

1 [Multifamily Housing Revenue Bonds, Series 2011C - Natoma Family Apartments - Not to
2 Exceed \$18,000,000]

3 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**
4 **in an aggregate principal amount not to exceed \$18,000,000 for the purpose of**
5 **providing financing for the acquisition and construction of a 60-unit multifamily rental**
6 **housing project known as Natoma Family Apartments; approving the form of and**
7 **authorizing the execution of a trust indenture providing the terms and conditions of the**
8 **bonds; approving the form of and authorizing the execution of a regulatory agreement**
9 **and declaration of restrictive covenants; approving the form of and authorizing the**
10 **execution of a loan agreement; authorizing the collection of certain fees; ratifying and**
11 **approving any action heretofore taken in connection with the bonds and the project;**
12 **granting general authority to City officials to take actions necessary to implement this**
13 **resolution; and related matters.**

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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 Natoma Family Housing, L.P., a California limited partnership (the "Borrower"), of a 60-unit
18 residential rental development located at 474 Natoma Street, San Francisco, California,
19 known as "Natoma Family Apartments" (the "Project"), to provide housing for persons and
20 families of low income through the issuance of revenue bonds; and,

21 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue
22 revenue bonds for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of
23 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of
24 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of
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1 California ("Health and Safety Code"), as now in effect and as it may from time to time
2 hereafter be amended or supplemented (collectively, the "Act"); and,

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

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

9 WHEREAS, On September 13, 2011, this Board, in Resolution No. 367-11, approved
10 the issuance of the Bonds for the purposes of Section 147(f) of the Code; and,

11 WHEREAS, There has been prepared and presented to the Board for consideration at
12 this meeting the documentation required for the issuance of the Bonds, and such
13 documentation is on file with the Clerk of the Board of Supervisors (the "Clerk of the Board");
14 and,

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

18 WHEREAS, The Board finds that the public interest and necessity require that the City
19 at this time make arrangements for the sale of the Bonds; and,

20 WHEREAS, The City has engaged Squires, Sanders & Dempsey (US) LLP and Amira
21 Jackmon, Attorney at Law, as co-bond counsel with respect to the Bonds ("Co-Bond
22 Counsel"); and,

23 WHEREAS, Bank of America, N.A., a national banking association, has expressed its
24 intention to purchase or cause its affiliate to purchase the Bonds authorized hereby; now,
25 therefore be it

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

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

5 Section 2. Approval of Issuance of Bonds. In accordance with the Act and the
6 Indenture (hereinafter defined), the City is hereby authorized to issue and deliver revenue
7 bonds of the City, such bonds to be issued in one series and designated as "City and County
8 of San Francisco, California Multifamily Housing Revenue Bonds, Series 2011C (Natoma
9 Family Apartments)," or such other designation as may be necessary or appropriate to
10 distinguish such series from every other series of bonds, in an aggregate principal amount not
11 to exceed \$18,000,000 (the "Bonds"), with an interest rate not to exceed twelve percent (12%)
12 per annum for the Bonds, and which shall have a final maturity date not later than June 1,
13 2048. The Bonds shall be in the form set forth in and otherwise in accordance with the
14 Indenture, and shall be executed by the manual or facsimile signature of the Mayor of the City
15 (the "Mayor") and attested by the manual or facsimile signature of the Clerk of the Board.

16 Section 3. Indenture. The Trust Indenture (the "Indenture"), by and between the City
17 and U.S. Bank National Association, as Trustee, in the form presented to the Board, a copy of
18 which is on file with the Clerk of the Board, is hereby approved. The Mayor, the Housing
19 Development Director of the Mayor's Office of Housing (the "Director") or any Authorized
20 Representative of the City (as such term is defined in the Indenture) is hereby authorized to
21 execute the Indenture, approved as to form by the City Attorney of the City (the "City
22 Attorney"), in substantially said form, together with such additions thereto and changes therein
23 as the City Attorney and Bond Counsel may approve or recommend in accordance with
24 Section 7 hereof.

1 Section 4. Regulatory Agreement and Declaration of Restrictive Covenants. The
2 Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory
3 Agreement"), between the City and the Borrower, in the form presented to the Board, a copy
4 of which is on file with the Clerk of the Board, is hereby approved. The Mayor, the Director or
5 any Authorized Representative is hereby authorized to execute the Regulatory Agreement,
6 approved as to form by the City Attorney, in substantially said form, together with such
7 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
8 approve or recommend in accordance with Section 7 hereof.

9 Section 5. Loan Agreement. The Loan Agreement (the "Loan Agreement") by and
10 between the City and the Borrower, in the form presented to the Board, a copy of which is on
11 file with the Clerk of the Board, is hereby approved. The Mayor, the Director or any Authorized
12 Representative is hereby authorized to execute the Loan Agreement in substantially said
13 form, together with such additions thereto and changes therein as the City Attorney and Co-
14 Bond Counsel may approve or recommend in accordance with Section 7 hereof.

15 Section 6. Issuer Fees. The City, acting through the Mayor's Office of Housing, shall
16 charge a fee for the administrative costs associated with issuing the Bonds in an amount not
17 to exceed 0.25% of the aggregate principal amount of the Bonds. Such fee shall be payable
18 at bond closing and may be contingent on the bond sale. The City shall also charge an
19 annual fee for monitoring the restricted units in an amount not to exceed 0.125% of the
20 outstanding aggregate principal amount of the Bonds, but no less than \$2,500 annually, for
21 the term of the Regulatory Agreement. The initial monitoring fee shall be payable at bond
22 closing. The Board hereby authorizes the Mayor's Office of Housing to charge and collect the
23 fees described in this section.

24 Section 7. Modifications, Changes, Additions. Any Authorized Representative
25 executing the Indenture, the Regulatory Agreement or the Loan Agreement (collectively, the

1 "City Agreements"), in consultation with the City Attorney and Co-Bond Counsel, is hereby
2 authorized to approve and make such modifications, changes or additions to the City
3 Agreements as may be necessary or advisable, provided that such modification does not
4 authorize an aggregate principal amount of Bonds in excess of \$18,000,000, provide for a
5 final maturity on the Bonds later than June 1, 2048, or provide for the Bonds to bear interest at
6 a rate in excess of twelve percent (12%) per annum. The approval of any modification,
7 addition or change to any of the aforementioned documents shall be evidenced conclusively
8 by the execution and delivery of the document in question.

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

12 Section 9. General Authority. The proper officers of the City are hereby authorized and
13 directed, for and in the name and on behalf of the City, to do any and all things and take any
14 and all actions and execute and deliver any and all certificates, agreements and other
15 documents, including but not limited to those documents described in the Indenture, the Loan
16 Agreement, and the Regulatory Agreement, which they, or any of them, may deem necessary
17 or advisable in order to consummate the lawful issuance and delivery of the Bonds and to
18 effectuate the purposes thereof and of the documents herein approved in accordance with this
19 Resolution.

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1 Section 10. File. All documents referenced herein as being on file with the Clerk of the
2 Board are located in File No. 111276, which is hereby declared to be a part of this Resolution
3 as if set forth fully herein.

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5 APPROVED AS TO FORM:

6 DENNIS J. HERRERA
7 City Attorney

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9 By: _____
10 KENNETH DAVID ROUX
 Deputy City Attorney