

1 [Issuance and Sale of Revenue Bonds – Crescent Manor – 467 Turk Street]

2
3 **Resolution approving the issuance and sale of tax-exempt bonds by the California**
4 **Statewide Communities Development Authority (CSCDA) in an aggregate principle**
5 **amount not to exceed \$11,000,000 for financing the acquisition, construction, and**
6 **rehabilitation of Crescent Manor – 467 Turk Street, subject to the policies for such**
7 **approvals adopted by the Board of Supervisors.**

8 WHEREAS, CSCDA (the "Authority"), proposes to issue multifamily housing revenue
9 bonds (the "Bonds") in an aggregate principal amount not to exceed \$11,000,000 and to lend
10 the proceeds thereof to Crescent Manor Partners, L.P. or any successor thereto (the
11 "Borrower"), to be used for financing the acquisition, construction and rehabilitation by the
12 Borrower of a 94-unit apartment project to be known as Crescent Manor Apartments (the
13 "Project") to be located at 467 Turk Street in the City and County of San Francisco, California
14 (the "City"), all to be owned and operated by the Borrower or an entity related thereto or a
15 partner thereof; and,

16 WHEREAS, The issuance and delivery of the Bonds shall be subject to the approval of
17 and execution by the Authority of all financing documents relating thereto to which the
18 Authority is a party and subject to the sale of the Bonds by the Authority; and,

19 WHEREAS, The issuance and delivery of the Bonds as tax-exempt obligations shall
20 also be subject to the approval of the California Debt Limit Allocation Committee ("CDLAC");
21 and,

22 WHEREAS, The Project is located wholly within the City and County of San Francisco
23 (the "City"); and,

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

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

7 WHEREAS, in Resolution No. 397-09 the Authority requested and the Board approved
8 on October 20, 2009 the issuance and sale of the Bonds in order to satisfy the public approval
9 requirements of Section 147(f) of the Code; and,

10 WHEREAS, the public approval requirements of Section 147(f) of the Code require
11 public approval to occur not more than one year prior to the date of issuance of the Bonds;
12 and

13 WHEREAS, the Bonds have not been issued because the Project encountered delays
14 related to securing building permits; and

15 WHEREAS, these delays have been mitigated and the Project is now able to move
16 forward; however, the Bonds are now expected to be issued subsequent to October 20, 2010;
17 and

18 WHEREAS, as a result of the delay in the issuance of the Bonds, the public approval
19 requirements of Section 147(f) of the Code must be satisfied once again; and

20 WHEREAS, On September 18, 2010, the Borrower caused a notice to appear in the
21 *San Francisco Chronicle*, which is a newspaper of general circulation in the City, stating that a
22 public hearing with respect to the issuance of the Bonds would be held by the Mayor's Office
23 of Housing on October 4, 2010; and,

1 WHEREAS, The Mayor's Office of Housing held the public hearing described above on
2 October 4, 2010, and an opportunity was provided for citizens to comment on the issuance
3 and sale of the Bonds and the plan of financing for the Project; and,

4 WHEREAS, In Article IX of Chapter 43 of the Administrative Code (the "TEFRA Policy
5 Ordinance"), the Board adopted a set of policies relating to the approval of bonds under
6 Section 147(f) of the Code, also known as a "TEFRA Approval"; and,

7 WHEREAS, City staff has engaged the Authority and the Borrower in negotiations
8 regarding the satisfaction of the requirements of the TEFRA Policy Ordinance for purposes of
9 this resolution; and,

10 WHEREAS, If and when the Bonds are issued, the Authority and the Borrower have
11 agreed that the Bond documents will require the Project to meet certain affordability
12 requirements for at least 55 years, irrespective of the final maturity date of the Bonds,
13 including a provision that annual rent increases for affordable units will be limited to the
14 percentage change in area median income for such years as such amount is determined by
15 HUD; in the event that HUD does not make such a determination such amount shall be
16 determined by the Mayor's Office of Housing; and,

17 WHEREAS, As required by the TEFRA Policy Ordinance, if and when the Bonds are
18 issued, the Bond regulatory agreement will require the Borrower to comply with the following
19 City policies: Local Disadvantaged Business Enterprise Subcontracting and Jobs Program;
20 Non-Discrimination in Contracts and Equal Benefits Policy; Minimum Compensation Policy;
21 Health Care Accountability Policy; and Prevailing Wage Policy (collectively, the "City
22 Contracting Requirements"); and,

23 WHEREAS, The City is charged with monitoring compliance with and enforcing such
24 City Contracting Requirements, and is aware of its responsibility in this regard; and,
25

1 WHEREAS, A description of the expected ownership and management structure of the
2 Project after issuance in the form required by the TEFRA Policy Ordinance is on file with the
3 Clerk of the Board of Supervisors in File No. 101321, which is hereby declared to be a part of
4 this resolution as if set forth fully herein; and,

5 WHEREAS, The Borrower has agreed to reimburse the City for staff time relating to
6 this resolution and the satisfaction of the agreements set forth in this resolution; and,

7 WHEREAS, As reflected in the letter on file with the Clerk of the Board of Supervisors
8 in File No. 101321, which is hereby declared to be a part of this resolution as if set forth fully
9 herein, the Director of the Mayor's Office of Housing recommends passage of this resolution;
10 now, therefore, be it

11 RESOLVED, That this Board hereby finds and declares the above recitals are true and
12 correct; and, be it

13 FURTHER RESOLVED, This Board of Supervisors, as the applicable elected
14 representative of the governmental unit having jurisdiction over the area in which the Project
15 is located, hereby approves the issuance of the Bonds for purposes of Section 147(f) of the
16 Code; and, be it

17 FURTHER RESOLVED, That the approval of the issuance and sale of the Bonds by
18 the Authority is neither an approval of the underlying credit issues of the proposed Project nor
19 an approval of the financial structure of the Bonds; and, be it

20 FURTHER RESOLVED, That the Bonds shall not constitute a debt or obligation of the
21 City and the payment of the principal, prepayment premium, if any, and purchase price of and
22 interest on the Bonds shall be solely the responsibility of Borrower; and, be it

23 FURTHER RESOLVED, The adoption of this resolution shall not obligate (i) the City to
24 provide financing to the Borrower for the acquisition, rehabilitation and development of the
25

1 Project or to issue the Bonds for purposes of such financing; or (ii) the City, or any department
2 of the City, to approve any application or request for, or take any other action in connection
3 with, any environmental, General Plan, zoning or any other permit or other action necessary
4 for the acquisition, rehabilitation, development or operation of the Project; and, be it

5 FURTHER RESOLVED, That in accordance with the TEFRA Policy Ordinance this
6 approval is conditioned on the incorporation of the agreements by the Borrower referenced in
7 the recitals of this resolution, including but not limited to the satisfaction of the City Contracting
8 Policies in the Bond regulatory agreement recorded against the property; and, be it

9 FURTHER RESOLVED, That this resolution shall take effect immediately upon its
10 adoption.

11 APPROVED AS TO FORM:

12 DENNIS J. HERRERA
13 City Attorney

14 By: Kenneth Roux
15 KENNETH ROUX
16 Deputy City Attorney



City and County of San Francisco
Tails
Resolution

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

File Number: 101321

Date Passed: October 26, 2010

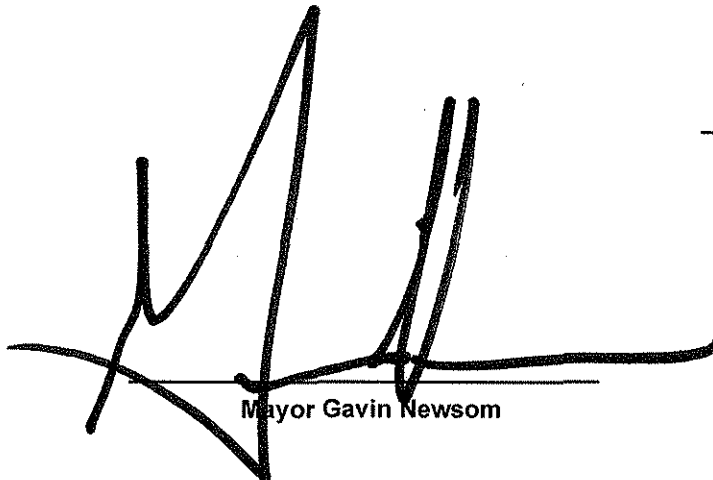
Resolution approving the issuance and sale of tax-exempt bonds by the California Statewide Communities Development Authority in an aggregate principle amount not to exceed \$11,000,000 for financing the acquisition, construction, and rehabilitation of Crescent Manor - 467 Turk Street, subject to the policies for such approvals adopted by the Board of Supervisors.

October 26, 2010 Board of Supervisors - ADOPTED


Ayes: 10 - Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi
Excused: 1 - Alioto-Pier

File No. 101321

I hereby certify that the foregoing Resolution was ADOPTED on 10/26/2010 by the Board of Supervisors of the City and County of San Francisco.



Mayor Gavin Newsom



Angela Calvillo
Clerk of the Board

November 5, 2010
Date Approved