Resolution authorizing the issuance and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed $37,109,907 for the purpose of providing financing for the acquisition and rehabilitation of a 108-unit affordable multifamily rental housing project, consisting of three structures located at 22, 102, and 104-106 South Park Street; approving the form of and authorizing the execution of an indenture of trust providing terms and conditions of the bonds; approving the form of and authorizing the execution of one or more regulatory agreements and declarations 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, as defined herein; 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 and rehabilitation by MHDC South Park Properties, L.P., a California limited partnership (the "Borrower"), of the South Park Scattered Sites Project, a 108-unit rental housing development, consisting of three structures located at 22, 102, and 104-106 South Park Street, San Francisco, California 94107 (the "Project"), through the issuance of multifamily housing revenue bonds; and

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 ("Code"), only if the Bonds are approved in accordance with Section 147(f) of the Code; and

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

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

WHEREAS, On January 16, 2020, the City caused a notice stating that a public hearing with respect to the issuance of the Bonds would be held by the Mayor's Office of Housing and Community Development on January 31, 2020, published in the Notices section of the Mayor's Office of Housing and Community Development website (at https://sfmohcd.org/notices-0); and

WHEREAS, The Mayor's Office of Housing and Community Development held the public hearing described above on January 31, 2020, and an opportunity was provided for persons to comment on the issuance of the Bonds and the Project; and

WHEREAS, On October 16, 2019, the California Debt Limit Allocation Committee ("CDLAC"), in its Resolution No. 19-175, allocated $37,109,907 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 Schiff Hardin LLP, and Amira Jackmon, Attorney at Law as co-bond counsel with respect to the Bonds (“Co-Bond Counsel”); and

WHEREAS, JPMorgan Chase Bank, N.A. 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. 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. 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 (South Park Scattered Sites), Series 2020E,” 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 $37,109,907 (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 Indenture of Trust (the “Indenture”), by and between the City and a 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 one or more Regulatory Agreements, 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, during the period of rehabilitation of the Project. 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 $37,109,907, 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 or advisable to (a) demonstrate the availability of and 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, and (b) memorialize the City’s
existing commitment to make loans to the Borrower under its Preservation and Seismic Safety
program (such loans being approved by separate Board actions) upon completion of the
Project), 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. 20021 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 $37,109,907 for the purpose of providing financing for the acquisition and rehabilitation of a 108-unit affordable multifamily rental housing project, consisting of three structures located at 22, 102, and 104-106 South Park Street; approving the form of and authorizing the execution of an indenture of trust providing terms and conditions of the bonds; approving the form of and authorizing the execution of one or more regulatory agreements and declarations 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, as defined herein; and related matters, as defined herein.

March 11, 2020 Budget and Finance Committee - RECOMMENDED

March 17, 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 3/17/2020 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