

1 [Multifamily Housing Revenue Bonds - 1601 Mariposa Apartments - Not to Exceed
2 \$240,000,000]

3 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**
4 **in an aggregate principal amount not to exceed \$240,000,000 for the purpose of**
5 **providing financing for the acquisition and construction of a 299-unit multifamily rental**
6 **housing project located at 1601 and 1677 Mariposa Street, 485-497 Carolina Street, 395**
7 **and 420 Wisconsin Street, and 210 Arkansas Street (also known as 1601 Mariposa**
8 **Apartments); approving the form of and authorizing the execution of an indenture of**
9 **trust providing the terms and conditions of the multifamily housing revenue bonds and**
10 **authorizing the execution and delivery thereof; approving the forms of and authorizing**
11 **the execution of certain loan documents; approving the form of and authorizing the**
12 **execution of a bond purchase agreement for such bonds; approving the form of and**
13 **authorizing an official statement for such bonds and authorizing the distribution**
14 **thereof; approving the form of and authorizing the execution of a regulatory agreement**
15 **and declaration of restrictive covenants; approving the form of and authorizing the**
16 **execution of an intercreditor agreement; authorizing the collection of certain fees;**
17 **ratifying and approving any action heretofore taken in connection with the bonds and**
18 **the project; granting general authority to City officials to take actions necessary to**
19 **implement this Resolution, subject to the terms of this Resolution; and related matters,**
20 **as defined herein.**

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22 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
23 "Board") desires to provide for a portion of the costs of the acquisition and construction by an
24 ownership entity to be known as Related/Mariposa Development Co., L.P. or another affiliate
25 of The Related Companies, L.P. or Related California Residential, LLC (such ownership entity

1 being referred to herein as the "Borrower"), of a 299-unit mixed-income multifamily housing
2 rental development located at 1601 and 1677 Mariposa Street, 485-497 Carolina Street, 395
3 and 420 Wisconsin Street and 210 Arkansas Street, San Francisco, California (also known as
4 1601 Mariposa Apartments) (the "Project"), to provide market-rate rental housing and rental
5 housing for persons and families of very low income through the issuance of multifamily
6 housing revenue bonds; and

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

13 WHEREAS, On December 14, 2016, the California Debt Limit Allocation Committee, in
14 its resolution number 16-202, allocated an amount equal to \$240,000,000 in qualified private
15 activity bond volume cap to the Project; and

16 WHEREAS, There has been prepared and presented to the Board for consideration at
17 this meeting the documentation required for the issuance and sale of and security for the
18 Bonds (as hereinafter defined), and such documentation is on file with the Clerk of the Board
19 of Supervisors (the "Clerk of the Board"); and

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

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

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1 WHEREAS, The Bonds are limited obligations of the City, the sole source of repayment
2 of which shall be payments made by the Borrower under the Loan Agreement (hereinafter
3 defined), payments under one or more letters of credit arranged by or on behalf of the
4 Borrower, or other collateral pledged by the Borrower for the repayment of the Bonds,
5 together with investment income of certain funds and accounts held under the Indenture
6 (hereinafter defined); and

7 WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation, and
8 Curls Bartling P.C., as co-bond counsel with respect to the Bonds ("Co-Bond Counsel"); and

9 WHEREAS, Citigroup Global Markets Inc. (the "Underwriter") has expressed its
10 intention to purchase, or cause an affiliate to purchase, the Bonds authorized hereby; now,
11 therefore, be it

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

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

16 Section 2. Approval of Issuance of Bonds. In accordance with the Act and the
17 Indenture (as defined herein), the City is hereby authorized to issue and deliver tax-exempt
18 and/or taxable bonds of the City, such bonds to be issued in one or more series or subseries,
19 and designated as "City and County of San Francisco Variable Rate Multifamily Housing
20 Revenue Bonds (1601 Mariposa Apartments), 2017 Series B" (the "Bonds"), or such other or
21 further designations as may be necessary or appropriate to distinguish each such series or
22 subseries of bonds from every other series and subseries of bonds or notes of the City, in an
23 aggregate principal amount not to exceed \$240,000,000 (provided that the aggregate principal
24 amount of any Bonds the interest on which is intended to be excluded from gross income of
25 the owners thereof for federal income tax purposes shall not exceed the amount of private

1 activity bond volume cap allocated for the Bonds). The Bonds shall bear taxable or tax-
2 exempt interest at fixed or variable interest rates not to exceed twelve percent (12%) per
3 annum (other than when owned by a credit or liquidity enhancer thereof, in which case there
4 shall be no maximum rate). The Bonds shall have a final maturity date not later than forty (40)
5 years after the issuance thereof. The Bonds shall be in the forms set forth in and otherwise in
6 accordance with the Indenture, and shall be executed by the manual or facsimile signature of
7 the Mayor and as further provided in the Indenture.

8 Section 3. Approval of Indenture of Trust. The Indenture of Trust for the Bonds (the
9 "Indenture"), by and between the City and U.S. Bank National Association, as trustee (the
10 "Trustee"), in the form presented to the Board, a copy of which is on file with the Clerk of the
11 Board, is hereby approved. The Mayor, the Director of the Mayor's Office of Housing and
12 Community Development (including any acting or interim Director), or any Authorized
13 Governmental Lender Representative (as such term is defined in the Indenture) is hereby
14 authorized to execute the Indenture (collectively, "Authorized Representatives" and each, an
15 "Authorized Representative"), approved as to form by the City Attorney, in substantially said
16 form, together with such additions thereto and changes therein as the City Attorney and Co-
17 Bond Counsel may approve or recommend in accordance with Section 10 hereof.

18 Section 4. Approval of Loan Agreement. The Loan Agreement relating to the
19 Bonds, by and among the City, the Borrower, and the Trustee (the "Loan Agreement"), in the
20 form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
21 approved. Each Authorized Representative is hereby authorized to execute the Loan
22 Agreement in substantially said form, together with such additions thereto and changes
23 therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance
24 with Section 10 hereof.

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1 Section 5. Approval of Bond Purchase Agreement. The Bonds are authorized to be
2 sold to the Underwriter at a price equal to the principal amount thereof, less an underwriting
3 discount or underwriting fee not to exceed one-half of one percent (0.5%) of the principal
4 amount of the Bonds. A bond purchase agreement providing for the purchase and sale of the
5 Bonds, by and among the City, the Borrower and the Underwriter (the “Bond Purchase
6 Agreement”), in the form presented to the Board, a copy of which is on file with the Clerk of
7 the Board, is hereby approved. Each Authorized Representative is hereby authorized to
8 execute the Bond Purchase Agreement in substantially said form, together with such additions
9 thereto and changes therein as the City Attorney and Co-Bond Counsel may approve or
10 recommend in accordance with Section 10 hereof.

11 Section 6. Approval of Official Statement. The form of official statement relating to
12 the Bonds (the “Official Statement”), a copy of which is on file with the Clerk of the Board, is
13 hereby approved. Each Authorized Representative is hereby authorized to execute the
14 Official Statement in substantially said form, together with such additions and amendments
15 thereto and changes therein as the City Attorney and Hawkins Delafield & Wood LLP,
16 disclosure counsel to the City, may approve or recommend in accordance with Section 10
17 hereof. The Underwriter is hereby authorized to distribute the Official Statement to
18 prospective and actual purchasers of the Bonds.

19 Section 7. Approval of Regulatory Agreement and Declaration of Restrictive
20 Covenants. The form of Regulatory Agreement and Declaration of Restrictive Covenants for
21 the Project (the "Regulatory Agreement"), by and between the City and the Borrower, or an
22 affiliate thereof, presented to the Board, a copy of which is on file with the Clerk of the Board,
23 is hereby approved. Each Authorized Representative is hereby authorized to execute such
24 Regulatory Agreement, approved as to form by the City Attorney, in substantially said form,
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1 together with such additions thereto and changes therein as the City Attorney and Co-Bond
2 Counsel may approve or recommend in accordance with Section 10 hereof.

3 Section 8. Approval of Intercreditor Agreement. The form of Intercreditor Agreement
4 relating to the Bonds (the "Intercreditor Agreement"), by and among the City, the Trustee and
5 Bank of America, N.A., as administrative agent, presented to the Board, a copy of which is on
6 file with the Clerk of the Board, is hereby approved. Each Authorized Representative is
7 hereby authorized to execute such Intercreditor Agreement, approved as to form by the City
8 Attorney, in substantially said form, together with such additions thereto and changes therein
9 as the City Attorney and Co-Bond Counsel may approve or recommend in accordance with
10 Section 10 hereof.

11 Section 9. Issuer Fees. The City, acting through the Mayor's Office of Housing and
12 Community Development, shall charge a fee for the administrative costs associated with
13 issuing the Bonds in an amount not to exceed 0.25% of the maximum aggregate principal
14 amount of the Bonds. Such fee shall be payable at closing and may be contingent on the
15 delivery of the Bonds. The City shall also charge an annual fee for monitoring compliance
16 with the provisions of the Regulatory Agreement in an amount not to exceed 0.125% of the
17 outstanding aggregate principal amount of the Bonds, but no less than \$2,500 annually, for
18 the term of the Regulatory Agreement. The initial monitoring fees shall be payable at the
19 closing of the Bonds. The Board hereby authorizes the Mayor's Office of Housing and
20 Community Development to charge and collect the fees described in this section.

21 Section 10. Modifications, Changes, Additions. Any Authorized Representative
22 executing the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Official
23 Statement, the Regulatory Agreement, or the Intercreditor Agreement (collectively, the "City
24 Documents"), 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 Documents as may be necessary or advisable, provided that such modification does not
2 authorize an aggregate principal amount of Bonds in excess of the amounts set forth herein,
3 provide for a final maturity on the Bonds later than forty (40) years after the issuance thereof,
4 or provide for the Bonds to bear interest at a rate in excess of twelve percent (12%) per
5 annum (other than Bonds owned by a credit or liquidity enhancer thereof, in which case there
6 shall be no maximum rate). The approval of any modification, addition or change to any of the
7 aforementioned documents shall be evidenced conclusively by the execution and delivery of
8 the document in question.

9 Section 11. Ratification. All actions heretofore taken by the officers and agents of the
10 City with respect to the sale and issuance of and security for the Bonds, as consistent with the
11 documents authorized herein and this Resolution, are hereby approved, confirmed and
12 ratified.

13 Section 12. General Authority. The proper officers of the City are hereby authorized
14 and directed, for and in the name and on behalf of the City, to do any and all things and take
15 any and all actions and approve, execute, acknowledge and deliver any and all certificates,
16 agreements and other documents, including but not limited to subordinations, intercreditor
17 agreements, assignments, contingency draw-down agreements, tax documents and those
18 documents described in or contemplated by the City Documents, which they, or any of them,
19 may deem necessary or advisable in order to consummate the lawful issuance and delivery of
20 the Bonds and to effectuate the purposes thereof and of the documents herein approved in
21 accordance with this Resolution in consultation with the City Attorney. Any such actions are
22 solely intended to further the purposes of the Resolution, and are subject in all respects to the
23 terms of the Resolution. No such action shall increase the risk to the City, or require the City
24 to spend any resources not otherwise granted herein. Final versions of such documents shall
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1 be provided to the Clerk of the Board for inclusion in the official file within 30 days of execution
2 by all parties.

3 Section 13. File. All documents referenced herein as being on file with the Clerk of
4 the Board are located in File No. _____, which is hereby declared to be a part of this
5 Resolution as if set forth fully herein.

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8 APPROVED AS TO FORM:

9 DENNIS J. HERRERA
10 City Attorney

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12 By: _____
13 KENNETH D. ROUX
14 Deputy City Attorney

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