

1 [Multifamily Housing Revenue Note - 1223 Webster Street - Fillmore Marketplace Partners,  
2 L.P. - Not to Exceed \$21,762,000]

3 **Resolution authorizing the execution and delivery of a multifamily housing revenue**  
4 **note in one or more series in an aggregate principal amount not to exceed \$21,762,000**  
5 **for the purpose of providing financing for the acquisition and rehabilitation of a 120-**  
6 **unit multifamily rental housing project located at 1223 Webster Street, known as**  
7 **“Fillmore Marketplace Apartments;” approving the form of and authorizing the**  
8 **execution of a funding loan agreement, providing the terms and conditions of the loan**  
9 **from the funding lender to the City, and the execution and delivery of the note;**  
10 **approving the form of and authorizing the execution of a borrower loan agreement**  
11 **providing the terms and conditions of the loan from the City to the borrower; approving**  
12 **the form of and authorizing the execution of a regulatory agreement and declaration of**  
13 **restrictive covenants; authorizing the collection of certain fees; approving**  
14 **modifications, changes and additions to the documents; ratifying and approving any**  
15 **action heretofore taken in connection with the back-to-back loans, the note and the**  
16 **project; granting general authority to City officials to take actions necessary to**  
17 **implement this Resolution, as defined herein; and related matters, as defined herein.**

18  
19 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the  
20 “Board”) desires to provide for the financing of a portion of the costs of the acquisition and  
21 rehabilitation by Fillmore Marketplace Housing Partners, L.P., a California limited partnership  
22 (the “Borrower”), of a 120-unit residential rental development project located at 1223 Webster  
23 Street, San Francisco, California, known as “Fillmore Marketplace Apartments” (the “Project”),  
24 to provide housing for persons and families of low income through the issuance of a  
25 multifamily housing revenue note in one or more series (collectively, the “Note”); and

1           WHEREAS, The City and County of San Francisco (the “City”) is authorized to issue  
2 revenue notes for such purpose pursuant to the Charter of the City, Article I of Chapter 43 of  
3 the Administrative Code of the City and, to the extent applicable, Chapter 7 of Part 5 of  
4 Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of  
5 California (“Health and Safety Code”), as now in effect and as it may from time to time  
6 hereafter be amended or supplemented (collectively, the “Act”); and

7           WHEREAS, On September 16, 2020, the California Debt Limit Allocation Committee  
8 (“CDLAC”) in its Resolution Number 20-146, allocated an amount not to exceed \$21,762,000  
9 in qualified private activity bonds to the Project; and

10           WHEREAS, The interest on the Note may qualify for tax exemption under Section 103  
11 of the Internal Revenue Code of 1986, as amended (“Code”), only if the Note is approved in  
12 accordance with Section 147(f) of the Code; and

13           WHEREAS, The City now wishes to approve the issuance of the Note in order to  
14 satisfy the public approval requirements of Section 147(f) of the Code; and

15           WHEREAS, The Project is located wholly within the City; and

16           WHEREAS, On December 28, 2020, the City caused a notice stating that a public  
17 hearing with respect to the issuance of the Note would be held by the Mayor’s Office of  
18 Housing and Community Development on January 12, 2021, published in the Notices section  
19 of the Mayor’s Office of Housing and Community Development website (at  
20 <https://sfmohcd.org/notices-0>); and

21           WHEREAS, The Mayor’s Office of Housing and Community Development held the  
22 public hearing described above on January 12, 2021, and an opportunity was provided for  
23 persons to comment on the issuance of the Note and the Project; and

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1           WHEREAS, This Board of Supervisors is the elected legislative body of the City and is  
2 the applicable elected representative authorized to approve the issuance of the Note within  
3 the meaning of Section 147(f) of the Code; and

4           WHEREAS, There has been prepared and presented to the Board for consideration at  
5 this meeting the documentation required for the execution and delivery of the Note, and such  
6 documentation is on file with the Clerk of the Board of Supervisors (the “Clerk of the Board”);  
7 and

8           WHEREAS, It appears that each of the documents which is now before this Board is  
9 substantially in final form and is an appropriate instrument to be executed and delivered for  
10 the purposes intended; and

11           WHEREAS, The Board finds that the public interest and necessity require that the City  
12 at this time make arrangements for the funding loan, the project loan and the execution and  
13 delivery of the Note; and

14           WHEREAS, The Note will be limited obligations of the City, the sole source of  
15 repayment of which shall be payments made by the Borrower under the Borrower loan  
16 agreement (hereinafter defined), together with investment income of certain funds and  
17 accounts held under the Funding Loan Agreement (hereinafter defined); and

18           WHEREAS, The City has engaged Squire Patton Boggs (US) LLP and Amira Jackmon,  
19 Attorney at Law, as co-special counsel with respect to the Note (“Co-Special Counsel”); and

20           WHEREAS, MUFG Union Bank, N.A. (or an affiliate thereof) (the “Funding Lender”)  
21 has expressed its intention to make the funding loan, to be evidenced by the Note, to the City;  
22 now, therefore, be it

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

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

3           Section 2.    Approval of Execution and Delivery of Note. The Board of Supervisors  
4 adopts this Resolution for purposes of establishing compliance with the requirements of  
5 Section 1.150-2 of the United States Treasury Regulations. In accordance with the Act and  
6 the Funding Loan Agreement, the City is hereby authorized to execute and deliver a Note or  
7 notes in one or more series designated as “City and County of San Francisco Multifamily  
8 Housing Revenue Note (Fillmore Marketplace Apartments), Series 2021” with such additional  
9 or other designation as may be necessary or appropriate to distinguish such series from every  
10 other series of bonds or notes, in an aggregate principal amount not to exceed \$21,762,000  
11 (the “Note”). The Note shall bear interest at an interest rate not to exceed twelve percent  
12 (12%) and shall have a final maturity date no later than forty (40) years from the date of  
13 execution and delivery of the Note. The Note shall be in the form set forth in and otherwise in  
14 accordance with the Funding Loan Agreement and shall be executed by the manual or  
15 facsimile signature of the Mayor of the City (the “Mayor”).

16           Section 3.    Approval of Funding Loan Agreement. The Funding Loan Agreement  
17 (the “Funding Loan Agreement”) in the form presented to the Board, a copy of which is on file  
18 with the Clerk of the Board, is hereby approved. The Funding Loan Agreement shall be  
19 entered into by and among the City, the Funding Lender and U.S. Bank National Association  
20 (the “Fiscal Agent”). Each of the Mayor, the Director (the “Director”) of the Mayor’s Office of  
21 Housing and Community Development (“MOHCD”), the Deputy Director of Housing of  
22 MOHCD, and any other Authorized Governmental Lender Representative (as such term is  
23 defined in the Funding Loan Agreement), acting individually or collectively (each, an  
24 “Authorized City Representative”) is hereby authorized to execute the Funding Loan  
25 Agreement, approved as to form by the City Attorney of the City (the “City Attorney”), in

1 substantially said form, together with such additions thereto and changes therein as the City  
2 Attorney and Co-Special Counsel may approve or recommend in accordance with Section 7  
3 hereof.

4 Section 4. Approval of Borrower Loan Agreement. The Borrower loan agreement  
5 (the "Borrower Loan Agreement") by and among the City, the Funding Lender and the  
6 Borrower, in the forms presented to the Board, copies of which are on file with the Clerk of the  
7 Board, are hereby approved. Each Authorized City Representative is hereby authorized to  
8 execute the Borrower loan agreement and the Assignment in substantially said form, together  
9 with such additions thereto and changes therein as the City Attorney and Co-Special Counsel  
10 may approve or recommend in accordance with Section 7 hereof.

11 Section 5. Approval of Regulatory Agreement and Declaration of Restrictive  
12 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the  
13 "Regulatory Agreement" and, together with the Funding Loan Agreement, and the Borrower  
14 Loan Agreement, the "City Documents"), 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 City Representative is hereby authorized to execute the  
17 Regulatory Agreement, approved as to form by the City Attorney, in substantially said form,  
18 together with such additions thereto and changes therein as the City Attorney and Co-Special  
19 Counsel may approve or recommend in accordance with Section 7 hereof.

20 Section 6. Issuer Fees. The City, acting through MOHCD, shall charge a fee for the  
21 administrative costs associated with executing and delivering the Note in an amount not to  
22 exceed 0.25% of the aggregate principal amount of the Note. Such fee shall be payable at  
23 funding loan closing and may be contingent on the funding loan closing. The City shall also  
24 charge an annual fee for monitoring the restricted units in the Project in an amount not to  
25 exceed 0.125% of the outstanding aggregate principal amount of the Note, but no less than

1 \$2,500 annually, from completion of construction through the term of the Regulatory  
2 Agreement. The annual monitoring fee due during the construction period shall be payable at  
3 funding loan closing. The Board hereby authorizes MOHCD to charge and collect the fees  
4 described in this section.

5 Section 7. Modifications, Changes, Additions. Any Authorized City Representative  
6 executing the City Documents, in consultation with the City Attorney and Co-Special Counsel,  
7 is hereby authorized to approve and make such modifications, changes or additions to the  
8 City Documents as may be necessary or advisable, provided that such modification does not  
9 authorize an aggregate principal amount of the Note in excess of \$21,762,000, provide for a  
10 final maturity of the Note later than forty (40) years, or provide for the Note to bear interest at  
11 a rate in excess of twelve percent (12%) per annum. The approval of any modification,  
12 addition or change to any of the aforementioned documents shall be evidenced conclusively  
13 by the execution and delivery of the document in question.

14 Section 8. Ratification. All actions heretofore taken by the officers and agents of the  
15 City with respect to the funding loan and the execution and delivery of the Note consistent  
16 with the City Documents are hereby approved, confirmed and ratified.

17 Section 9. General Authority. The proper officers of the City are hereby authorized  
18 and directed, for and in the name and on behalf of the City, to do any and all things and take  
19 any and all actions and execute and deliver any and all certificates, agreements (including  
20 such agreements to provide adequate or additional security or indemnities as required by  
21 lenders to consummate the financing) and other documents, including but not limited to those  
22 documents described in the City Documents, which they, or any of them, may deem  
23 necessary or advisable in order to consummate the lawful execution and delivery of the Note  
24 and to effectuate the purposes thereof and of the City Documents. Any such actions are  
25 solely intended to further the purposes of this Resolution, and are subject in all respects to the

1 terms of the Resolution. No such actions shall increase the risk to the City or require the City  
2 to spend any resources not otherwise granted herein. Final versions of such documents shall  
3 be provided to the Clerk of the Board for inclusion in the official file within 30 days of execution  
4 by all parties.

5 Section 10. File. All documents referenced herein as being on file with the Clerk of  
6 the Board are located in File No. 210083, which is hereby declared to be a part of this  
7 Resolution as if set forth fully herein.

8 Section 11. This Resolution shall take effect from and after its adoption by the Board  
9 and approval by the Mayor.

10

11 APPROVED AS TO FORM:  
12 DENNIS J. HERRERA, City Attorney

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14 By: /s/ HEIDI J. GEWERTZ  
15 Heidi J. Gewertz  
16 Deputy City Attorney

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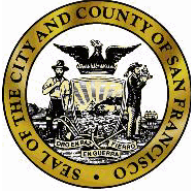
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City and County of San Francisco

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

Tails
Resolution

File Number: 210083

Date Passed: February 23, 2021

Resolution authorizing the execution and delivery of a multifamily housing revenue note in one or more series in an aggregate principal amount not to exceed \$21,762,000 for the purpose of providing financing for the acquisition and rehabilitation of a 120-unit multifamily rental housing project located at 1223 Webster Street, known as "Fillmore Marketplace Apartments;" approving the form of and authorizing the execution of a funding loan agreement, providing the terms and conditions of the loan from the funding lender to the City, and the execution and delivery of the note; approving the form of and authorizing the execution of a borrower loan agreement providing the terms and conditions of the loan from the City to the borrower; approving the form of and authorizing the execution of a regulatory agreement and declaration of restrictive covenants; authorizing the collection of certain fees; approving modifications, changes and additions to the documents; ratifying and approving any action heretofore taken in connection with the back-to-back loans, the note and the project; granting general authority to City officials to take actions necessary to implement this Resolution, as defined herein; and related matters, as defined herein.

February 17, 2021 Budget and Finance Committee - RECOMMENDED

February 23, 2021 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 210083

I hereby certify that the foregoing Resolution was ADOPTED on 2/23/2021 by the Board of Supervisors of the City and County of San Francisco.

Handwritten signature of Angela Calvillo

Angela Calvillo
Clerk of the Board

Handwritten signature of the Mayor

Mayor

3/5/21

Date Approved