

1 [Multifamily Housing Revenue Bonds – Zygmunt Arendt House]
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3 **Resolution authorizing the issuance and delivery of multifamily housing revenue bonds**
4 **(as defined herein) in an aggregate principal amount not to exceed \$10,500,000 for the**
5 **purpose of providing financing for a multifamily rental housing project to be known as**
6 **Zygmunt Arendt House; approving the form of and authorizing the execution of a trust**
7 **indenture providing the terms and conditions of the Bonds; approving the form of and**
8 **authorizing the execution of a regulatory agreement and declaration of restrictive**
9 **covenants; approving the form of and authorizing the execution of a loan agreement;**
10 **ratifying and approving any action heretofore taken in connection with the Bonds and**
11 **the project; and granting general authority to City officials to take actions necessary to**
12 **implement this Resolution.**

13 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
14 "Board") desires to provide for a portion of the costs of construction by Arendt House, L.P., a
15 California limited partnership (the "Borrower"), of a proposed 47-unit residential rental
16 development to provide housing for persons of very low income located at 850 Broderick
17 Street, San Francisco, California, to be known as "Zygmunt Arendt House" (the "Project"),
18 through the issuance of revenue bonds; and,

19 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue
20 revenue bonds for such purpose pursuant to Section 9.017 of the Charter of the City, Article I
21 of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal
22 Code and, to the extent applicable, Chapter 7 of Part 5 of Division 31 (commencing with
23 Section 52075) of the Health and Safety Code of the State of California ("Health and Safety
24 Code"), as now in effect and as it may from time to time hereafter be amended or
25 supplemented (collectively, the "Act"); and,

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

4 WHEREAS, This Board is the elected legislative body of the City and is the applicable
5 elected representative required to approve the issuance of the Bonds within the meaning of
6 Section 147(f) of the Code; and,

7 WHEREAS, On March 4, 2008, this Board adopted Resolution No. 99-08, which was
8 signed by the Mayor on March 10, 2008, approving the issuance of the Bonds for the
9 purposes of Section 147(f) of the Code; and,

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

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

17 WHEREAS, The Board finds that the public interest and necessity require that the City
18 at this time make arrangements for the sale of such Bonds; and,

19 WHEREAS, The City has engaged Sonnenschein Nath & Rosenthal LLP and Lofton &
20 Jennings as co-bond counsel with respect to the Bonds ("Co-Bond Counsel"); and,

21 WHEREAS, Silicon Valley Bank, a banking corporation organized under the laws of the
22 State of California, has expressed its intention to purchase the Bonds authorized hereby; now,
23 therefore, be it

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
4 above recitals are true and correct.

5 Section 2. Approval of Issuance of Bonds. In accordance with the Act and the
6 Indenture (hereinafter defined), the City is hereby authorized to issue and deliver revenue
7 bonds of the City, such bonds to be issued in one series and designated as "City and County
8 of San Francisco, California, Multifamily Housing Revenue Bonds (Zygmunt Arendt House)
9 2008 Series C," or such other designation as may be necessary or appropriate to distinguish
10 such series from every other series of bonds, in an aggregate principal amount not to exceed
11 \$10,500,000 (the "Bonds"), with an interest rate not to exceed 12 percent per annum for the
12 Bonds, and which shall have a final maturity date not later than September 1, 2013. The
13 Bonds shall be in the form set forth in and otherwise in accordance with the Indenture (defined
14 below), and shall be executed by the manual or facsimile signature of the Mayor of the City
15 (the "Mayor") and the manual or facsimile seal of the City shall be impressed or reproduced
16 thereon and attested by the manual or facsimile signature of the Clerk of the Board.

17 Section 3. Trust Indenture. The Trust Indenture (the "Indenture"), between the City
18 and a trustee selected by an Authorized Representative (as such term is defined in the
19 Indenture) of the City, as trustee (the "Trustee"), in substantially the form presented to the
20 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor,
21 the Director of the Mayor's Office of Housing (the "Director") or any Authorized Representative
22 is hereby authorized to execute, and the Clerk of the Board or an authorized designee is
23 hereby authorized to attest, the Indenture in substantially said form, with such additions
24 thereto and changes therein as the City Attorney of the City and County of San Francisco (the
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1 "City Attorney") and Co-Bond Counsel may approve or recommend in accordance with
2 Section 6 hereof.

3 Section 4. Regulatory Agreement and Declaration of Restrictive Covenants. The
4 form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory
5 Agreement"), among the City, the Trustee and the Borrower, in substantially the form
6 presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby
7 approved. The Mayor, the Director or any Authorized Representative of the City is hereby
8 authorized to execute the Regulatory Agreement, in substantially said form, with such
9 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may
10 approve or recommend in accordance with Section 6 hereof.

11 Section 5. Loan Agreement. The form of Loan Agreement (the "Loan Agreement")
12 between the City and the Borrower, in substantially the form presented to the Board, a copy of
13 which is on file with the Clerk of the Board, is hereby approved. The Mayor, the Director or
14 any Authorized Representative of the City is hereby authorized to execute the Loan
15 Agreement, in substantially said form, with such additions thereto and changes therein as the
16 City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 6
17 hereof.

18 Section 6. Modifications, Changes or Additions. Any Authorized Representative of
19 the City executing the Indenture, the Regulatory Agreement or the Loan Agreement
20 (collectively, the "City Agreements"), in consultation with the City Attorney and Co-Bond
21 Counsel, is hereby authorized to approve and make such modifications, changes or additions
22 to the City Agreements as may be necessary or advisable, provided that such modification
23 does not authorize an aggregate principal amount of Bonds in excess of \$10,500,000, provide
24 for a final maturity on the Bonds later than September 1, 2013, or provide for the Bonds to
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1 bear interest at a rate in excess of 12 percent per annum. The approval of any modification,
2 addition or change to any of the aforementioned documents shall be evidenced conclusively
3 by the execution and delivery of the document in question.

4 Section 7. Ratification. All actions heretofore taken by the officers and agents of the
5 City with respect to the sale and issuance of the Bonds are hereby approved, confirmed and
6 ratified.

7 Section 8. General Authority. The proper officers of the City are hereby authorized
8 and directed, for and in the name and on behalf of the City, to do any and all things and take
9 any and all actions and execute and deliver any and all certificates, agreements and other
10 documents which they, or any of them, may deem necessary or advisable in order to
11 consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes
12 thereof and of the documents herein approved in accordance with this Resolution, including
13 but not limited to any documents necessary or desirable to effect, confirm or perfect the
14 assignment, pledge and grant of security in the Trust Estate contained in the Indenture, and
15 including but not limited to those documents described in the Indenture, the Loan Agreement,
16 the Regulatory Agreement, and the other documents herein approved.

17 Section 9. All documents referenced herein as being on file with the Clerk of the
18 Board are located in File No. 081037, which is hereby declared to be a part of this
19 Resolution as if set forth fully herein.

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

22 By: _____
23

24 MARK D. BLAKE
25 Deputy City Attorney



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Resolution

File Number: 081037

Date Passed:

Resolution authorizing the issuance and delivery of multifamily housing revenue bonds (as defined herein) in an aggregate principal amount not to exceed \$10,500,000 for the purpose of providing financing for a multifamily rental housing project to be known as Zygmunt Arendt House; approving the form of and authorizing the execution of a trust indenture providing the terms and conditions of the Bonds; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; approving the form of and authorizing the execution of a loan agreement; ratifying and approving any action heretofore taken in connection with the Bonds and the project; and granting general authority to City officials to take actions necessary to implement this Resolution.

August 12, 2008 Board of Supervisors — ADOPTED


Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell,
McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 081037

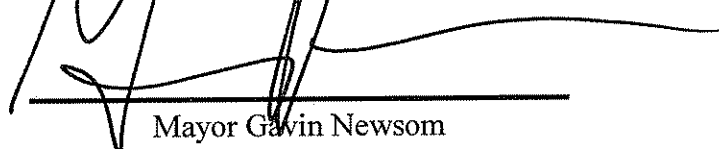
I hereby certify that the foregoing Resolution was ADOPTED on August 12, 2008 by the Board of Supervisors of the City and County of San Francisco.

8.22.08

Date Approved



Angela Calvillo
Clerk of the Board



Mayor Gavin Newsom