

1 [Multifamily Housing Revenue Bonds - 385 Eddy Street (Hamlin Hotel) - Not to Exceed
2 \$26,967,500]

3 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**
4 **in an aggregate principal amount not to exceed \$26,967,500 for the purpose of**
5 **providing financing for the acquisition and rehabilitation of a 67-unit, affordable**
6 **multifamily rental housing project located at 385 Eddy Street (Hamlin Hotel) within the**
7 **City; approving the form of and authorizing the execution of a trust indenture providing**
8 **terms and conditions of the bonds; approving the form of and authorizing the**
9 **execution of a regulatory agreement and declaration of restrictive covenants;**
10 **approving the form of and authorizing the execution of a loan agreement; authorizing**
11 **the collection of certain fees; ratifying and approving any action heretofore taken in**
12 **connection with the bonds and the project, as defined herein; granting general**
13 **authority to City officials to take actions necessary to implement this Resolution, as**
14 **defined herein, and related matters, as defined herein.**

15
16 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
17 "Board") desires to provide for a portion of the costs of the acquisition and rehabilitation by
18 Hamlin Hotel 2019, L.P., a California limited partnership (the "Borrower"), of the Hamlin Hotel,
19 a 67-unit rental housing development located at 385 Eddy Street, San Francisco, California
20 (the "Project"), through the issuance of multifamily housing 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 California ("Health and Safety Code"), as now in effect and as it may from time to time

1 hereafter be amended or supplemented (collectively, the “Act”); and

2 WHEREAS, Any Bonds (hereinafter defined) to be issued to finance the Project will be
3 limited obligations of the City, the sole source of repayment for which shall be payments made
4 by the Borrower or collateral security pledged by or for the Borrower, together with investment
5 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 January 30, 2019, the City published a notice in a newspaper of
13 general circulation regarding its intent to hold a public hearing with respect to the issuance of
14 multifamily housing revenue bonds in an amount not to exceed \$35,000,000 to finance the
15 Project, and said hearing was held on February 15, 2019, by the Mayor’s Office of Housing
16 and Community Development and an opportunity was provided for persons to comment on
17 the issuance of the Bonds and the financing of the Project; and

18 WHEREAS, Thereafter, on March 19, 2019, pursuant to Resolution 148-19, this Board
19 approved the issuance of multifamily housing revenue bonds, in an amount not to exceed
20 \$26,967,500, for the purposes of Section 147(f) of the Code, declared its intent to issue
21 multifamily housing revenue bonds and authorized officers of the City to submit an application
22 and related documents to the California Debt Limit Allocation Committee (“CDLAC”) and take
23 other actions in connection with the proposed financing of the Project; and

24 WHEREAS, On July 17, 2019, CDLAC, in its resolution number 19-081, allocated
25 \$26,967,500 in qualified private activity bond volume cap to the Project; and

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

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

8 WHEREAS, This Board finds that public interest and necessity require that the City at
9 this time make arrangements for the sale of the Bonds; and

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

12 WHEREAS, JPMorgan Chase Bank, N.A. has expressed its intention to purchase, or
13 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. This 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 (hereinafter defined), the City is hereby authorized to issue and deliver revenue
20 bonds of the City, such bonds to be issued in one or more series, and designated as "City and
21 County of San Francisco Multifamily Housing Revenue Bonds (Hamlin Hotel), Series 2019H,"
22 or such other designation as may be necessary or appropriate to distinguish such series from
23 every other series of bonds of the City, in an aggregate principal amount not to exceed
24 \$26,967,500 (the "Bonds"), with an interest rate not to exceed twelve percent (12%) per
25 annum for the Bonds, and which shall have a final maturity date not later than forty-five (45)

1 years from the date of issuance of the Bonds. The Bonds shall be in the form set forth in and
2 otherwise in accordance with the Indenture, and shall be executed by the manual signature of
3 the Mayor of the City (the "Mayor") and as further provided in the Indenture.

4 Section 3. Indenture. The Trust Indenture (the "Indenture"), by and between the City
5 and a Trustee (the "Trustee") to be selected by the Director of the Mayor's Office of Housing
6 and Community Development (the "Director"), in the form presented to this Board, a copy of
7 which is on file with the Clerk of the Board, is hereby approved. Each of the Mayor, the
8 Director or any other Authorized City Representative (as such term is defined in the Indenture)
9 of the City (collectively, the "Authorized Officers") is hereby authorized to execute the
10 Indenture in said form, together with such additions thereto and changes therein as the City
11 Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 7
12 hereof.

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

20 Section 5. Approval of Loan Agreement. The Loan Agreement (the "Loan
21 Agreement"), by and between the City and the Borrower, in the form presented to this Board,
22 a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized
23 Officer is hereby authorized to execute the Loan Agreement in said form, together with such
24 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
25 approve or recommend in accordance with Section 7 hereof.

1 Section 6. Issuer Fees. The City, acting through the Mayor's Office of Housing and
2 Community Development, shall charge a fee for the administrative costs associated with
3 issuing the Bonds (the "Issuance Fee") in an amount not to exceed 0.25% of the maximum
4 aggregate principal amount of the Bonds. Such fee shall be payable at closing and may be
5 contingent on the issuance of the Bonds. The City shall also charge an annual fee (the
6 "Annual Fees") for monitoring compliance with the provisions of the Regulatory Agreement in
7 an amount not to exceed 0.125% of the outstanding aggregate principal amount of the Bonds,
8 but no less than \$2,500 annually, for the term of the Regulatory Agreement. The Board
9 hereby authorizes the Mayor's Office of Housing and Community Development to charge and
10 collect, or appoint an agent, which may be the Trustee, to collect on behalf of the City, the
11 fees described in this section. Notwithstanding the foregoing provisions of this Section, the
12 City, acting through the Mayor's Office of Housing and Community Development, is
13 authorized to charge an Issuance Fee or Annual Fees, or both, that is or are lower than the
14 fees prescribed in this Section if, upon the advice of Co-Bond Counsel, lower fees are
15 necessary or advisable to ensure that the Bonds do not become "arbitrage bonds" within the
16 meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or to ensure that
17 interest on the Bonds does not become includable in gross income for federal income tax
18 purposes.

19 Section 7. Modifications, Changes, Additions. Any Authorized Officer executing the
20 Indenture, the Loan Agreement or the Regulatory Agreement (collectively, the "City
21 Agreements"), in consultation with the City Attorney and Co-Bond Counsel, is hereby
22 authorized to approve and make such modifications, changes or additions to the City
23 Agreements as may be necessary or advisable, provided that such modification does not
24 authorize an aggregate principal amount of the Bonds in excess of \$26,967,500, provide for a
25 final maturity on the Bonds later than forty-five (45) years from the date of issuance of the

1 Bonds, or provide for the Bonds to bear interest at a rate in excess of twelve percent (12%)
2 per annum. The approval of any modification, addition or change to any of the City
3 Agreements shall be evidenced conclusively by the execution and delivery of the document in
4 question.

5 Section 8. Ratification. All actions heretofore taken by the officers and agents of the
6 City with respect to the sale, issuance and delivery of the Bonds, as consistent with the City
7 Agreements and this Resolution, are hereby approved, confirmed and ratified.

8 Section 9. General Authority. The proper officers of the City, including but not limited
9 to the Authorized Officers, are hereby authorized and directed, for and in the name and on
10 behalf of the City, to do any and all things and take any and all actions and execute and
11 deliver any and all certificates, agreements and other documents (including but not limited to
12 any certificates necessary to allocate a portion of the previously-obtained voter approval of
13 low rent housing projects pursuant to Article 34 of the State Constitution to the Project, if
14 applicable), subordinations, assignments, tax documents and those documents described in
15 the City Agreements, which they, or any of them, may deem necessary or advisable in order
16 to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes
17 thereof and of the City Agreements. Any such actions are solely intended to further the
18 purposes of this Resolution, and are subject in all respects to the terms of the Resolution. No
19 such actions shall increase the risk to the City or require the City to spend any resources not
20 otherwise granted herein. Final versions of any such documents shall be provided to the
21 Clerk of the Board for inclusion in the official file within 30 days of execution by all parties.

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

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: _____
Kenneth D. Roux
Deputy City Attorney
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