Resolution authorizing the issuance, sale and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed $51,000,000 for the purpose of providing financing for the construction of a 119-unit multifamily rental housing project known as 1150-3rd Street Apartments; approving the form of and authorizing the execution of an indenture of trust providing the 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; approving modifications, changes and additions to the documents; ratifying and approving any action heretofore taken in connection with the bonds and the project; and 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 construction by MB3E, L.P., a California limited partnership (the “Borrower”), of a 119-unit (including one manager’s unit) residential rental development located at 1150 3rd Street, San Francisco, California 94158, known as “1150 3rd Street Apartments” (also known as Mission Bay South Block 3 East) (the “Project”), to provide housing for persons and families of very low income 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, On July 19, 2017, the California Debt Limit Allocation Committee in its
Resolution No. 17-69 allocated $51,000,000 in qualified private activity bonds to the Project
(the "CDLAC Resolution"); and

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

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

WHEREAS, The City has engaged Stradling Yocca Carlson & Rauth, P.C. and Amira
Jackman, Attorney at Law, as co-bond counsel with respect to the Bonds ("Co-Bond
Counsel"); and

WHEREAS, Wells Fargo Bank, National Association, 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. The Board hereby finds and declares that the above recitals are true and
correct.

Section 2. 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 subseries, and designated as "City and County of San Francisco
Multifamily Housing Revenue Bonds (1150 3rd Street Apartments), Series 2017F," or such
other designation as may be necessary or appropriate to distinguish such series from every
other series of bonds, in an aggregate principal amount not to exceed $51,000,000 (the
"Bonds"), with a fixed and/or variable 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 (40) 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 or facsimile
signature of the Mayor of the City (the "Mayor").

Section 3. The Indenture of Trust (the "Indenture") in the form presented to the Board,
a copy of which is on file with the Clerk of the Board, is hereby approved. The Indenture shall
be entered into by and between the City 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 Indenture (the "Trustee"). Each of
the Mayor, the Director of the Mayor's Office of Housing and Community Development and
the Housing Development Director of the Mayor's Office of Housing and Community
Development (collectively, the "Authorized Representatives" and each, an "Authorized
Representative"), or a designee thereof, is hereby authorized to execute the Indenture,
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-
Bond Counsel may approve or recommend in accordance with Section 7 hereof.

Section 4. The Regulatory Agreement and Declaration of Restrictive Covenants (the
"Regulatory Agreement"), between the City 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 Representative, or a designee thereof, 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-Bond
Counsel may approve or recommend in accordance with Section 7 hereof.

Section 5. The Loan Agreement (the "Loan Agreement") by and between the City 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 Representative, or a designee thereof, is
hereby authorized to execute the Loan Agreement in substantially 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. 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 in an amount not to exceed 0.25% of the aggregate principal amount of the Bonds.
Such fee shall be payable at bond closing and may be contingent on the bond sale. 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 Bonds, but no less than $2,500
annually, for the term of the Regulatory Agreement. The initial monitoring fee shall be
payable at and contingent upon bond 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. Any Authorized Representative, or designee thereof, executing the Indenture, the Regulatory Agreement or the Loan 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 Bonds in excess of $51,000,000, provide for a final maturity on the Bonds later than forty (40) years, 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 aforementioned documents shall be evidenced conclusively by the execution and delivery of the document in question.

Section 8. All actions heretofore taken by the officers and agents of the City with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified.

Section 9. 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 and other documents, including but not limited to those documents described in the Indenture, the Loan Agreement, and the Regulatory Agreement, 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 documents herein approved in accordance with this Resolution. 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. All documents referenced herein as being on file with the Clerk of the
Board are located in File No. 171162, which is hereby declared to be a part of this
Resolution as if set forth fully herein.

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

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By:
HEIDI J. GEWERTZ
Deputy City Attorney

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