

File No. 180463

Committee Item No. 3

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date May 10, 2018

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
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| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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Completed by: Linda Wong

Date May 4, 2018

Completed by: Linda Wong

Date _____

1 [Multifamily Housing Revenue Bonds - 2050, 2060, and 2070 Folsom Street and 255 and 265
2 Shotwell Street (also known as "17th and Folsom") - 2060 Folsom Housing, L.P. - Not to
3 Exceed \$95,000,000]

4 **Resolution approving, for purposes of the Internal Revenue Code of 1986, as amended,**
5 **the issuance and sale of residential mortgage revenue bonds by the City in an**
6 **aggregate principal amount not to exceed \$95,000,000 for the construction of**
7 **approximately 127 units of affordable residential rental housing to be located**
8 **at 2050, 2060, and 2070 Folsom Street and 255 and 265 Shotwell Street (also known**
9 **as "17th and Folsom") by 2060 Folsom Housing, L.P.**

10
11 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
12 "Board of Supervisors"), after careful study and consideration, has determined that there is a
13 shortage of safe and sanitary housing within the City and County of San Francisco (the "City"),
14 particularly for low and moderate income persons, and that it is in the best interest of the
15 residents of the City and in furtherance of the health, safety, and welfare of the public for the
16 City to assist in the financing of multifamily rental housing units; and

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

1 enhanced living environments, and increased economic opportunities for persons and families
2 of low or moderate income; and

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

8 WHEREAS, 2060 Folsom Housing, L.P., a California limited partnership (or an affiliate
9 thereof or successor thereto) (the "Developer"), desires to construct approximately 127 units of
10 affordable residential rental housing to be located at 2050, 2060, and 2070 Folsom Street and
11 255 and 265 Shotwell Street, San Francisco, California 94110 (the "Project"); and

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

15 WHEREAS, The City intends to issue the Bonds in an amount not to exceed \$95,000,000
16 and to loan the proceeds of the Bonds to the Developer (the "Loan") to finance the costs of the
17 Project; and

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

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

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

24 ///

1 WHEREAS, On April 22, 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 May 7, 2018, to appear in *The San Francisco Examiner*, which is
4 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 May 7, 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 \$95,000,000.

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 ///

24 ///

25 ///

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

3
4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA
6 City Attorney

7
8 By: 
9 KENNETH DAVID ROUX
 Deputy City Attorney
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**City and County of San Francisco
Multifamily Securities Program
Project Description**

2060 Folsom Housing ("17th & Folsom")

Overview

The funds described in the "Financing Structure" section below will be used to finance the development of 2060 Folsom Housing, 127 units of affordable multifamily housing for families and transitional-age-youth located at 2060 Folsom Street in the City and County of San Francisco (the "Project").

Following completion, the Project will include approximately 175,000 square feet of gross floor area, comprised of 156,835 square feet of residential area and 18,165 square feet of non-residential area. Non-residential spaces are anticipated to include:

- affordable infant and toddler care for 20 children operated by Mission Neighborhood Centers,
- a preschool for 24 children operated by Good Samaritan Family Resource Center,
- youth programming and services offered by Mission Graduates (within a new headquarters space),
- youth and adult leadership and civic engagement programs provided by PODER (within its new office space), and
- a ground-floor commercial space designed for a café.

Ground floor uses will face an adjacent park at the corner of 17th and Folsom Streets currently being developed by the Department of Recreation and Parks.

Total project costs to construct the new building will be approximately \$90,802,927 or \$714,984 per dwelling unit.

The residential unit distribution, which will include a single 2-bedroom resident manager unit, is:

<u>Unit type</u>	<u>Number of units</u>
Studio	22
1-Bedroom	15
2-Bedroom	48
3-Bedroom	42

All of the residential units (with the exception of the resident manager unit) will serve households earning less than 60% percent of the San Francisco County Area Median Income ("AMI"). Approximately 23% of the units are anticipated to be targeted to homeless or at-risk transitional-age youth ("TAY") referred by the Department of Homelessness and Supportive Housing with support from the City's Local Operating Subsidy Program ("LOSP").

Residents

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

Site Description and Scope of Work

Address: 2060 Folsom Street, 94110
Block/Lot: 3571/031

Property amenities will include:

- a ground floor with a diverse array of active, community-serving uses that face the park, including infant/toddler care, a preschool, as well as the PODER and Mission Graduates' programs and offices;
- corner retail designed for a café on Folsom near the new park;
- Southern facing building courtyard that draws sunlight and park views deep into the building;
- bike parking with 1.5 bike spaces per unit;
- a community room and kitchen;
- laundry rooms; and
- supportive services meeting spaces.

Development and Management Team

Project Sponsors: Chinatown Community Development Center ("CCDC") and
Mission Economic Development Agency ("MEDA")
General Contractor: Roberts Obayashi
Architect of Record: Mithun Solomon Architecture and Y.A. Studio
Property Manager: CCDC

Project Ownership Structure

Borrower Entity: 2060 Folsom Housing, L.P.
Managing Members: 2060 Folsom LLC, an affiliate of CCDC and
MEDA 2060 Folsom LLC, an affiliate of MEDA

An investor 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 and County of San Francisco (the "City"),
- 4% low income housing tax credits ("LIHTC"),
- a conventional first mortgage;
- an Affordable Housing and Sustainable Communities ("AHSC") program loan from State of California,
- Affordable Housing Program ("AHP") financing from the Federal Home Loan Bank, and
- soft debt from the City.

The sale of LIHTC will generate equity financing for the Project. The amount of tax-exempt private activity 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 October 2018 with construction commencing within 30 days of closing. All construction is scheduled to be completed by March 2020.

180463

OFFICE OF THE MAYOR
SAN FRANCISCO




MARK FARRELL
MAYOR

TO:  Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Farrell
RE: Multifamily Housing Revenue Bonds – 2050, 2060, and 2070 Folsom Street and 255 and 265 Shotwell Street (also known as “17th and Folsom”), San Francisco, California 94110 – Not to Exceed \$140,000,000
DATE: May 1, 2018

Attached for introduction to the Board of Supervisors is a 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 \$140,000,000; 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.

I respectfully request that this item be calendared in Budget & Finance Committee on May 10, 2018.

Should you have any questions, please contact Andres Power (415) 554-5168.

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
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BY 

1 DR. CARLTON B. GOODLETT PLACE, ROOM 200
SAN FRANCISCO, CALIFORNIA 94102-4681
TELEPHONE: (415) 554-6141

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:
2060 Folsom Housing, L.P., a California Limited Partnership
<p><i>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.</i></p> <p>The borrowing entity for the 17th and Folsom affordable housing project is 2060 Folsom Housing, L.P., a California limited partnership. 2060 Folsom Housing, L.P. has no employees, and decisions are made by its co-general partners, CCDC 2060 Folsom LLC, a California Limited Liability Corporation, with sole manager, Chinatown Community Development Center (Chinatown CDC); and MEDA 2060 Folsom LLC, a California limited liability company, with sole manager, Mission Economic Development Agency (MEDA).</p> <p>The requested information for Chinatown CDC and MEDA is as follows—</p> <p>Chinatown CDC Board of Directors: Pamela Calloway Gregory Chin (Board Treasurer) Philip Chin (Board Chair) Cathy Craig Fay Darmawi Theo Ellington Mark Fong Benjamin Golvin Clayton Jew Jessica Kyo Julie Leadbetter Winston Lee (Board Secretary) Tommy Lim Barbara Lin Michael Louie James McCray James Nguyen Irma Poe Santiago Ruiz Janet Lee Tse Nigel Tse Susan Wong Jade Wu Calvin Yan Mary Zhang Eddy Zheng Fady Zoubi</p>

MEDA Board of Directors: William Ortiz-Cartagena Whitney Jones Karling Aguilera-Fort Kavita Gobburi Matthew Haney Jabari Herbert Norma Garcia Kevin Stein	
Chief Executive Officer: Norman Fong (Chinatown CDC), and Luis Granados (MEDA) Chief Financial Officer(s): Karen Gansen (Chinatown CDC), John Sedlander (MEDA) Deputy Directors: Cindy Wu and Malcolm Yeung (Chinatown CDC), Jillian Spindle (MEDA)	
Items #3-5 do not apply to 2060 Folsom Housing, L.P.	
Contractor address: 2060 Folsom Housing, L.P., 1525 Grant Ave., San Francisco, CA 94133	
Date that contract was approved:	Amount of contract: Not to exceed \$95,000,000
Describe the nature of the contract that was approved: Tax-exempt multifamily housing revenue bond financing for the development of a project at 2050, 2060, and 2070 Folsom Street and 255 and 265 Shotwell Street (also known as "17th and Folsom"), San Francisco, California 94110. THIS IS A CONDUIT FINANCING WHICH WILL NOT REQUIRE THE CITY TO PLEDGE ANY OF ITS FUNDS, PROPERTY, OR ASSETS TO THE REPAYMENT OF THE BONDS.	
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

