

1 [Multifamily Housing Revenue Bonds - Rosa Parks II Senior Housing - Not to Exceed  
2 \$30,000,000]

3 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**  
4 **in an aggregate principal amount not to exceed \$30,000,000 for the purpose of**  
5 **providing financing for the acquisition and construction of a 98-unit multifamily rental**  
6 **housing project known as Rosa Parks II Senior Housing; 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.**

14  
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 Rosa Parks II, L.P., a California limited partnership (the "Borrower"), of a 98-unit residential  
18 rental development located at 1239 Turk Street, in San Francisco, California, known as "Rosa  
19 Parks II Senior Housing" (the "Project"), to provide housing for persons and families of very  
20 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  
25

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

6 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section  
7 103 of the Internal Revenue Code of 1986, as amended, (the "Code"), only if the Bonds are  
8 approved in accordance with Section 147(f) of the Code; and

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

12 WHEREAS, On May 18, 2013, the City published a notice regarding its intent to hold a  
13 public hearing with respect to the issuance of the Bonds in a newspaper of general circulation  
14 in the City and such hearing was held on June 3, 2013; and

15 WHEREAS, Thereafter, on July 9, 2013, in Resolution No. 230-13, this Board approved  
16 the issuance of the Bonds for the purposes of Section 147(f) of the Code; and

17 WHEREAS, Because more than one year has elapsed since the above-mentioned  
18 hearing and approval, on May 30, 2014, the City caused a notice stating that a public hearing  
19 with respect to the issuance of the Bonds would be held by the Mayor's Office of Housing and  
20 Community Development on June 16, 2014, to appear in The San Francisco Chronicle, which  
21 is a newspaper of general circulation in the City; and

22 WHEREAS, The Mayor's Office of Housing and Community Development held the  
23 public hearing described above on June 16, 2014 and an opportunity was provided for  
24 persons to comment on the issuance of the Bonds and the Project; and the minutes of such  
25 hearing were provided to this Board of Supervisors prior to this meeting; and

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

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

4           WHEREAS, On May 21, 2014, the California Debt Limit Allocation Committee (CDLAC)  
5 in its Resolution Number 14-42 allocated \$30,000,000 in qualified private activity bonds to the  
6 Project; and

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

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

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

16           WHEREAS, The City has engaged Orrick Herrington & Sutcliffe LLP and Amira  
17 Jackmon, Attorney at Law, as co-bond counsel with respect to the Bonds ("Co-Bond  
18 Counsel"); and

19           WHEREAS, Silicon Valley Bank has expressed its intention to purchase, or cause an  
20 affiliate to purchase, the Bonds authorized hereby; now, therefore, be it

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

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

1           Section 2. Approval Pursuant to the Code. This Board of Supervisors, as the applicable  
2 elected representative of the governmental unit having jurisdiction over the area in which the  
3 Project is located, hereby approves the issuance of the Bonds in an amount not to exceed  
4 \$30,000,000 for purposes of Section 147 (f) of the Code.

5           Section 3. 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 or more series and subseries, and  
8 designated as "City and County of San Francisco, Multifamily Housing Revenue Bonds (Rosa  
9 Parks II Senior Housing), Series 2014C," or such other designation as may be necessary or  
10 appropriate to distinguish such series from every other series of bonds, in an aggregate  
11 principal amount not to exceed \$30,000,000 (the "Bonds"), with an interest rate not to exceed  
12 twelve percent (12%) per annum for the Bonds, and which shall have a final maturity date not  
13 later than forty (40) years from the date of issuance of the Bonds. The Bonds shall be in the  
14 form set forth in and otherwise in accordance with the Indenture, and shall be executed by the  
15 manual signature of the Mayor of the City (the "Mayor") and attested by the manual signature  
16 of the Clerk of the Board.

17           Section 4. Indenture. The Trust Indenture (the "Indenture"), by and between the City  
18 and U.S. Bank National Association, as trustee (the "Trustee"), in the form presented to the  
19 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each of the  
20 Mayor, the Director of the Mayor's Office of Housing and Community Development and the  
21 Housing Development Director of the Mayor's Office of Housing and Community Development  
22 (collectively, the "Authorized Representatives" and each, an "Authorized Representative") is  
23 hereby authorized to execute the Indenture, approved as to form by the City Attorney of the  
24 City (the "City Attorney"), in substantially said form, together with such additions thereto and  
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1 changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in  
2 accordance with Section 8 hereof.

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

11 Section 6. Loan Agreement. The Loan Agreement (the "Loan Agreement") by and  
12 among the City, the Trustee and the Borrower, in the form presented to the Board, a copy of  
13 which is on file with the Clerk of the Board, is hereby approved. Each Authorized  
14 Representative is hereby authorized to execute the Loan Agreement in substantially said  
15 form, together with such additions thereto and changes therein as the City Attorney and Co-  
16 Bond Counsel may approve or recommend in accordance with Section 8 hereof.

17 Section 7. Issuer Fees. The City, acting through the Mayor's Office of Housing and  
18 Community Development, shall charge a fee for the administrative costs associated with  
19 issuing the Bonds in an amount not to exceed 0.25% of the aggregate principal amount of the  
20 Bonds. Such fee shall be payable at bond closing and may be contingent on the bond sale.  
21 The City shall also charge an annual fee for monitoring the restricted units in an amount not to  
22 exceed 0.125% of the outstanding aggregate principal amount of the Bonds, but no less than  
23 \$2,500 annually, for the term of the Regulatory Agreement. The initial monitoring fee shall be  
24 payable at bond closing. The Board hereby authorizes the Mayor's Office of Housing and  
25 Community Development to charge and collect the fees described in this section.

1           Section 8. Modifications, Changes, Additions. Any Authorized Representative  
2           executing the Indenture, the Regulatory Agreement or the Loan Agreement (collectively, the  
3           "City Agreements"), in consultation with the City Attorney and Co-Bond Counsel, is hereby  
4           authorized to approve and make such modifications, changes or additions to the City  
5           Agreements as may be necessary or advisable, provided that such modification does not  
6           authorize an aggregate principal amount of Bonds in excess of \$30,000,000, provide for a  
7           final maturity on the Bonds later than forty (40) years, or provide for the Bonds to bear interest  
8           at a rate in excess of twelve percent (12%) per annum. The approval of any modification,  
9           addition or change to any of the aforementioned documents shall be evidenced conclusively  
10          by the execution and delivery of the document in question.

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

14          Section 10. General Authority. The proper officers of the City are hereby authorized  
15          and directed, for and in the name and on behalf of the City, to do any and all things and take  
16          any and all actions and execute and deliver any and all certificates, agreements and other  
17          documents, including but not limited to those documents described in the Indenture, the Loan  
18          Agreement, and the Regulatory Agreement, which they, or any of them, may deem necessary  
19          or advisable in order to consummate the lawful issuance and delivery of the Bonds and to  
20          effectuate the purposes thereof and of the documents herein approved in accordance with this  
21          Resolution.

1           Section 11. File. All documents referenced herein as being on file with the Clerk of the  
2 Board are located in File No. \_\_\_\_\_, which is hereby declared to be a part of this  
3 Resolution as if set forth fully herein.

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5 APPROVED AS TO FORM:

6 DENNIS J. HERRERA

7 City Attorney

8 By: \_\_\_\_\_

9           KENNETH D. ROUX  
          Deputy City Attorney

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