

1 [Multifamily Housing Revenue Bonds - 2050, 2060, and 2070 Folsom Street and 255 and 265
2 Shotwell Street - Not to Exceed \$50,639,862]

3 **Resolution authorizing the issuance, sale and delivery of multifamily housing revenue**
4 **bonds in an aggregate principal amount not to exceed \$50,639,862 for the purpose of**
5 **providing financing for the construction of a 127-unit multifamily rental housing project**
6 **located at 2050, 2060, and 2070 Folsom Street and 255 and 265 Shotwell Street, known**
7 **as Casa Adelante 2060 Folsom; approving the form of and authorizing the execution of**
8 **an indenture of trust providing the terms and conditions of the bonds; approving the**
9 **form of and authorizing the execution of a regulatory agreement and declaration of**
10 **restrictive covenants; approving the form of and authorizing the execution of a loan**
11 **agreement; authorizing the collection of certain fees; approving modifications,**
12 **changes and additions to the documents; ratifying and approving any action heretofore**
13 **taken in connection with the bonds and the project; granting general authority to City**
14 **officials to take actions necessary to implement this Resolution, as defined herein; and**
15 **related matters, as defined herein.**

16
17 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
18 "Board") desires to provide for the financing of a portion of the costs of the construction by
19 2060 Folsom Housing L.P., a California limited partnership (the "Borrower"), of a 127-unit
20 (including one manager's unit) residential rental housing development located at 2050, 2060
21 and 2070 Folsom Street and 255 and 265 Shotwell Street San Francisco, California 94110,
22 known as "Casa Adelante 2060 Folsom" (the "Project"), to provide housing for persons and
23 families of low income through the issuance of multifamily housing revenue bonds; and

24 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue
25 revenue bonds for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of

1 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of
2 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of
3 California, as now in effect and as it may from time to time hereafter be amended or
4 supplemented (collectively, the “Act”); and

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

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

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

12 WHEREAS, The Mayor’s Office of Housing and Community Development (“MOHCD”)
13 held a duly noticed public hearing on May 7, 2018, at which hearing an opportunity was
14 provided for persons to comment on the issuance of the Bonds; and

15 WHEREAS, This Board, on May 22, 2018, adopted Resolution No. 168-18, approving
16 the issuance and sale of the Bonds for the purposes of Section 147(f) of the Code in an
17 amount not to exceed \$95,000,000; and

18 WHEREAS, On July 18, 2018, the California Debt Limit Allocation Committee in its
19 Resolution No. 2018-080 allocated \$50,639,862 in qualified tax-exempt private activity bonds
20 to the Project (the “CDLAC Resolution”); and

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

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

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

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

10 WHEREAS, The City has engaged Schiff Hardin LLP and Curlls Bartling, P.C., as co-
11 bond counsel with respect to the Bonds (“Co-Bond Counsel”); and

12 WHEREAS, U.S. Bank National Association, has expressed its intention to purchase,
13 or cause an affiliate to purchase, the Bonds authorized hereby; now, therefore, be it

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

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

18 Section 2. Approval of Issuance of Bonds. In accordance with the Act and the
19 Indenture, the City is hereby authorized to issue and deliver revenue bonds of the City, such
20 bonds to be issued in one or more series and subseries, and designated as “City and County
21 of San Francisco, California Multifamily Housing Revenue Bonds Casa Adelante 2060
22 Folsom, Series 2018D,” or such other designation as may be necessary or appropriate to
23 distinguish such series from every other series of bonds, in an aggregate principal amount not
24 to exceed \$50,639,862 (the “Bonds”), with a fixed and/or variable interest rate not to exceed
25 twelve percent (12%) per annum for the Bonds, and which shall have a final maturity date not

1 later than forty (40) years from the date of issuance of the Bonds. The Bonds shall be in the
2 form set forth in and otherwise in accordance with the Indenture and shall be executed by the
3 manual or facsimile signature of the Mayor of the City (the "Mayor").

4 Section 3. Indenture. The Indenture of Trust (the "Indenture") in the form presented to
5 the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The
6 Indenture shall be entered into by and between the City and U.S. Bank National Association,
7 a national banking association (the "Trustee"). Each of the Mayor, the Director of the Mayor's
8 Office of Housing and Community Development and the Housing Development Director of the
9 Mayor's Office of Housing and Community Development (collectively, the "Authorized
10 Representatives" and each, an "Authorized Representative"), or a designee thereof, is hereby
11 authorized to execute the Indenture, approved as to form by the City Attorney of the City (the
12 "City Attorney"), in substantially said form, together with such additions thereto and changes
13 therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance
14 with Section 7 hereof.

15 Section 4. Regulatory Agreement and Declaration of Restrictive Covenants. The
16 Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory
17 Agreement"), between the City and the Borrower, in the form presented to the Board, a copy
18 of which is on file with the Clerk of the Board, is hereby approved. Each Authorized
19 Representative, or a designee thereof, is hereby authorized to execute the Regulatory
20 Agreement, approved as to form by the City Attorney, in substantially said form, together with
21 such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
22 approve or recommend in accordance with Section 7 hereof.

23 Section 5. Loan Agreement. The Loan Agreement (the "Loan Agreement") by and
24 between the City and the Borrower, in the form presented to the Board, a copy of which is on
25 file with the Clerk of the Board, is hereby approved. Each Authorized Representative, or a

1 designee thereof, is hereby authorized to execute the Loan Agreement in substantially said
2 form, together with such additions thereto and changes therein as the City Attorney and Co-
3 Bond Counsel may approve or recommend in accordance with Section 7 hereof.

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

14 Section 7. Modifications, Changes, Additions. Any Authorized Representative, or
15 designee thereof, executing the Indenture, the Regulatory Agreement or the Loan Agreement
16 (collectively, the “City Agreements”), in consultation with the City Attorney and Co-Bond
17 Counsel, is hereby authorized to approve and make such modifications, changes or additions
18 to the City Agreements as may be necessary or advisable, provided that such modification
19 does not authorize an aggregate principal amount of Bonds in excess of \$50,639,862, provide
20 for a final maturity on the Bonds later than forty (40) years, or provide for the Bonds to bear
21 interest at a rate in excess of twelve percent (12%) per annum. The approval of any
22 modification, addition or change to any of the aforementioned documents shall be evidenced
23 conclusively by the execution and delivery of the document in question by an Authorized
24 Representative or designee.

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

4 Section 9. General Authority. The proper officers of the City (including the Authorized
5 Representatives) are hereby authorized and directed, for and in the name and on behalf of the
6 City, to do any and all things and take any and all actions and execute and deliver any and all
7 certificates, agreements and other documents, including, but not limited to, those documents
8 described in the Regulatory Agreement and in the Indenture, and the Loan Agreement,
9 including those relating to the conversion and subsequent transfer of the Bonds as described
10 therein, which they, or any of them, may deem necessary or advisable in order to
11 consummate the lawful issuance, delivery, and any subsequent transfer, of the Bonds and to
12 effectuate the purposes thereof and of the documents herein approved in accordance with this
13 Resolution. Any such actions are solely intended to further the purposes of this Resolution
14 and are subject in all respects to the terms of the Resolution. No such actions shall increase
15 the risk to the City or require the City to spend any resources not otherwise granted herein.
16 Final versions of such documents shall be provided to the Clerk of the Board for inclusion in
17 the official file within 30 days of execution by all parties.

18 Section 10. File. All documents referenced herein as being on file with the Clerk of the
19 Board are located in File No. 181048, which is hereby declared to be a part of this Resolution
20 as if set forth fully herein.

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25 Section 11. Effectiveness. This Resolution shall take effect from and after its adoption

1 by the Board and approval by the Mayor.

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3 APPROVED AS TO FORM:
4 DENNIS J. HERRERA
5 City Attorney

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8 By: _____

9 HEIDI J. GEWERTZ
10 Deputy City Attorney

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