

1 [Multifamily Housing Revenue Note - Turk 500 Associates, L.P. - Not to Exceed \$53,000,000]

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3 **Resolution authorizing the execution and delivery of a multifamily housing revenue**
4 **note in one or more series in an aggregate principal amount not to exceed \$53,000,000**
5 **for the purpose of providing financing for the construction of a 108-unit (includes one**
6 **resident manager unit) multifamily rental housing project known as “555 Larkin/500-520**
7 **Turk;” approving the form of and authorizing the execution of a funding loan**
8 **agreement, providing the terms and conditions of the loan from the funding lender to**
9 **the City, and the execution and delivery of the note; approving the form of and**
10 **authorizing the execution of a project loan agreement providing the terms and**
11 **conditions of the loan from the City to the borrower; approving the form of and**
12 **authorizing the execution of a regulatory agreement and declaration of restrictive**
13 **covenants; authorizing the collection of certain fees; approving modifications, changes**
14 **and additions to the documents; ratifying and approving any action heretofore taken in**
15 **connection with the back-to-back loans, the note and the project; granting general**
16 **authority to City officials to take actions necessary to implement this Resolution, as**
17 **defined herein; and related matters, as defined herein.**

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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 Turk 500 Associates, L.P., a California limited partnership (the “Borrower”), of a 108-unit
22 (includes one resident manager unit) residential rental development project located at 555
23 Larkin/500-520 Turk Street, in San Francisco, California, known as “555 Larkin/500-520 Turk”
24 (the “Project”), to provide housing for persons and families of low income through the
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1 issuance of a multifamily housing revenue note in one or more series which may be taxable or
2 tax-exempt (collectively, the “Note”); and

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

9 WHEREAS, On October 16, 2019, the California Debt Limit Allocation Committee
10 (“CDLAC”) in its Resolution No. 19-162, allocated an amount not to exceed \$47,347,500 (the
11 “Allocation Amount”) in qualified private activity bonds to the Project; and

12 WHEREAS, There has been prepared and presented to the Board for consideration at
13 this meeting the documentation required for the execution and delivery of the Note, and such
14 documentation is on file with the Clerk of the Board of Supervisors (the “Clerk of the Board”);
15 and

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

19 WHEREAS, The Board finds that the public interest and necessity require that the City
20 at this time make arrangements for the funding loan, the borrower loan and the execution and
21 delivery of the Note; and

22 WHEREAS, The Note will be a limited obligation of the City, the sole source of
23 repayment of which shall be payments made by the Borrower under the Project Loan
24 Agreement (hereinafter defined), together with investment income, if any, of certain funds and
25 accounts held under the Funding Loan Agreement (hereinafter defined); and

1 WHEREAS, The City has engaged Orrick, Herrington & Sutcliffe LLP and Amira
2 Jackmon, Attorney at Law, as co-special counsel with respect to the Note ("Co-Special
3 Counsel"); and

4 WHEREAS, Wells Fargo Bank, N.A. (or an affiliate thereof) (the "Funding Lender") has
5 expressed its intention to make the funding loan, to be evidenced by the Note, to the City;
6 now, therefore, be it

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

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

11 Section 2. Approval of Execution and Delivery of Note. In accordance with the Act
12 and the Funding Loan Agreement, the City is hereby authorized to execute and deliver a note
13 or notes in one or more series designated as "City and County of San Francisco, California
14 Multifamily Housing Revenue Note (555 Larkin/500-520 Turk) Series 2020A" and "City and
15 County of San Francisco, California Multifamily Housing Revenue Note (555 Larkin/500-520
16 Turk) Series 2020B" or such other designation or designations as may be necessary or
17 appropriate to distinguish such series from every other series of bonds or notes, in an
18 aggregate principal amount not to exceed \$53,000,000, provided that any tax-exempt portion
19 of the Note shall not exceed the Allocation Amount, with an interest rate not to exceed twelve
20 percent (12%) per annum for the Note, and which shall have a final maturity date not later
21 than forty (40) years from the date of execution and delivery of the Note. The Note shall be in
22 the form set forth in and otherwise in accordance with the Funding Loan Agreement and shall
23 be executed by the manual or facsimile signature of the Mayor of the City (the "Mayor").

24 Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement
25 (the "Funding Loan Agreement") in the form presented to the Board, a copy of which is on file

1 with the Clerk of the Board, is hereby approved. The Funding Loan Agreement shall be
2 entered into by and among the City, the Funding Lender and a fiscal agent to be named
3 therein (the "Fiscal Agent"). Each of the Mayor, the Director (the "Director") of the Mayor's
4 Office of Housing and Community Development ("MOHCD"), the Deputy Director of Housing
5 of MOHCD, and any other Authorized Officer (as such term is defined in the Funding Loan
6 Agreement), acting individually or collectively (each, an "Authorized City Representative") is
7 hereby authorized to execute the Funding Loan Agreement, approved as to form by the City
8 Attorney of the City (the "City Attorney"), in substantially said form, together with such
9 additions thereto and changes therein as the City Attorney and Co-Special Counsel may
10 approve or recommend in accordance with Section 7 hereof.

11 Section 4. Approval of Project Loan Agreement. The Project Loan Agreement (the
12 "Project Loan Agreement") by and among the City, the Fiscal Agent and the Borrower in the
13 form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
14 approved. Each Authorized City Representative is hereby authorized to execute the Project
15 Loan Agreement in substantially said form, together with such additions thereto and changes
16 therein as the City Attorney and Co-Special Counsel may approve or recommend in
17 accordance with Section 7 hereof.

18 Section 5. Approval of Regulatory Agreement and Declaration of Restrictive
19 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the
20 "Regulatory Agreement" and, together with the Funding Loan Agreement and the Project Loan
21 Agreement, the "City Documents"), between the City and the Borrower, in the form presented
22 to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each
23 Authorized City Representative is hereby authorized to execute the Regulatory Agreement,
24 approved as to form by the City Attorney, in substantially said form, together with such
25 additions thereto and changes therein as the City Attorney and Co-Special Counsel may

1 approve or recommend in accordance with Section 7 hereof.

2 Section 6. Issuer Fees. The City, acting through MOHCD, shall charge a fee for the
3 administrative costs associated with executing and delivering the Note in an amount not to
4 exceed 0.25% of the maximum aggregate principal amount of the Note. Such fee shall be
5 payable at funding loan closing and may be contingent on the funding loan closing. The City
6 shall also charge an annual fee for monitoring the restricted units in the Project in an amount
7 not to exceed 0.125% of the maximum outstanding aggregate principal amount of the Note,
8 but no less than \$2,500 annually, from completion of construction through the term of the
9 Regulatory Agreement. The annual monitoring fee due during the construction period shall be
10 payable at funding loan closing. The Board hereby authorizes MOHCD to charge and collect
11 the fees described in this section.

12 Section 7. Modifications, Changes, Additions. Any Authorized City Representative
13 executing the City Documents, in consultation with the City Attorney and Co-Special Counsel,
14 is hereby authorized to approve and make such modifications, amendments, changes or
15 additions to the City Documents as may be necessary or advisable, provided that such
16 modification does not authorize an aggregate principal amount of the Note in excess of
17 \$53,000,000 or an aggregate principal amount of the tax-exempt portion of the Note in excess
18 of the Allocation Amount, provide for a final maturity of the Note later than forty (40) years
19 from the date of execution and delivery thereof, or provide for the Note to bear interest at a
20 rate in excess of twelve percent (12%) per annum. The approval of any modification, addition
21 or change to any of the aforementioned documents shall be evidenced conclusively by the
22 execution and delivery of the document in question.

23 Section 8. Ratification. All actions heretofore taken by the officers and agents of the
24 City with respect to the funding loan and the execution and delivery of the Note consistent
25 with the purposes of this resolution and the City Documents are hereby approved, confirmed

1 and ratified.

2 Section 9. General Authority. The proper officers of the City are hereby authorized
3 and directed, for and in the name and on behalf of the City, to do any and all things and take
4 any and all actions and execute and deliver any and all certificates, agreements (including
5 such agreements to provide adequate or additional security or indemnities as required by
6 lenders to consummate the financing) and other documents and amendments, including but
7 not limited to those documents described in the City Documents, which they, or any of them,
8 may deem necessary or advisable in order to consummate the lawful execution and delivery
9 of the Note and to effectuate the purposes thereof and of the City Documents. Any such
10 actions are solely intended to further the purposes of this Resolution, and are subject in all
11 respects to the terms of the Resolution. No such actions shall increase the risk to the City or
12 require the City to spend any resources not otherwise contemplated herein. Final versions of
13 such documents shall be provided to the Clerk of the Board for inclusion in the official file
14 within 30 days of execution by all parties.

15 Section 10. File. All documents referenced herein as being on file with the Clerk of
16 the Board are located in File No. 191264, which is hereby declared to be a part of this
17 Resolution as if set forth fully herein.

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

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: _____
Kenneth D. Roux
Deputy City Attorney
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