

1 [Multifamily Housing Revenue Bonds - 1950 Mission Street - Not to Exceed \$60,488,962]

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3 **Resolution authorizing the issuance, sale and delivery of multifamily housing revenue**  
4 **bonds in an aggregate principal amount not to exceed \$60,488,962 for the purpose of**  
5 **providing financing for the construction of a 157-unit multifamily rental housing project**  
6 **known as 1950 Mission Street Apartments; approving, for purposes of the Internal**  
7 **Revenue Code of 1986, as amended, the issuance and sale of tax exempt residential**  
8 **rental housing bonds by the City in an aggregate principal amount not to exceed**  
9 **\$60,488,962; approving the form of and authorizing the execution of an indenture of**  
10 **trust providing the terms and conditions of the bonds; approving the form of and**  
11 **authorizing the execution of a regulatory agreement and declaration of restrictive**  
12 **covenants; approving the form of and authorizing the execution of a loan agreement;**  
13 **authorizing the collection of certain fees; approving modifications, changes and**  
14 **additions to the documents; ratifying and approving any action heretofore taken in**  
15 **connection with the bonds and the project; granting general authority to City officials**  
16 **to take actions necessary to implement this Resolution; and related matters, as defined**  
17 **herein.**

18

19 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the  
20 "Board") desires to provide for the financing of a portion of the costs of the construction by  
21 1950 Mission Housing Associates LP, a California limited partnership (the "Borrower"), of a  
22 157-unit (including two managers' units) residential rental housing development located at  
23 1950 Mission Street, San Francisco, California 94103, known as "1950 Mission Street  
24 Apartments" (the "Project"), to provide housing for persons and families of low income  
25 through the issuance of multifamily housing revenue bonds; and

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

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

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

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

14           WHEREAS, The Mayor’s Office of Housing and Community Development (“MOHCD”)  
15 held a duly noticed public hearing on July 27, 2017, at which hearing an opportunity was  
16 provided for persons to comment on the issuance of the Bonds; and

17           WHEREAS, This Board, on September 19, 2017, adopted Resolution No. 352-17,  
18 approving the issuance and sale of the Bonds for the purposes of Section 147(f) of the Code  
19 in an amount not to exceed \$95,000,000; and

20           WHEREAS, On July 18, 2018, the California Debt Limit Allocation Committee in its  
21 Resolution Number 18-078 allocated \$60,488,962 in qualified tax-exempt private activity  
22 bonds to the Project (the “CDLAC Resolution”); and

23           WHEREAS, Due to the lapse of time since the public hearing held on July 27, 2017,  
24 the City is required to hold another public hearing regarding the issuance of the Bonds  
25 pursuant to Section 147(f) of the Code; and

1           WHEREAS, On September 23, 2018, the City caused a notice stating that a public  
2 hearing with respect to the issuance of the Bonds would be held by the MOHCD on October  
3 10, 2018, to appear in the San Francisco Examiner, which is a newspaper of general  
4 circulation in the City; and

5           WHEREAS, The MOHCD held the public hearing described above on October 10,  
6 2018, at which hearing an opportunity was provided for persons to comment on the issuance  
7 of the Bonds; and

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

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

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

17           WHEREAS, The Bonds will be a limited obligation of the City, the sole source of  
18 repayment of which shall be payments made by the Borrower under the Loan Agreement  
19 (hereinafter defined), together with investment income of certain funds and accounts held  
20 under the Indenture (hereinafter defined); and

21           WHEREAS, The City has engaged Quint & Thimmig LLP and Curls Bartling, P.C., as  
22 co-bond counsel with respect to the Bonds (“Co-Bond Counsel”); and

23           WHEREAS, Wells Fargo Bank, National Association, has expressed its intention to  
24 purchase, or cause an affiliate to purchase, the Bonds authorized hereby; now, therefore, be it

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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, the City is hereby authorized to issue and deliver revenue bonds of the City, such  
7 bonds to be issued in one or more series and subseries, and designated as “City and County  
8 of San Francisco, California Multifamily Housing Revenue Bonds (1950 Mission Street  
9 Apartments), Series 2018 C,” or such other designation as may be necessary or appropriate  
10 to distinguish such series from every other series of bonds, in an aggregate principal amount  
11 not to exceed \$60,488,962 (the “Bonds”), with a fixed and/or variable interest rate not to  
12 exceed twelve percent (12%) per annum for the Bonds, and which shall have a final maturity  
13 date not later than forty (40) years from the date of issuance of the Bonds. The Bonds shall  
14 be in the form set forth in and otherwise in accordance with the Indenture and shall be  
15 executed by the manual or facsimile signature of the Mayor of the City (the “Mayor”).

16 Section 3. Indenture. The Indenture of Trust (the “Indenture”) in the form presented to  
17 the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The  
18 Indenture shall be entered into by and between the City and The Bank of New York Mellon  
19 Trust Company, N.A., a national banking association (the “Trustee”). Each of the Mayor, the  
20 Director of the Mayor’s Office of Housing and Community Development and the Housing  
21 Development Director of the Mayor’s Office of Housing and Community Development  
22 (collectively, the “Authorized Representatives” and each, an “Authorized Representative”), or  
23 a designee thereof, is hereby authorized to execute the Indenture, approved as to form by the  
24 City Attorney of the City (the “City Attorney”), in substantially said form, together with such  
25 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may

1 approve or recommend in accordance with Section 7 hereof.

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

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

16 Section 6. Issuer Fees. The City, acting through the Mayor’s Office of Housing and  
17 Community Development, shall charge a fee for the administrative costs associated with  
18 issuing the Bonds in an amount not to exceed 0.250% of the maximum aggregate principal  
19 amount of the Bonds. Such fee shall be payable at the Bond closing and may be contingent  
20 on the issuance and sale of the Bonds. The City shall also charge an annual fee for  
21 monitoring the compliance by the Borrower with certain provisions of the Regulatory  
22 Agreement in an amount not to exceed 0.125% of the outstanding aggregate principal amount  
23 of the Bonds, but no less than \$2,500 annually, for the term of the Regulatory Agreement.  
24 The initial monitoring fee shall be payable at and contingent upon the Bond closing. The  
25 Board hereby authorizes the MOHCD to charge and collect the fees described in this section.

1           Section 7. Modifications, Changes, Additions. Any Authorized Representative, or  
2           designee thereof, executing the Indenture, the Regulatory Agreement or the Loan Agreement  
3           (collectively, the “City Agreements”), in consultation with the City Attorney and Co-Bond  
4           Counsel, is hereby authorized to approve and make such modifications, changes or additions  
5           to the City Agreements as may be necessary or advisable, provided that such modification  
6           does not authorize an aggregate principal amount of Bonds in excess of \$60,488,962, provide  
7           for a final maturity on the Bonds later than forty (40) years, or provide for the Bonds to bear  
8           interest at a rate in excess of twelve percent (12%) per annum. The approval of any  
9           modification, addition or change to any of the aforementioned documents shall be evidenced  
10          conclusively by the execution and delivery of the document in question by an Authorized  
11          Representative or designee.

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

15          Section 9. General Authority. The proper officers of the City (including the Authorized  
16          Representatives) are hereby authorized and directed, for and in the name and on behalf of the  
17          City, to do any and all things and take any and all actions and execute and deliver any and all  
18          certificates, agreements and other documents, including but not limited to those documents  
19          described in the Indenture, the Loan Agreement, and the Regulatory Agreement, which they,  
20          or any of them, may deem necessary or advisable in order to consummate the lawful issuance  
21          and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein  
22          approved in accordance with this Resolution. Any such actions are solely intended to further  
23          the purposes of this Resolution and are subject in all respects to the terms of the Resolution.  
24          No such actions shall increase the risk to the City or require the City to spend any resources  
25          not otherwise granted herein. Final versions of such documents shall be provided to the Clerk

1 of the Board for inclusion in the official file within 30 days of execution by all parties.

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

5 Section 11. Effectiveness. This Resolution shall take effect from and after its adoption  
6 by the Board and approval by the Mayor.

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8 APPROVED AS TO FORM:  
9 DENNIS J. HERRERA  
City Attorney

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11 By: \_\_\_\_\_  
12 HEIDI J. GEWERTZ  
Deputy City Attorney  
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