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 $43,000,000 for the purpose of providing financing for the acquisition and construction of a 108-unit multifamily rental housing project known as "455 Fell Street 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; 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 construction by 455 Fell, L.P., a California limited partnership (the "Borrower"), of a 108-unit residential rental development, with 1,500 square feet of commercial space, located at 455 Fell Street, in San Francisco, California, known as "455 Fell Street Apartments" (the "Project"), to provide housing for persons and families of low income and very low income through the issuance of multifamily housing revenue bonds or notes; and
WHEREAS, The City and County of San Francisco (the "City") is authorized to issue revenue notes 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, The interest on the Note (hereinafter defined) may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended, (the "Code"), only if the Note is approved in accordance with Section 147(f) of the Code; and
WHEREAS, The Mayor's Office of Housing and Community Development held a duly noticed public hearing on August 7, 2017 at which hearing an opportunity was provided for persons to comment on the issuance of the Note; and
WHEREAS, The City now wishes to approve the execution and delivery of the Note 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 May 17, 2017, the California Debt Limit Allocation Committee (CDLAC) in its Resolution Number 17-54 allocated $43,000,000 in qualified private activity obligations to the Project; 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, 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

Supervisor Breed
BOARD OF SUPERVISORS
WHEREAS, The Board finds that the public interest and necessity require that the City at this time make arrangements for the funding loan, the borrower loan and the execution and delivery of the Note; and

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

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

WHEREAS, Bank of America, N.A. (or an affiliate thereof) (the "Funding Lender") has expressed its intention to lend the City and County of San Francisco the funding loan in exchange for the Note 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, the Funding Loan Agreement (hereinafter defined) and the Borrower Loan Agreement (hereinafter defined), the City is hereby authorized to execute and deliver notes in one or more series and subseries, and designated as “City and County of San Francisco Multifamily Housing Revenue Note (455 Fell Street Apartments), Series “2017D,” or such other designation as may be necessary or appropriate to distinguish such series from every other series of bonds or notes, in an aggregate principal amount not to exceed $43,000,000 (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 forty (40) years from the date of execution and delivery of
the Note. The Note shall be in the form set forth in and otherwise in accordance with the
Funding Loan Agreement (hereinafter defined) and shall be executed by the manual or
facsimile signature of the Mayor of the City (the "Mayor").

Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement (the
"Funding Loan Agreement") in the form presented to the Board, a copy of which is on file with
the Clerk of the Board, is hereby approved. The Funding Loan Agreement shall be entered
into by and among the City, the Funding Lender and a trust company, a state banking
corporation or a national banking association with the authority to accept trusts in the State of
California selected by the Director of the Mayor's Office of Housing and Community
Development (the "Director") and otherwise meeting the requirements of the Funding Loan
Agreement (the "Fiscal Agent"). Each of the Mayor, the Director, the Housing Development
Director of the Mayor's Office of Housing and Community Development or any other
Authorized Governmental Lender Representative (as such term is defined in the Funding
Loan Agreement) 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-Special Counsel
may approve or recommend in accordance with Section 7 hereof.

Section 4. Approval of Borrower Loan Agreement. The Borrower Loan Agreement (the
"Borrower Loan Agreement") by and among the City, the Fiscal Agent 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 Governmental Lender Representative is hereby
authorized to execute the Borrower Loan Agreement in substantially said form, together with
such additions thereto and changes therein as the City Attorney and Co-Special Counsel may
approve or recommend in accordance with Section 7 hereof.
Section 5. Approval of Regulatory Agreement and Declaration of Restrictive Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement" and, together with the Funding Loan Agreement and the Borrower Loan Agreement, the "City Documents"), between the City, the Fiscal Agent 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 Governmental Lender 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-Special 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 executing and delivering the Note in an amount not to exceed 0.25% of the aggregate principal amount of the Note. Such fee shall be payable at funding loan closing and may be contingent on the funding loan closing. The City shall also charge an annual fee for monitoring the restricted units in an amount not to exceed 0.125% of the outstanding aggregate principal amount of the Note, but no less than $2,500 annually, for the term of the Regulatory Agreement. The initial monitoring fee shall be payable at funding loan closing. The Board hereby authorizes the Mayor's Office of Housing and Community Development to charge and collect the fees described in this section.

Section 7. Modifications, Changes, Additions. Any Authorized Governmental Lender Representative executing the City Agreements, in consultation with the City Attorney and Co-Special 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 Note in excess of
$43,000,000, provide for a final maturity of the Note later than forty (40) years, or provide for
the Note 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 8. **Ratification.** All actions heretofore taken by the officers and agents of the
City with respect to the funding loan and the execution and delivery of the Note as consistent
with the City Documents are hereby approved, confirmed and ratified.

Section 9. **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 (including
such agreements to provide adequate or additional security or indemnities as required by
lenders to consummate the financing) and other documents, including but not limited to those
documents described in the City Documents, which they, or any of them, may deem
necessary or advisable in order to consummate the lawful execution and delivery of the Note
and to effectuate the purposes thereof and of the City Documents. 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 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. 170883, 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 J. GEWERTZ
Deputy City Attorney
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 $43,000,000 for the purpose of providing financing for the acquisition and construction of a 108-unit multifamily rental housing project known as "455 Fell Street 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; and related matters, as defined herein.

September 07, 2017 Budget and Finance Committee - RECOMMENDED AS COMMITTEE REPORT

September 12, 2017 Board of Supervisors - ADOPTED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

File No. 170883

I hereby certify that the foregoing Resolution was ADOPTED on 9/12/2017 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

Date Approved 9/15/2017