rental**
7 **housing project, located at 1990 Folsom Street (the "Project") by 1990 Folsom Housing**
8 **Associates, L.P.; authorizing and directing the execution of any documents necessary**
9 **to implement this Resolution; and ratifying and approving any action heretofore taken**
10 **in connection with the Project, as defined herein.**

11
12 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
13 "Board of Supervisors"), after careful study and consideration, has determined that there is a
14 shortage of safe and sanitary housing within the City and County of San Francisco (the "City"),
15 particularly for low and moderate income persons, and that it is in the best interest of the
16 residents of the City and in furtherance of the health, safety, and welfare of the public for the
17 City to assist in the financing of multifamily rental housing units; and

18 WHEREAS, Acting under and pursuant to the powers reserved to the City under Sections
19 3, 5, and 7 of Article XI of the Constitution of the State of California and Sections 1.101 and
20 9.107 of the Charter, the City has enacted the City and County of San Francisco Residential
21 Mortgage Revenue Bond Law (the "City Law"), constituting Article I of Chapter 43 of the San
22 Francisco Administrative Code, in order to establish a procedure for the authorization, issuance
23 and sale of residential mortgage revenue bonds by the City for the purpose of providing funds
24 to encourage the availability of adequate housing and home finance for persons and families of
25

1 low or moderate income, and to develop viable communities by providing decent housing,
2 enhanced living environments, and increased economic opportunities for persons and families
3 of low or moderate income; and

4 WHEREAS, In addition, pursuant to Division 31 of the Health and Safety Code of the
5 State of California, and particularly Chapter 7 of Part 5 thereof (the "State Law"), the City is
6 empowered to issue and sell bonds for the purpose of making mortgage loans or otherwise
7 providing funds to finance the development of multifamily rental housing including units for lower
8 income households and very low income households; and

9 WHEREAS, 1990 Folsom Housing Associates, L.P., a California limited partnership (or
10 an affiliate thereof or successor thereto) (the "Developer"), desires to construct approximately
11 143 units of affordable residential rental housing to be located at 1990 Folsom Street, San
12 Francisco, California 94103 (the "Project"); and

13 WHEREAS, The Developer has requested that the City assist in the financing of the
14 Project through the issuance of one or more series of tax-exempt mortgage revenue bonds (the
15 "Bonds"); and

16 WHEREAS, The City intends to issue the Bonds in an amount not to exceed \$76,000,000
17 and to loan the proceeds of the Bonds to the Developer (the "Loan") to finance the costs of the
18 Project; and

19 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section 103
20 of the Internal Revenue Code of 1986, as amended (the "Code"), only if the Bonds are approved
21 in accordance with Section 147(f) of the Code; and

22 WHEREAS, The City now wishes to approve the issuance of the Bonds in order to satisfy
23 the public approval requirements of Section 147(f) of the Code; and

24 WHEREAS, The Project is located wholly within the City; and

25 ///

1 WHEREAS, On July 26, 2018, the City caused a notice stating that a public hearing with
2 respect to the issuance of the Bonds would be held by the Mayor's Office of Housing and
3 Community Development on August 10, 2018, to appear in *The San Francisco Examiner*, which
4 is a newspaper of general circulation in the City; and

5 WHEREAS, The Mayor's Office of Housing and Community Development held the public
6 hearing described above on August 10, 2018, and an opportunity was provided for persons to
7 comment on the issuance of the Bonds and the Project; and

8 WHEREAS, This Board of Supervisors is the elected legislative body of the City and is
9 the applicable elected representative authorized to approve the issuance of the Bonds within
10 the meaning of section 147(f) of the Code; now, therefore be it

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

13 Section 1. The Board of Supervisors finds and determines that the foregoing recitals are
14 true and correct.

15 Section 2. The maximum principal amount of tax-exempt Bonds expected to be issued
16 for the Project is \$76,000,000.

17 Section 3. This Board of Supervisors, as the applicable elected representative of the
18 governmental unit having jurisdiction over the area in which the Project is located, hereby
19 approves the issuance of the Bonds for purposes of Section 147(f) of the Code.

20 Section 4. This approval of the issuance of the Bonds by the City is neither an approval
21 of the underlying credit issues of the proposed Project nor an approval of the financial structure
22 of the Bonds.

23 ///

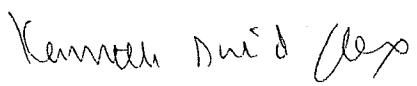
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Section 5. This Resolution shall take effect from and after its adoption by the Board and approval by the Mayor.

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: 
KENNETH DAVID ROUX
Deputy City Attorney
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July 18, 2018

**City and County of San Francisco
Multifamily Securities Program
Project Description**

1990 Folsom

Overview

The funds described in the “Financing Structure” section below will be used to finance the development of 1990 Folsom, a 143-unit affordable multifamily housing project to be located at 1990 Folsom Street, San Francisco, CA 94103 (the “Project”).

Upon completion, the Project will include approximately 154,800 square feet of gross floor area, comprised of 140,667 square feet of residential area and 14,133 square feet of non-residential area. Non-residential spaces will include ground floor childcare and Production, Distribution, and Repair (“PDR”) space.

Total project costs will be approximately \$103.3 million or \$722,660 per dwelling unit.

The residential unit distribution, which will include one 2-bedroom superintendent unit, is:

<u>Unit type</u>	<u>Number of units</u>
Studio	23
1-Bedroom	48
2-Bedroom	61
3-Bedroom	11
4-Bedroom	0

Twenty-five percent of the units will be set aside for households relocated under the HOPE SF program. Ten percent of the residential units will serve households earning no more than 40% of the San Francisco County Area Median Income (“AMI”), 25% of the units will serve households earning no more than 50% of AMI, while the balance of units will serve households earning no more than 60% of AMI.

Residents

No residents will be displaced as the site is currently a vacant lot.

Site Description and Scope of Work

Address: 1990 Folsom Street, San Francisco, CA 94103
Block/Lot: 3552/012

Property amenities will include:

- Laundry room
- Two community rooms, including a community kitchen
- Extensive community gardens
- On-site tenant services & property management

Development and Management Team

Project Sponsors: Tenderloin Neighborhood Development Corporation (TNDC),
Mission Economic Development Agency (MEDA)
General Contractor: Nibbi Brothers General Contractors
Architect of Record: Leddy, Maytum, & Stacy
Property Manager: Tenderloin Neighborhood Development Corporation (TNDC)

Project Ownership Structure

Borrower Entity: 1990 Folsom Housing Associates, LP
Managing General Partner: 1990 Folsom TNDC GP LLC, MEDA 1990 Folsom LLC

An investor to-be determined limited partner will own a 99.99% interest in the borrower entity.

Financing Structure

The following sources of capital financing are expected to be utilized:

- Tax-exempt bonds issued by the City;
- 4% low-income housing tax credits (“LIHTC”);
- An Affordable Housing Program (“AHP”) loan through the Federal Home Loan Bank of San Francisco;
- A conventional first mortgage; and
- Soft debt from the City.

The sale of LIHTC will generate equity financing for the Project. The amount of private activity tax-exempt bonds used during construction will be sized specifically to meet the 50% of aggregate basis test required for the LIHTC.

Schedule

Financing is anticipated to close in February 2019, with a notice-to-proceed issued to the General Contractor within 7 days of the construction-period finance closing. All construction is scheduled to be completed by December 2020.

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ADAM CRAY
CCSF MAYOR'S OFFICE OF HOUSING
ONE SOUTH VAN NESS AVE 5TH FLR
SAN FRANCISCO, CA 94103-5416

EXM# 3157172

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Friday, August 10, 2018, at 10:30 a.m., in the Mayor's Office of Housing and Community Development, 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, the City and County of San Francisco (the "City") will conduct a public hearing (the "Public Hearing") at which time the City will hear and consider information concerning the proposed sale and issuance by the City of multifamily affordable housing mortgage revenue bonds (the "Bonds") in an aggregate principal amount not to exceed seventy-six million dollars (\$76,000,000). The proceeds of the Bonds will be loaned to 1990 Folsom Housing Associates, L.P. (or an affiliate thereof or successor thereto) (the "Borrower"), pursuant to a loan agreement (the "Loan Agreement"). The proceeds of the Bonds loaned to the Borrower will be used to finance the development of approximately 143 units of residential rental housing located at 1990 Folsom Street, San Francisco, California, 94103 (the "Project"). The Project will be owned and operated by the Borrower. The Bonds will be paid entirely by the Borrower from the revenues of the Project, in accordance with the Loan Agreement. Neither the full faith and credit nor the taxing power of the City, the State of California (the "State") or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal, premium, if any, or interest on the Bonds, nor shall the City, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal, premium, if any, or interest on the Bonds. The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended. All those interested in matters related to the issuance of the Bonds and to the financing of the Project are invited to attend and be heard at this hearing. Interested parties may appear in person at the time and place indicated above or submit written comments, which must be received prior

to the Public Hearing, to the City, c/o Adam Cray, Mayor's Office of Housing and Community Development, at the address indicated above. Date: July 26, 2018
CITY AND COUNTY OF SAN FRANCISCO
Kate Hartley, Director
Mayor's Office of Housing and Community Development

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE.
Ad Description 1990 FOLSOM TEFRA

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

07/26/2018

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.



Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2010 JUL 21 PM 3:05
Time stamp

BY RS
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Topic submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Ronen

Subject:

[Multifamily Housing Revenue Bonds – 1990 Folsom Street, San Francisco, California 94103 – Not to Exceed \$76,000,000]

The text is listed:

Resolution approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue bonds by the City in an aggregate principal amount not to exceed \$76,000,000; authorizing and directing the execution of any documents necessary to implement this Resolution; and ratifying and approving any action heretofore taken in connection with the Project, as defined herein.

Signature of Sponsoring Supervisor:

Lilly Ronen

For Clerk's Use Only

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL**
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s):	City elective office(s) held:
Members, Board of Supervisors	Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>
Name of contractor:
1990 Folsom Housing Associates, LP

Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.

The borrower entity for the 1990 Folsom project is 1990 Folsom Housing Associates, LP, a California limited partnership. This entity has no employees, and decisions are made by Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation ("TNDC"), and Mission Economic Development Agency, a California nonprofit public benefit corporation ("MEDA"), which control its general partners.

Please see the lists below in response to Items (1) and (2).

	TNDC	MEDA
Board of Directors	Margaret Schrand Lisa Blakely Elizabeth Tracey Dave Kroot Samia Rashed Curtis Bradford Sally Carlson Saul Feldman Chris Gouig Lisa Le Dick McNeil Jr. Erica Mohan Josh Mukhopadhyay Patrick Murcia Jan Peters Ascanio Piomelli Nicole Rivera Loren Sanborn Amy Tharpe Kristy Wang Amory Sharpe Freddie Martin	Jane Duong William Ortiz-Cartagena Whitney Jones Matthew Haney Karling Aguilera-Fort Kevin Stein Kavita Gobburi Jabari Herbert
Chief Executive Officer	Donald S. Falk	Luis Granados
Chief Financial Officer	Paul Sussman	John Sedlander
Chief Operating Officer	Elizabeth Orlin	Jillian Spindle

Items (3), (4), and (5) do not apply to 1990 Folsom Housing Associates, LP.

Contractor address: 1990 Folsom Housing Associates, LP c/o Tenderloin Neighborhood Development Corporation 201 Eddy Street San Francisco, California 94102	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contracts: Not to exceed \$76,000,000
Describe the nature of the contract that was approved: The contract is a resolution approving the notice and public hearing process conducted pursuant to the federal Tax Equity and Financial Responsibility Act in connection with tax-exempt multifamily housing revenue bonds that will be issued to finance an affordable housing project located at 1990 Folsom Street in San Francisco. The resulting obligations will be conduit debt with no recourse to the City's general fund.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

