[Multifamily Housing Revenue Bonds - 401 Avenue of the Palms (Maceo May Apartments) - Not to Exceed $44,615,500]

Resolution authorizing the issuance and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed $44,615,500 for the purpose of providing financing for the acquisition, development, construction and equipping of a 105-unit, affordable multifamily residential rental housing project located within the City on an approximately 0.74-acre parcel, identified as Parcel C3.2 in the Treasure Island Master Plan, currently assigned the street address of 401 Avenue of the Palms; approving the form of and authorizing the execution of a trust indenture providing 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; authorizing the collection of certain fees; ratifying and approving any action heretofore taken in connection with the bonds and the project; granting general authority to City officials to take actions necessary to implement this Resolution; and related matters, as defined herein.

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, development, construction and equipping by Maceo May Apts, L.P., a California limited partnership (the “Borrower”), of a 105-unit residential rental housing development located on an approximately 0.74-acre parcel identified as Parcel C3.2 in the Treasure Island Master Plan, currently designated the street address of 401 Avenue of the Palms, San Francisco, California (the “Project”), through the issuance of multifamily housing revenue bonds; and

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WHEREAS, The City and County of San Francisco (the "City") is authorized to issue revenue bonds for such purpose 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, Any Bonds (hereinafter defined) to be issued to finance the Project will be limited obligations of the City, the sole source of repayment for which shall be payments made by the Borrower or collateral security pledged by or for the Borrower, together with investment income on certain funds and accounts; 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, This Board is the elected legislative body of the City and is the applicable elected representative required to approve the issuance of the Bonds within the meaning of Section 147(f) of the Code; and

WHEREAS, On June 17, 2019, the City published a notice on the City's website regarding its intent to hold a public hearing with respect to the issuance of multifamily housing revenue bonds in an amount not to exceed $50,000,000 to finance the Project, and said hearing was held on June 26, 2019, by the Mayor's Office of Housing and Community Development and an opportunity was provided for persons to comment on the issuance of the Bonds and the financing of the Project; and

WHEREAS, Thereafter, on July 30, 2019, pursuant to Resolution No. 374-19, this Board approved the issuance of multifamily housing revenue bonds, in an amount not to exceed $50,000,000 for the purposes of Section 147(f) of the Code, declared its intent to
issue multifamily housing revenue bonds and authorized officers of the City to submit an
application and related documents to the California Debt Limit Allocation Committee
("CDLAC") and take other actions in connection with the proposed financing of the Project;
and

WHEREAS, On October 16, 2019, CDLAC, in its Resolution No. 19-159, allocated
$44,615,000 in qualified private activity bond volume cap to the Project; and

WHEREAS, There has been prepared and presented to this Board for consideration at
this meeting the documentation required for the issuance of the Bonds, 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, This Board finds that public interest and necessity require that the City at
this time make arrangements for the sale of the Bonds; and

WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation, and
Amira Jackmon, Attorney at Law, as co-bond counsel with respect to the Bonds ("Co-Bond
Counsel"); and

WHEREAS, Silicon Valley Bank has expressed its intention to purchase, or cause an
affiliate to purchase, the 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. This Board hereby finds and declares that the above
recitals are true and correct.
Section 2. Approval of Issuance of Bonds. In accordance with the Act and the
Indenture (hereinafter defined), the City is hereby authorized to issue and deliver revenue
bonds of the City, such bonds to be issued in one or more series, and designated as "City and
County of San Francisco Multifamily Housing Revenue Bonds (Maceo May Apartments),
Series 2020___," or such other designation as may be necessary or appropriate to distinguish
such series from every other series of bonds of the City, in an aggregate principal amount not
to exceed $44,615,500 (the "Bonds"), with an interest rate not to exceed twelve percent (12%)
per annum for the Bonds, and which shall have a final maturity date not later than forty-five
(45) years from the date of issuance of the Bonds. The Bonds shall be in the form set forth in
and otherwise in accordance with the Indenture, and shall be executed by the manual
signature of the Mayor of the City (the "Mayor") and as further provided in the Indenture.

Section 3. Indenture. The Trust Indenture (the "Indenture"), by and between the City
U.S. Bank National Association, as trustee (the "Trustee") to be selected] by the Director of
the Mayor's Office of Housing and Community Development (the "Director"), in the form
presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby
approved. Each of the Mayor, the Director or any other Authorized City Representative (as
such term is defined in the Indenture) of the City (collectively, the "Authorized Officers") is
hereby authorized to execute the Indenture in said form, together with such additions thereto
and changes therein as the City Attorney and Co-Bond Counsel may approve or recommend
in accordance with Section 7 hereof.

Section 4. Regulatory Agreement and Declaration of Restrictive Covenants. The
Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory
Agreement"), by and between the City and the Borrower, in the form presented to this Board,
a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized
Officer is hereby authorized to execute the Regulatory Agreement, in said form, together with
such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 7 hereof.

Section 5. **Approval of Loan Agreement.** The Loan Agreement (the “Loan Agreement”), by and between the City and the Borrower, in the form presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized Officer is hereby authorized to execute the Loan Agreement in said form, together with such additions thereto and changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in accordance with Section 7 hereof.

Section 6. **Issuer Fees.** The City, acting through the Mayor's Office of Housing and Community Development, shall charge a fee for the administrative costs associated with issuing the Bonds (the “Issuance Fee”) in an amount not to exceed 0.25% of the maximum aggregate principal amount of the Bonds. Such fee shall be payable at closing and may be contingent on the issuance of the Bonds. The City shall also charge an annual fee (the “Annual Fees”) for monitoring compliance with the provisions of the Regulatory Agreement in an amount not to exceed 0.125% of the outstanding aggregate principal amount of the Bonds, but no less than $2,500 annually, for the term of the Regulatory Agreement. The Board hereby authorizes the Mayor's Office of Housing and Community Development to charge and collect, or appoint an agent, which may be the Trustee, to collect on behalf of the City, the fees described in this section. Notwithstanding the foregoing provisions of this Section, the City, acting through the Mayor's Office of Housing and Community Development, is authorized to charge an Issuance Fee or Annual Fees, or both, that is or are lower than the fees prescribed in this Section if, upon the advice of Co-Bond Counsel, lower fees are necessary or advisable to ensure that the Bonds do not become “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or to ensure that
interest on the Bonds does not become includable in gross income for federal income tax purposes.

Section 7. Modifications, Changes, Additions. Any Authorized Officer executing the Indenture, the Loan Agreement or the Regulatory Agreement (collectively, the "City Agreements"), in consultation with the City Attorney and Co-Bond 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 Bonds in excess of $44,615,500 provide for a final maturity on the Bonds later than forty-five (45) years from the date of issuance of the Bonds, or provide for the Bonds 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 City Agreements shall be evidenced conclusively by the execution and delivery of the document in question.

Section 8. Ratification. All actions heretofore taken by the officers and agents of the City with respect to the sale, issuance and delivery of the Bonds, as consistent with the City Agreements and this Resolution, are hereby approved, confirmed and ratified.

Section 9. General Authority. The proper officers of the City, including but not limited to the Authorized Officers, 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 any certificates necessary to allocate a portion of the previously-obtained voter approval of low rent housing projects pursuant to Article 34 of the State Constitution to the Project, if applicable), subordinations, assignments, tax documents and those documents described in the City Agreements, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes
thereof and of the City Agreements. Any such actions are solely intended to further the
purposes of this Resolution, and are subject in all respects to the terms of the Resolution. No
such actions shall increase the risk to the City or require the City to spend any resources not
otherwise granted herein. Final versions of any such documents shall be provided to the
Clerk of the Board for inclusion in the official file within 30 days of execution by all parties.

Section 10. File. All documents referenced herein as being on file with the Clerk of
the Board are located in File No. 191299, which is hereby declared to be a part of this
Resolution as set forth fully herein.

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: Heidi Gewertz
Deputy City Attorney
Resolution authorizing the issuance and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed $44,615,500 for the purpose of providing financing for the acquisition, development, construction and equipping of a 105-unit, affordable multifamily residential rental housing project located within the City on an approximately 0.74-acre parcel, identified as Parcel C3.2 in the Treasure Island Master Plan, currently assigned the street address of 401 Avenue of the Palms; approving the form of and authorizing the execution of a trust indenture providing 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; authorizing the collection of certain fees; ratifying and approving any action heretofore taken in connection with the bonds and the project; granting general authority to City officials to take actions necessary to implement this Resolution; and related matters, as defined herein.

January 08, 2020 Budget and Finance Committee - RECOMMENDED

January 14, 2020 Board of Supervisors - ADOPTED

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 1/14/2020 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved