

1 [Multifamily Housing Revenue Notes - Abel Gonzales Apartments - Not to Exceed
2 \$20,000,000]

3 **Resolution authorizing the issuance and delivery of multifamily housing revenue notes**
4 **in a maximum aggregate principal amount not to exceed \$20,000,000 for the purpose of**
5 **providing financing for the acquisition and rehabilitation of a 30-unit multifamily rental**
6 **housing project located at 1045 Capp Street (also known as Abel Gonzales**
7 **Apartments); approving the form of and authorizing the execution of a funding loan**
8 **agreement providing the terms and conditions of the notes and authorizing the**
9 **execution and delivery thereof; approving the form of and authorizing the execution of**
10 **a regulatory agreement and declaration of restrictive covenants; approving the forms**
11 **of and authorizing the execution of certain loan documents; authorizing the collection**
12 **of certain fees; ratifying and approving any action heretofore taken in connection with**
13 **the note and the project, as defined herein; granting general authority to City officials**
14 **to take actions necessary to implement this Resolution, as defined herein; and related**
15 **matters, as defined herein.**

16
17 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
18 "Board") desires to assist in the financing of a portion of the costs of the acquisition and
19 rehabilitation, by MHDC Abel Gonzales, L.P., a California limited partnership (the "Borrower"),
20 of a 30-unit affordable multifamily rental housing facility located at 1045 Capp Street, San
21 Francisco, California (also known as Abel Gonzales Apartments) (the "Project"), for seniors of
22 low and very low income, through the issuance of multifamily housing revenue bonds or
23 notes; and

24 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue
25 revenue notes 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 ("Health and Safety Code"), as now in effect and as each may from time to time
4 hereafter be amended or supplemented (collectively, the "Act"); and

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

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

11 WHEREAS, On August 10, 2018, this Board, after a hearing at which there was an
12 opportunity for persons to comment on the issuance of the Notes, in Resolution No. 310-18,
13 approved the issuance of the Notes for the purposes of Section 147(f) of the Code in an
14 amount not to exceed \$20,000,000; and

15 WHEREAS, On January 16, 2019, CDLAC, in its resolution number 19-015, allocated
16 an amount equal to \$12,442,500 in qualified private activity bond volume cap to the Project
17 (together with any supplemental volume cap allocation from CDLAC, the "Allocation"); and

18 WHEREAS, There has been prepared and presented to the Board for consideration at
19 this meeting the documentation required for the issuance of the Notes, and such
20 documentation is on file with the Clerk of the Board of Supervisors (the "Clerk of the Board");
21 and

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

1 WHEREAS, The Board finds that the public interest and necessity require that the City
2 at this time make arrangements for the sale of the Notes; and

3 WHEREAS, The Notes are limited obligations of the City, the sole source of repayment
4 of which shall be payments made by the Borrower under the Borrower Loan Agreement
5 (hereinafter defined), together with investment income of certain funds and accounts held
6 under the Funding Loan Agreement (hereinafter defined); and

7 WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation, and
8 Fox Rothschild LLP, as co-bond counsel with respect to the Notes ("Co-Bond Counsel"); and

9 WHEREAS, Boston Private Bank & Trust Company (the "Bank") has expressed its
10 intention to purchase, or cause an affiliate to purchase, the Notes 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 above
15 recitals are true and correct.

16 Section 2. Approval of Issuance of Notes. In accordance with the Act and the Funding
17 Loan Agreement (hereinafter defined), the City is hereby authorized to issue and deliver
18 revenue notes of the City, such notes to be issued in one or more series and subseries, and
19 tentatively designated as "City and County of San Francisco Multifamily Housing Revenue
20 Construction/Permanent Note (Abel Gonzales Apartments), 2019 Series F-1," "City and
21 County of San Francisco Multifamily Housing Revenue Construction/Permanent Note (Abel
22 Gonzales Apartments), 2019 Series F-2," and "City and County of San Francisco Multifamily
23 Housing Revenue Construction Note (Abel Gonzales Apartments), 2019 Series F-3," or such
24 other designations as may be necessary or appropriate to distinguish such series from every
25 other series of notes of the City, in a maximum aggregate principal amount not to exceed

1 \$20,000,000 (together, the "Notes"), with an interest rate not to exceed twelve percent (12%)
2 per annum for any individual Note, and with final maturity dates not later than 45 years after
3 the issuance of the Notes; provided, however, that the maximum aggregate principal amount
4 of any Notes the interest on which is to be tax-exempt shall not exceed the amount of the
5 Allocation. The Notes shall be in the form set forth in and otherwise in accordance with the
6 Funding Loan Agreement, and shall be executed by the manual signature of the Mayor of the
7 City (the "Mayor") and as further provided in the Funding Loan Agreement.

8 Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement (the
9 "Funding Loan Agreement"), by and between Boston Private Bank & Trust Company, the City,
10 and a qualified fiscal agent (the "Fiscal Agent") to be selected by the Director of the Mayor's
11 Office of Housing and Community Development (the "Director"), in the form presented to the
12 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor,
13 the Director or any Authorized Governmental Lender Representative of the City (as such term
14 is defined in the Funding Loan Agreement) is hereby authorized to execute the Funding Loan
15 Agreement (collectively, "Authorized Representatives" and each, an "Authorized
16 Representative"), approved as to form by the City Attorney of the City (the "City Attorney"), in
17 substantially said form, together with such additions thereto and changes therein as the City
18 Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 7
19 hereof.

20 Section 4. Approval of Regulatory Agreement and Declaration of Restrictive
21 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the
22 "Regulatory Agreement"), between the City and the Borrower, in the form presented to the
23 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each
24 Authorized Representative is hereby authorized to execute the Regulatory Agreement,
25 approved as to form by the City Attorney, in substantially said form, together with such

1 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
2 approve or recommend in accordance with Section 7 hereof.

3 Section 5. Approval of City Loan Documents. The Borrower Loan Agreement by and
4 between the City and the Borrower (the "Borrower Loan Agreement"), and the Assignment of
5 Multifamily Deed of Trust and Loan Documents from the City to the Bank (the "Assignment"
6 and together with the Borrower Loan Agreement, the "City Loan Documents"), in the forms
7 presented to the Board, copies of which are on file with the Clerk of the Board, are hereby
8 approved. Each Authorized Representative is hereby authorized to execute the City Loan
9 Documents in substantially said form, together with such additions thereto and changes
10 therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance
11 with Section 7 hereof.

12 Section 6. Issuer Fees. The City, acting through the Mayor's Office of Housing and
13 Community Development, shall charge a fee for the administrative costs associated with
14 issuing the Notes in an amount not to exceed 0.25% of the maximum aggregate principal
15 amount of the Notes. Such fee shall be payable at closing and may be contingent on the
16 delivery of the Notes. The City shall also charge an annual fee for monitoring compliance with
17 the provisions of the Regulatory Agreement in an amount not to exceed 0.125% of the
18 maximum aggregate principal amount of the Notes, but no less than \$2,500 annually, for the
19 term of the Regulatory Agreement. The initial monitoring fee shall be payable at Note closing.
20 The Board hereby authorizes the Mayor's Office of Housing and Community Development to
21 charge and collect the fees described in this section.

22 Section 7. Modifications, Changes, Additions. Any Authorized Representative
23 executing the Funding Loan Agreement, the Regulatory Agreement or the City Loan
24 Documents (collectively, the "City Agreements"), in consultation with the City Attorney and
25 Co-Bond Counsel, is hereby authorized to approve and make such modifications, changes or

1 additions to the City Agreements as may be necessary or advisable, provided that such
2 modification does not authorize a maximum aggregate principal amount of the Notes in
3 excess of \$20,000,000 provide for a final maturity on the Notes later than May 1, 2064, or
4 provide for any of the Notes to bear interest at a rate in excess of twelve percent (12%) per
5 annum. The approval of any modification, addition or change to any of the aforementioned
6 documents shall be evidenced conclusively by the execution and delivery of the document in
7 question.

8 Section 8. Ratification. All actions heretofore taken by the officers and agents of the
9 City with respect to the sale and issuance of the Notes are hereby approved, confirmed and
10 ratified.

11 Section 9. General Authority. The proper officers of the City are hereby authorized and
12 directed, for and in the name and on behalf of the City, to do any and all things and take any
13 and all actions and execute and deliver any and all certificates, agreements and other
14 documents, including but not limited to assignments, subordinations, tax documents and
15 those documents described in the City Agreements, which they, or any of them, may deem
16 necessary or advisable in order to consummate the lawful issuance and delivery of the Notes
17 and to effectuate the purposes thereof and of the documents herein approved in accordance
18 with this Resolution in consultation with the City Attorney.

19 Section 10. File. All documents referenced herein as being on file with the Clerk of the
20 Board are located in File No. 190466, which is hereby declared to be a part of this

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1 Resolution as if set forth fully herein.

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APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

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6 By:

Kenneth D. Roux
Deputy City Attorney
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