Resolution authorizing the execution/issuance, sale and delivery of a multifamily mortgage revenue note and subordinate multifamily housing revenue bonds in an aggregate principal amount not to exceed $30,000,000 (together, the “Obligations”) for the purpose of providing financing for the acquisition and construction of a 88-unit multifamily residential rental housing development known as the 2175 Market Street Apartments; approving the form of and authorizing the execution of a funding loan agreement and borrower loan agreement providing the terms and conditions of the note and authorizing the execution and delivery thereof; approving the form of and authorizing the execution of a subordinate trust indenture providing the terms and conditions of the subordinate bonds; approving the form of and authorizing the execution of a subordinate loan agreement relating to the subordinate bonds; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; authorizing the collection of certain fees; ratifying and approving any action heretofore taken in connection with the Obligations and the project; approving modifications, changes and additions to the documents; granting general authority to City officials to take actions necessary to implement this resolution; and ratifying and approving any action heretofore taken in connection with the Obligations and the project.

WHEREAS, The Board of Supervisors of the City and County of San Francisco (the "Board") desires to provide for a portion of the costs of the acquisition and construction by FC 2175 Market, LP, a Delaware limited partnership (the "Borrower"), of a 88-unit multifamily residential rental housing development located at 2175 Market Street, San Francisco,
California known as the 2175 Market Street Apartments (the "Project"), to provide housing for persons and families of very low income through the execution of a multifamily mortgage revenue note and the issuance of multifamily housing revenue bonds; and,

WHEREAS, The City and County of San Francisco (the "City") is authorized to issue revenue obligations to provide financing for multifamily rental housing pursuant to the Charter of the City, Article I of Chapter 43 of the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of California ("Health and Safety Code"), as now in effect and as it may from time to time hereafter be amended or supplemented (collectively, the "Act"); and,

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

WHEREAS, This Board is the elected legislative body of the City and is one of the applicable elected representatives required to approve the issuance of the Obligations within the meaning of Section 147(f) of the Code; and,

WHEREAS, On September 18, 2012, this Board, in Resolution No. 334-12 344-12, approved the issuance of the Obligations for the purposes of Section 147(f) of the Code; and,

WHEREAS, There has been prepared and presented to the Board for consideration at this meeting the documentation required for the execution and delivery of the Note (hereinafter defined), and delivery of the Subordinate Bonds (hereinafter defined) and such documentation is on file with the Clerk of the Board of Supervisors (the "Clerk of the Board"); and,
WHEREAS, It appears that each of the documents which is now before this Board is substantially in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended; and,

WHEREAS, The Board finds that the public interest and necessity require that the City at this time make arrangements for the execution and delivery of the Obligations;

Whereas, the Note and the Subordinate Bonds are limited obligations of the City, the sole source of repayment for which shall be payments made by the Borrower under: (a) with respect to the Note, the Borrower Loan Agreement (hereinafter defined), together with investment income on certain funds and accounts held under the Funding Loan Agreement, and (b) with respect to the Subordinate Bonds, the Subordinate Loan Agreement (hereinafter defined).

WHEREAS, The City has engaged Orrick, Herrington & Sutcliffe LLP and Curls Bartling P.C., as co-obligation counsel with respect to the Obligations ("Co-Obligation Counsel"); and,

WHEREAS, Citibank, N.A., a national banking association, has expressed its intention to purchase, or cause an affiliate to purchase, the Note authorized hereby;

WHEREAS, FC Cactus Residential Development Fund, LLC has expressed its intention to purchase, or cause a qualified affiliate to purchase the Subordinate Bonds authorized hereby; now, therefore be it

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

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

Section 2. Approval of Execution and Delivery of Note. In accordance with the Act and the Funding Loan Agreement (hereinafter defined), the City is hereby authorized to execute and deliver a revenue note of the City, which note comprises a Governmental Lender Note
under the Funding Loan Agreement, such note to be designated as "City and County of San Francisco Multifamily Housing Revenue Note (2175 Market Street Apartments), 2013 Series D-1," or such other designation as may be necessary or appropriate to distinguish such Note from any other bonds or notes of the City, in a principal amount not to exceed Thirty Million Dollars ($30,000,000.00) (the "Note"), with an interest rate not to exceed twelve percent (12%) per annum for the Note, and which shall have a final maturity date not later than August 1, 2050. Notwithstanding the preceding sentence, at no time shall the outstanding aggregate amount of the Note and the Subordinate Bonds exceed Thirty Million Dollars ($30,000,000.00). The Note shall be in the form set forth in and otherwise in accordance with the Funding Loan Agreement (defined below), and shall be executed by the manual or facsimile signature of the Mayor of the City (the "Mayor") and attested by the manual or facsimile signature of the Clerk of the Board.

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

Section 5. Approval of Issuance and Delivery of Subordinate Bonds. In accordance with the Act and the Subordinate Indenture (hereinafter defined), the City is hereby authorized to issue and deliver revenue bonds of the City, such bonds to be issued in one series, [which may have two or more subseries,] and designated as “City and County of San Francisco Subordinate Multifamily Housing Revenue Bonds (2175 Market Street Apartments), 2013 Series D-2,” or such other designation as may be necessary or appropriate to distinguish such series from every other series of bonds, in an aggregate principal amount not to exceed $4,000,000 (the “Subordinate Bonds”), with an interest rate not to exceed twelve percent (12%) per annum for the Subordinate Bonds, and which shall have a final maturity date no later than August 1, 2050. The Subordinate Bonds shall be in the form set forth in and otherwise in accordance with the Subordinate Indenture, and shall be executed by the manual or facsimile signature of the Mayor of the City (the "Mayor") and attested by the manual or facsimile signature of the Clerk of the Board.

Section 6. Subordinate Trust Indenture. The Subordinate Trust Indenture (the "Subordinate Indenture"), by and between the City and U.S. Bank National Association, as Trustee, in the form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized Representative is hereby authorized to execute the Subordinate Indenture, approved as to form by the City Attorney in substantially said form,
together with such additions thereto and changes therein as the City Attorney and Co-Obligation Counsel may approve or recommend in accordance with Section 10 thereof.

Section 7. Subordinate Loan Agreement. The Subordinate Loan Agreement (the "Subordinate Loan Agreement") by and among the City, the Trustee and the Borrower, in the form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Any Authorized Representative is hereby authorized to execute the Subordinate Loan Agreement, approved as to form by the City Attorney, in substantially said form, together with such additions thereto and changes therein as the City Attorney and Co-Obligation Counsel may approve or recommend in accordance with Section 10 hereof.

Section 8. Approval of Regulatory Agreement and Declaration of Restrictive Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), between the City and the Borrower, in the form presented to the Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized Representative is hereby authorized to execute the Regulatory Agreement, approved as to form by the City Attorney, in substantially said form, together with such additions thereto and changes therein as the City Attorney and Co-Obligation Counsel may approve or recommend in accordance with Section 10 hereof.

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

Section 10. Modifications, Changes, Additions. Any Authorized Representative executing the Funding Loan Agreement, the Borrower Loan Agreement, the Subordinate Indenture, the Subordinate Loan Agreement or the Regulatory Agreement (collectively, the "City Agreements"), in consultation with the City Attorney and Co-Obligation Counsel, is hereby authorized to approve and make such modifications, changes or additions to the City Agreements as may be necessary or advisable, provided that such modification does not authorize an aggregate principal amount of the Obligations in excess of $30,000,000 at any one time, provide for a final maturity on the Obligations later than August 1, 2050, or provide for the Obligations to bear interest at a rate in excess of twelve percent (12%) per annum. The approval of any modification, addition or change to any of the aforementioned documents shall be evidenced conclusively by the execution and delivery of the document in question.

Section 11. General Authority. The proper officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to those documents described in the City Agreements, which they, or any of them, may deem necessary or advisable in order to consummate the lawful execution and delivery of the Note and the lawful issuance and delivery of the Subordinate Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this Resolution.

Section 12. Ratification of Prior Actions. All actions heretofore taken by the officers and agents of the City with respect to the issuance and delivery of the Obligations are hereby approved, confirmed and ratified.
Section 13. File. All documents referenced herein as being on file with the 
Clerk of the Board are located in File No. 130190, which is hereby declared to be a part of 
this Resolution as if set forth fully herein.

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: HEIDI GEWERTZ
Deputy City Attorney

Supervisor Wiener
BOARD OF SUPERVISORS
Resolution authorizing the execution/issuance, sale and delivery of a multifamily mortgage revenue note and subordinate multifamily housing revenue bonds in an aggregate principal amount not to exceed $30,000,000 (together, the "Obligations") for the purpose of providing financing for the acquisition and construction of an 88-unit multifamily residential rental housing development known as the 2175 Market Street Apartments; approving the form of and authorizing the execution of a funding loan agreement and borrower loan agreement providing the terms and conditions of the note and authorizing the execution and delivery thereof; approving the form of and authorizing the execution of a subordinate trust indenture providing the terms and conditions of the subordinate bonds; approving the form of and authorizing the execution of a subordinate loan agreement relating to the subordinate bonds; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; authorizing the collection of certain fees; ratifying and approving any action heretofore taken in connection with the Obligations and the project; approving modifications, changes and additions to the documents; granting general authority to City officials to take actions necessary to implement this resolution; and ratifying and approving any action heretofore taken in connection with the Obligations and the project.

March 06, 2013 Budget and Finance Sub-Committee - AMENDED

March 06, 2013 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

March 12, 2013 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee
I hereby certify that the foregoing Resolution was ADOPTED on 3/12/2013 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved
3/22/13