[Issuance and Sale of Revenue Bonds - Buchanan Park Apartments - Not to Exceed $15,000,000]

Resolution approving the issuance and sale of tax-exempt bonds by the California Municipal Finance Authority in an aggregate principal amount not to exceed $15,000,000 for financing the acquisition and rehabilitation of the Buchanan Park Apartments, subject to the policies for such approvals adopted by the Board of Supervisors in Ordinance No. 36-07.

WHEREAS, The California Municipal Finance Authority (the "Authority"), proposes to issue multifamily housing revenue bonds (the "Bonds") in an amount not to exceed $15,000,000 and to lend the proceeds thereof to Buchanan Park EAH LP or any successor thereto (the "Borrower"), to be used for the acquisition and rehabilitation by Borrower of a 68-unit apartment project to be known as Buchanan Park Apartments (the “Project”), located at 1150 Webster Street in the City and County of San Francisco, California (the "City"), to be owned and operated by the Borrower or an entity related thereto or a partner thereof; and

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

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

WHEREAS, The Project is located wholly within the City and County of San Francisco (the "City"); and
WHEREAS, The interest on the Bonds may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Bonds are approved in accordance with Section 147(f) of the Code; and

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

WHEREAS, The Authority has requested the Board to approve the issuance and sale of the Bonds in order to satisfy the public approval requirements of Section 147(f) of the Code; and

WHEREAS, On May 18, 2014, the Borrower caused a notice to appear in The Examiner, which is a newspaper of general circulation in the City, stating that a public hearing with respect to the issuance of the Bonds would be held by the Mayor's Office of Housing on June 3, 2014; and

WHEREAS, The Mayor's Office of Housing and Community Development held the public hearing described above on June 3, 2014, and an opportunity was provided for citizens to comment on the issuance and sale of the Bonds and the plan of financing for the Project; and

WHEREAS, In Ordinance No. 36-07 (the "TEFRA Policy Ordinance"), the Board adopted a set of policies relating to the approval of bonds under Section 147(f) of the Code, also known as a "TEFRA Approval"; and

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

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

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

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

WHEREAS, A description of the expected ownership and management structure of the Project after issuance in the form required by the TEFRA Policy Ordinance is on file with the Clerk of the Board of Supervisors in File No. 060897, which is hereby declared to be a part of this resolution as if set forth fully herein; and

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

WHEREAS, As reflected in the letter on file with the Clerk of the Board of Supervisors in File No. 140652, which is hereby declared to be a part of this resolution as if set forth fully herein, the Director of the Mayor's Office of Housing and Community Development recommends passage of this Resolution; now, therefore, be it

RESOLVED, That this Board hereby finds and declares the above recitals are true and correct; and, be it
FURTHER RESOLVED, This Board of Supervisors, as the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, hereby approves the issuance of the Bonds for purposes of Section 147(f) of the Code; and, be it

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

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

FURTHER RESOLVED, The adoption of this Resolution shall not obligate (i) the City to provide financing to the Borrower for the acquisition, rehabilitation and development of the Project or to issue the Bonds for purposes of such financing; or (ii) the City, or any department of the City, to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, rehabilitation, development or operation of the Project; and, be it

FURTHER RESOLVED, That in accordance with the TEFRA Policy Ordinance this approval is conditioned on the incorporation of the agreements by the Borrower referenced in the recitals of this Resolution, including but not limited to the satisfaction of the City Contracting Policies, in the Bond regulatory agreement recorded against the property; and, be it
FURTHER RESOLVED, That this Resolution shall take effect immediately upon its adoption.

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: KENNETH DAVID ROUX
Deputy City Attorney

n:\fin\clas2014\1300182\00930162.doc
Resolution approving the issuance and sale of tax-exempt bonds by the California Municipal Finance Authority in an aggregate principal amount not to exceed $15,000,000 for financing the acquisition and rehabilitation of the Buchanan Park Apartments, subject to the policies for such approvals adopted by the Board of Supervisors in Ordinance No. 36-07.

June 09, 2014 Land Use and Economic Development Committee - RECOMMENDED

June 17, 2014 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140652

I hereby certify that the foregoing Resolution was ADOPTED on 6/17/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

Date Approved