

1 [Variable Rate Multifamily Housing Revenue Bonds - 1601 Mariposa Apartments - Not to
2 Exceed \$216,575,000]

3 **Resolution authorizing certain amendments to the Indenture of Trust and the Loan**
4 **Agreement relating to the City's variable rate multifamily housing revenue bonds,**
5 **currently outstanding in an aggregate principal amount of \$216,575,000 issued in 2017**
6 **for the purpose of providing financing for the acquisition, development and**
7 **construction of a 299-unit multifamily rental housing project located at 1601, 1675, 1685**
8 **and 1695 Mariposa Street, 455, 465, 475 and 485 Carolina Street, 210 Arkansas Street,**
9 **and 1600 and 1610 18th Street (known collectively as "1601 Mariposa Apartments");**
10 **authorizing the collection of certain fees; ratifying and approving any action heretofore**
11 **taken in connection with the bonds, the notes, and the projects, as defined herein;**
12 **granting general authority to City officials to take actions necessary to implement this**
13 **Resolution, subject to the terms of this Resolution, as defined herein; and related**
14 **matters, as defined herein.**

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16 WHEREAS, On June 13, 2017, the Board of Supervisors of the City and County of San
17 Francisco (the "Board") adopted its Resolution No. 249-17 (the "Original Resolution"),
18 authorizing the issuance and sale of up to \$240,000,000 aggregate principal amount of
19 multifamily housing revenue bonds to provide for a portion of the costs of the acquisition,
20 development and construction by Related/Mariposa Development Co., L.P., a Delaware
21 limited partnership, or an affiliate thereof (the "Bond Borrower"), of a 299-unit multifamily
22 housing rental development located at 1601, 1675, 1685 and 1695 Mariposa Street, 455, 465,
23 475 and 485 Carolina Street, 210 Arkansas Street, and 1600 and 1610 18th Street, San
24 Francisco, California (known collectively as "1601 Mariposa Apartments" and referred to
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1 herein as the "Project"), a portion of which Project provides housing for persons and families
2 of very low income; and

3 WHEREAS, Pursuant to the Original Resolution, the Charter of the City, Article I of
4 Chapter 43 of the Administrative Code of the City and, to the extent applicable, Chapter 7 of
5 Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the
6 State of California ("Health and Safety Code") (collectively, the "Act"), the City and County of
7 San Francisco (the "City") entered into an Indenture of Trust, dated as of July 1, 2017 (the
8 "Indenture"), between the City and U.S. Bank National Association, as trustee thereunder (the
9 "Trustee") and a Loan Agreement, dated as of July 1, 2017 (the "Loan Agreement"), among
10 the City, the Bond Borrower and the Trustee, and issued its \$216,575,000 aggregate original
11 principal amount Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa
12 Apartments), 2017 Series B, in three subseries: the 2017 Series B-1 in the principal amount of
13 \$126,635,000 (the "Series B-1 Bonds"), the 2017 Series B-2 in the principal amount of
14 \$69,940,000 (the "Series B-2 Bonds" and, together with the Series B-1 Bonds, the "Tax-
15 Exempt Bonds") and the 2017 Series B-3 (Taxable) in the principal amount of \$20,000,000
16 (the "Series B-3 Bonds" and, together with the Tax-Exempt Bonds, the "Bonds"); and

17 WHEREAS, The Project has been constructed and occupied, and has achieved
18 operational stability since substantially all of the residential units in the Project have been
19 leased for several months or more with Project revenues and operating expenses at stabilized
20 levels; and

21 WHEREAS, The Bond Borrower now desires to convert the Tax-Exempt Bonds from
22 construction financing terms to permanent financing terms and to cause a redemption of the
23 Series B-3 Bonds, which will require certain amendments to the Indenture and the Loan
24 Agreement, and certain changes to the financing structure of the Bonds; and
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1 WHEREAS, There has been prepared and presented to the Board for consideration at
2 this meeting the form of an Omnibus Amendment and Release Agreement (the "Amendment")
3 relating to the Bonds, and such document is on file with the Clerk of the Board of Supervisors
4 (the "Clerk of the Board"); and

5 WHEREAS, It appears that the aforesaid Amendment which is now before this Board is
6 substantially in appropriate form and is an appropriate instrument to be executed and
7 delivered for the purposes intended; and

8 WHEREAS, It is in the public interest and necessity at this time for the City to assist in
9 converting the Bond financing to a permanent financing structure that does not rely on
10 renewals of credit enhancement by entering into the Amendment; now, therefore, be it

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

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

15 Section 2. Approval of Amendment. The Amendment, in the form presented to the
16 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor,
17 the Director of the Mayor's Office of Housing and Community Development, or the designee
18 of either (each, an "Authorized Representative") is hereby authorized to execute the
19 Amendment, approved as to form by the City Attorney of the City (the "City Attorney"), in
20 substantially said form, together with such additions thereto and changes therein as the City
21 Attorney may approve or recommend in accordance with Section 4 hereof.

22 Section 3. Issuer Fees. In addition to any other fees permitted to be charged with
23 respect to the Bonds or the Project, the City, acting through the Mayor's Office of Housing and
24 Community Development, shall charge a fee for the administrative costs associated with
25 entering into the Amendment and assisting with the conversion of the Tax-Exempt Bonds to a

1 permanent financing structure and the redemption of the Series B-3 Bonds. Such fee shall be
2 payable upon execution and delivery of the Amendment. The Board hereby authorizes the
3 Mayor's Office of Housing and Community Development to charge and collect the fee
4 described in this section.

5 Section 4. Modifications, Changes, Additions. Any Authorized Representative
6 executing the Amendment, in consultation with the City Attorney, is hereby authorized to
7 approve and make such modifications, changes or additions to the Amendment as may be
8 necessary or advisable, provided that such modification does not increase the liability or risk
9 to the City, require the City to spend any resources, or otherwise harm the interests of the
10 City. The approval of any modification, addition or change to any of the aforementioned
11 documents shall be evidenced conclusively by the execution and delivery of the document in
12 question. Within 30 days of the documents approved by this Resolution being executed by all
13 parties, such final documents (showing marked changes, if any) shall be provided to the Clerk
14 of the Board, for inclusion in the official file, together with a brief explanation of any changes
15 from the date of the adoption of this Resolution.

16 Section 5. Ratification. All actions heretofore taken by the officers and agents of the
17 City with respect to the Amendment, the conversion of the Tax-Exempt Bonds to a permanent
18 financing structure and the redemption of the Series B-3 Bonds, as consistent with the
19 documents authorized herein and this Resolution, are hereby approved, confirmed and
20 ratified.

21 Section 6. General Authority. The proper officers of the City are hereby authorized and
22 directed, for and in the name and on behalf of the City, to do any and all things and take any
23 and all actions and approve, and execute and deliver any and all certificates, agreements and
24 other documents, including but not limited to estoppels, tax documents, releases,
25 terminations, consents, assignments, replacement Bonds, acknowledgments, recognitions,

1 notices and those documents described in the Amendment, which they, or any of them, may
2 deem necessary or advisable in order to effectuate the purposes of this Resolution in
3 consultation with the City Attorney. Any such actions shall not increase the liability or risk to
4 the City, require the City to spend any resources, or otherwise harm the interests of the City,
5 and any such officer shall consult with the City Attorney prior to taking any such action or
6 executing any such document.

7 Section 7. File. All documents referenced herein as being on file with the Clerk of the
8 Board are located in File No. 220093, which is hereby declared to be a part of this Resolution
9 as if set forth fully herein.

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12 APPROVED AS TO FORM:
13 DAVID CHIU
City Attorney

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15 By: /s/ KENNETH DAVID ROUX
16 KENNETH DAVID ROUX
Deputy City Attorney

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