

1 [Multifamily Housing Revenue Bonds - 1064-1068 Mission Street - Not to Exceed  
2 \$87,000,000]

3 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**  
4 **in an aggregate principal amount not to exceed \$87,000,000 for the purpose of**  
5 **providing financing for the acquisition and construction of a 258-unit, affordable**  
6 **multifamily residential rental housing project located at 1064-1068 Mission Street;**  
7 **approving the form of and authorizing the execution of a trust indenture providing**  
8 **terms and conditions of the bonds; approving the form of and authorizing the**  
9 **execution of a regulatory agreement and declaration of restrictive covenants;**  
10 **approving the form of and authorizing the execution of a loan agreement; authorizing**  
11 **the collection of certain fees; ratifying and approving any action heretofore taken in**  
12 **connection with the bonds and the project; granting general authority to City officials**  
13 **to take actions necessary to implement this Resolution; and related matters, as defined**  
14 **herein.**

15 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the  
16 "Board") desires to provide for a portion of the costs of the acquisition and construction by  
17 1064 Mission, L.P., a California limited partnership (the "Borrower"), of a 258-unit, mixed use,  
18 residential rental housing development located at 1064-1068 Mission Street, San Francisco,  
19 California (the "Project"), including therein a complex of 103 units for seniors of low- and very  
20 low-income (plus one resident manager unit) and a complex of 153 units for adults of low- and  
21 very low-income (plus one resident manager unit), through the issuance of multifamily housing  
22 revenue bonds; and

23 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue  
24 revenue bonds for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of  
25 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of

1 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of  
2 California (“Health and Safety Code”), as now in effect and as it may from time to time  
3 hereafter be amended or supplemented (collectively, the “Act”); and

4 WHEREAS, Any Bonds (hereinafter defined) to be issued to finance the Project will be  
5 limited obligations of the City, the sole source of repayment for which shall be payments made  
6 by the Borrower or collateral security pledged by or for the Borrower, together with investment  
7 income on certain funds and accounts; and

8 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section  
9 103 of the Internal Revenue Code of 1986, as amended, (the “Code”), only if the Bonds are  
10 approved in accordance with Section 147(f) of the Code; and

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

14 WHEREAS, On May 21, 2019, the City published a notice on the City’s website  
15 regarding its intent to hold a public hearing with respect to the issuance of multifamily housing  
16 revenue bonds in an amount not to exceed \$103,000,000 to finance the Project, and said  
17 hearing was held on June 3, 2019, by the Mayor’s Office of Housing and Community  
18 Development and an opportunity was provided for persons to comment on the issuance of the  
19 Bonds and the financing of the Project; and

20 WHEREAS, Thereafter, on July 9, 2019, pursuant to Resolution No. 312-19, this Board  
21 approved the issuance of multifamily housing revenue bonds, in an amount not to exceed  
22 \$87,000,000, for the purposes of Section 147(f) of the Code, declared its intent to issue  
23 multifamily housing revenue bonds and authorized officers of the City to submit an application  
24 and related documents to the California Debt Limit Allocation Committee (“CDLAC”) and take  
25 other actions in connection with the proposed financing of the Project; and

1           WHEREAS, On October 16, 2019, CDLAC, in its Resolution No. 19-152, allocated  
2 \$87,000,000 in qualified private activity bond volume cap to the Project; and

3           WHEREAS, There has been prepared and presented to this Board for consideration at  
4 this meeting the documentation required for the issuance of the Bonds, and such  
5 documentation is on file with the Clerk of the Board of Supervisors (the “Clerk of the Board”);  
6 and

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

10          WHEREAS, This Board finds that public interest and necessity require that the City at  
11 this time make arrangements for the sale of the Bonds; and

12          WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation, and  
13 Fox Rothschild LLP, as co-bond counsel with respect to the Bonds (“Co-Bond Counsel”); and

14          WHEREAS, JPMorgan Chase Bank, N.A. has expressed its intention to purchase, or  
15 cause an affiliate to purchase, the Bonds authorized hereby; now, therefore, be it

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

18          Section 1.   Approval of Recitals. This Board hereby finds and declares that the above  
19 recitals are true and correct.

20          Section 2.   Approval of Issuance of Bonds. In accordance with the Act and the  
21 Indenture (hereinafter defined), the City is hereby authorized to issue and deliver revenue  
22 bonds of the City, such bonds to be issued in one or more series, and designated as “City and  
23 County of San Francisco Multifamily Housing Revenue Bonds (1064 Mission Street  
24 Permanent Supportive Housing), Series 2020A,” or such other designation as may be  
25 necessary or appropriate to distinguish such series from every other series of bonds of the

1 City, in an aggregate principal amount not to exceed \$87,000,000 (the “Bonds”), with an  
2 interest rate not to exceed twelve percent (12%) per annum for the Bonds, and which shall  
3 have a final maturity date not later than forty-five (45) years from the date of issuance of the  
4 Bonds. The Bonds shall be in the form set forth in and otherwise in accordance with the  
5 Indenture, and shall be executed by the manual signature of the Mayor of the City (the  
6 “Mayor”) and as further provided in the Indenture.

7 Section 3. Indenture. The Trust Indenture (the “Indenture”), by and between the City  
8 and U.S. Bank National Association, as trustee thereunder (the “Trustee”), in the form  
9 presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby  
10 approved. Each of the Mayor, the Director of the Mayor's Office of Housing and Community  
11 Development or any other Authorized City Representative (as such term is defined in the  
12 Indenture) of the City (collectively, the “Authorized Officers”) is hereby authorized to execute  
13 the Indenture in said form, together with such additions thereto and changes therein as the  
14 City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 7  
15 hereof.

16 Section 4. Regulatory Agreement and Declaration of Restrictive Covenants. The  
17 Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory  
18 Agreement”), by and between the City and the Borrower, in the form presented to this Board,  
19 a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized  
20 Officer is hereby authorized to execute the Regulatory Agreement, in said form, together with  
21 such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may  
22 approve or recommend in accordance with Section 7 hereof.

23 Section 5. Approval of Loan Agreement. The Loan Agreement (the “Loan  
24 Agreement”), by and between the City and the Borrower, in the form presented to this Board,  
25 a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized

1 Officer is hereby authorized to execute the Loan Agreement in said form, together with such  
2 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may  
3 approve or recommend in accordance with Section 7 hereof.

4 Section 6. Issuer Fees. The City, acting through the Mayor's Office of Housing and  
5 Community Development, shall charge a fee for the administrative costs associated with  
6 issuing the Bonds (the "Issuance Fee") in an amount not to exceed 0.25% of the maximum  
7 aggregate principal amount of the Bonds. Such fee shall be payable at closing and may be  
8 contingent on the issuance of the Bonds. The City shall also charge an annual fee (the  
9 "Annual Fees") for monitoring compliance with the provisions of the Regulatory Agreement in  
10 an amount not to exceed 0.125% of the outstanding aggregate principal amount of the Bonds,  
11 but no less than \$2,500 annually, for the term of the Regulatory Agreement. The Board  
12 hereby authorizes the Mayor's Office of Housing and Community Development to charge and  
13 collect, or appoint an agent, which may be the Trustee, to collect on behalf of the City, the  
14 fees described in this section. Notwithstanding the foregoing provisions of this Section, the  
15 City, acting through the Mayor's Office of Housing and Community Development, is  
16 authorized to charge an Issuance Fee or Annual Fees, or both, that is or are lower than the  
17 fees prescribed in this Section if, upon the advice of Co-Bond Counsel, lower fees are  
18 necessary or advisable to ensure that the Bonds do not become "arbitrage bonds" within the  
19 meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or to ensure that  
20 interest on the Bonds does not become includable in gross income for federal income tax  
21 purposes.

22 Section 7. Modifications, Changes, Additions. Any Authorized Officer executing the  
23 Indenture, the Loan Agreement or the Regulatory Agreement (collectively, the "City  
24 Agreements"), in consultation with the City Attorney and Co-Bond Counsel, is hereby  
25 authorized to approve and make such modifications, changes or additions to the City

1 Agreements as may be necessary or advisable, provided that such modification does not  
2 authorize an aggregate principal amount of the Bonds in excess of \$87,000,000, provide for a  
3 final maturity on the Bonds later than forty-five (45) years from the date of issuance of the  
4 Bonds, or provide for the Bonds to bear interest at a rate in excess of twelve percent (12%)  
5 per annum. The approval of any modification, addition or change to any of the City  
6 Agreements shall be evidenced conclusively by the execution and delivery of the document in  
7 question.

8 Section 8. Ratification. All actions heretofore taken by the officers and agents of the  
9 City with respect to the sale, issuance and delivery of the Bonds, as consistent with the City  
10 Agreements and this Resolution, are hereby approved, confirmed and ratified.

11 Section 9. General Authority. The proper officers of the City, including but not limited  
12 to the Authorized Officers, are hereby authorized and directed, for and in the name and on  
13 behalf of the City, to do any and all things and take any and all actions and execute and  
14 deliver any and all certificates, agreements and other documents (including but not limited to  
15 any certificates necessary to allocate a portion of the previously-obtained voter approval of  
16 low rent housing projects pursuant to Article 34 of the State Constitution to the Project, if  
17 applicable), subordinations, assignments, tax documents and those documents described in  
18 the City Agreements, which they, or any of them, may deem necessary or advisable in order  
19 to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes  
20 thereof and of the City Agreements. Any such actions are solely intended to further the  
21 purposes of this Resolution, and are subject in all respects to the terms of the Resolution. No  
22 such actions shall increase the risk to the City or require the City to spend any resources not  
23 otherwise granted herein. Final versions of any such documents shall be provided to the  
24 Clerk of the Board for inclusion in the official file within 30 days of execution by all parties.

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1           Section 10. 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 set forth fully herein.

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5 APPROVED AS TO FORM:  
6 DENNIS J. HERRERA  
7 City Attorney

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8 By: \_\_\_\_\_  
9 Heidi Gewertz  
10 Deputy City Attorney

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