

1 [Multifamily Housing Revenue Note - Candlestick Heights Apartments - Not to Exceed
2 \$70,000,000]

3
4 **Resolution authorizing the issuance and delivery of a multifamily housing revenue note**
5 **in a principal amount not to exceed \$70,000,000 for the purpose of providing financing**
6 **for the acquisition and construction of a 196-unit multifamily residential rental housing**
7 **project known as Candlestick Heights Apartments: 1) approving the form of and**
8 **authorizing the execution of a funding loan agreement; 2) approving the form of and**
9 **authorizing the execution of a borrower loan agreement; 3) providing the terms and**
10 **conditions of the note and authorizing the execution and delivery thereof; 4) approving**
11 **the form of and authorizing the execution of a regulatory agreement and declaration of**
12 **restrictive covenants; 5) authorizing the collection of certain fees; 6) approving**
13 **modifications, changes, and additions to the documents; 7) granting general authority**
14 **to City officials to take actions necessary to implement this Resolution; and 8) ratifying**
15 **and approving any action heretofore taken in connection with the note and the project.**

16
17 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
18 "Board") desires to provide for a portion of the costs of the acquisition and construction by
19 New Jamestown LP, a California limited partnership (the "Borrower"), of a 196-unit multi-
20 family residential rental development located at 833-881 Jamestown Street, San Francisco,
21 California, known as "Candlestick Heights Apartments" (the "Project"), to provide housing for
22 persons and families of low income and very low income through the issuance of a multifamily
23 housing revenue note; and

24 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue
25 revenue obligations to provide financing for multifamily rental housing pursuant to the Charter

1 of the City, Article I of Chapter 43 of the Administrative Code of the City and, to the extent
2 applicable, Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health
3 and Safety Code of the State of California ("Health and Safety Code"), as now in effect and as
4 it may from time to time hereafter be amended or supplemented (collectively, the "Act"); and

5 WHEREAS, In order for interest on the Note (hereinafter defined) to be excluded from
6 gross income of the holder thereof pursuant to Section 103 of the Internal Revenue Code of
7 1986, as amended (the "Code"), the issuance of the Note must be approved in accordance
8 with Section 147(f) of the Code; and

9 WHEREAS, This Board is the elected legislative body of the City and an "applicable
10 elected representative" for purposes of approving the issuance of the Note within the meaning
11 of Section 147(f) of the Code; and

12 WHEREAS, On March 13, 2012, a hearing by the Mayor's Office of Housing with
13 respect to the issuance of the Note and the Project was held pursuant to Section 147(f) of the
14 Code following published notice thereof on February 28, 2012; and

15 WHEREAS, Pursuant to Resolution No. 157-12 adopted by this Board of Supervisors
16 on May 1, 2012 and approved by the Mayor on May 8, 2012, the Board of Supervisors, as the
17 applicable elected representative, approved the issuance of the Note and the Project for
18 purposes of Section 147(f) of the Code; and

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

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

3 WHEREAS, The City has engaged Squire Sanders LLP (US) and Lofton & Jennings,
4 as co-bond counsel with respect to the Note ("Co-Note Counsel"); and

5 WHEREAS, Citibank, N.A., a national banking association, has expressed its intention
6 to purchase, or cause an affiliate to purchase, the Note authorized hereby; now, therefore be
7 it:

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

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

12 Section 2. Approval of Issuance of Note. In accordance with the Act and the Funding
13 Loan Agreement (hereinafter defined), the City is hereby authorized to issue and deliver a
14 revenue note of the City, which note comprises a Governmental Lender Note under the
15 Funding Loan Agreement, such note to be designated as "City and County of San Francisco,
16 California Multifamily Housing Revenue Note (Candlestick Heights Apartments), 2012 Series
17 D," or such other designation as may be necessary or appropriate to distinguish such Note
18 from any other bonds or notes of the City, in an aggregate principal amount not to exceed
19 Seventy Million Dollars (\$70,000,000) (the "Note"), 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 October 1, 2047. The Note shall be in the form set forth in and otherwise in accordance
22 with the Funding Loan Agreement (defined below), and shall be executed by the manual
23 signature of the Mayor of the City (the "Mayor") and attested by the manual or facsimile
24 signature of the Clerk of the Board.

1 Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement (the
2 "Funding Loan Agreement"), by and among the City, Citibank, N.A., as funding lender (the
3 "Funding Lender") and U.S. Bank National Association, as fiscal agent, in the form presented
4 to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each
5 of the Mayor, the Director of the Mayor's Office of Housing, the Housing Development Director
6 of the Mayor's Office of Housing or any Authorized Governmental Lender Representative (as
7 such term is defined in the Funding Loan Agreement) (collectively, the "Authorized
8 Representatives" and each, an "Authorized Representative") is hereby authorized to execute
9 the Funding Loan Agreement, approved as to form by the City Attorney of the City (the "City
10 Attorney"), in substantially said form, together with such additions thereto and changes therein
11 as the City Attorney and Co-Note Counsel may approve or recommend in accordance with
12 Section 7 hereof.

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

20 Section 5. 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-Note Counsel may
2 approve or recommend in accordance with Section 7 hereof.

3 Section 6. Issuer Fees. The City, acting through the Mayor's Office of Housing, shall
4 charge a fee for the administrative costs associated with issuing the Note in an amount not to
5 exceed 0.25% of the principal amount of the Note. Such fee shall be payable at the Note
6 closing and may be contingent on the delivery of the Note. The City shall also charge an
7 annual fee for monitoring compliance with the provisions of the Regulatory Agreement in an
8 amount not to exceed 0.125% of the outstanding principal amount of the Note, but no less
9 than \$2,500 annually, for the term of the Regulatory Agreement. The initial monitoring fee
10 shall be payable upon delivery of the Note. The Board hereby authorizes the Mayor's Office of
11 Housing to charge and collect the fees described in this section.

12 Section 7. Modifications, Changes, Additions. Any Authorized Representative
13 executing the Funding Loan Agreement, the Borrower Loan Agreement or the Regulatory
14 Agreement (collectively, the "City Agreements"), in consultation with the City Attorney and Co-
15 Note Counsel, is hereby authorized to approve and make such modifications, changes or
16 additions to the City Agreements as may be necessary or advisable, provided that such
17 modification does not authorize a principal amount of the Note in excess of \$70,000,000,
18 provide for a final maturity on the Note later than October 1, 2047, or provide for the Note to
19 bear interest at a rate in excess of twelve percent (12%) per annum. The approval of any
20 modification, addition or change to any of the aforementioned documents shall be evidenced
21 conclusively by the execution and delivery of the document in question.

22 Section 8. General Authority. The proper officers of the City are hereby authorized and
23 directed, for and in the name and on behalf of the City, to do any and all things and take any
24 and all actions and execute and deliver any and all certificates, agreements and other
25 documents, including but not limited to those documents described in the City Agreements,

1 which they, or any of them, may deem necessary or advisable in order to consummate the
2 lawful issuance and delivery of the Note and to effectuate the purposes thereof and of the
3 documents herein approved in accordance with this Resolution.

4 Section 9. Ratification of Prior Actions. All actions heretofore taken by the officers and
5 agents of the City with respect to the issuance and delivery of the Note are hereby approved,
6 confirmed and ratified.

7 Section 10. File. All documents referenced herein as being on file with the Clerk of the
8 Board are located in File No. 121021, which is hereby declared to be a part of this
9 Resolution as if set forth fully herein.

10
11 APPROVED AS TO FORM:

12 DENNIS J. HERRERA
13 City Attorney

14
15 By: Kenneth David Roux
16 KENNETH DAVID ROUX
17 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: 121021

Date Passed: October 30, 2012

Resolution authorizing the issuance and delivery of a multifamily housing revenue note in a principal amount not to exceed \$70,000,000 for the purpose of providing financing for the acquisition and construction of a 196-unit multifamily residential rental housing project located at 833-881 Jamestown Street, known as Candlestick Heights Apartments: 1) approving the form of and authorizing the execution of a funding loan agreement; 2) approving the form of and authorizing the execution of a borrower loan agreement; 3) providing the terms and conditions of the note and authorizing the execution and delivery thereof; 4) approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; 5) authorizing the collection of certain fees; 6) approving modifications, changes, and additions to the documents; 7) granting general authority to City officials to take actions necessary to implement this Resolution; and 8) ratifying and approving any action heretofore taken in connection with the note and the project.

October 24, 2012 Budget and Finance Committee - RECOMMENDED

October 30, 2012 Board of Supervisors - ADOPTED

Ayes: 10 - Avalos, Campos, Chiu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

Excused: 1 - Chu

File No. 121021

I hereby certify that the foregoing Resolution was ADOPTED on 10/30/2012 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor
Date Approved