

1 [Multifamily Housing Revenue Note - Market Heights Apartments - 211-291 Putnam Street  
2 and 1000 Tompkins Avenue - Not to Exceed \$18,000,000]

3 **Resolution authorizing the execution and delivery of a multifamily housing revenue**  
4 **note in an aggregate principal amount not to exceed \$18,000,000 for the purpose of**  
5 **providing financing for the acquisition and rehabilitation of a 46-unit multifamily rental**  
6 **housing project located at 211-291 Putnam Street and 1000 Tompkins Avenue;**  
7 **approving the form of and authorizing the execution of a funding loan agreement**  
8 **providing the terms and conditions of the note and authorizing the execution and**  
9 **delivery thereof; approving the form of and authorizing the execution of a regulatory**  
10 **agreement and declaration of restrictive covenants; approving the form of and**  
11 **authorizing the execution of a project loan agreement; authorizing the collection of**  
12 **certain fees; ratifying and approving any action heretofore taken in connection with the**  
13 **note and the project, as defined herein; granting general authority to City officials to**  
14 **take actions necessary to implement this Resolution, and related matters, as defined**  
15 **herein.**

16  
17 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the  
18 "Board") desires to provide for a portion of the costs of the acquisition and rehabilitation by  
19 Market Heights 2, LP, a California limited partnership (the "Borrower"), of a 46-unit affordable  
20 multifamily housing residential rental development located at 211-291 Putnam Street and  
21 1000 Tompkins Avenue, San Francisco, California (the "Project"), to provide housing for  
22 persons and families of low and very low income through the issuance of multifamily housing  
23 revenue bonds or notes; and

24 WHEREAS, The City and County of San Francisco (the "City") is authorized to issue  
25 revenue bonds, notes and other obligations for such purpose pursuant to the Charter of the

1 City, Article I of Chapter 43 of the Administrative Code of the City and, to the extent  
2 applicable, Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health  
3 and Safety Code of the State of California ("Health and Safety Code"), as now in effect and as  
4 it may from time to time hereafter be amended or supplemented (collectively, the "Act"); and

5 WHEREAS, The interest on the Note (as hereinafter defined) may qualify for tax  
6 exemption under Section 103 of the Internal Revenue Code of 1986, as amended, (the  
7 "Code"), only if the Note is approved in accordance with Section 147(f) of the Code; and

8 WHEREAS, This Board is the elected legislative body of the City and is the applicable  
9 elected representative required to approve the issuance of the Note within the meaning of  
10 Section 147(f) of the Code; and

11 WHEREAS, Following a public hearing on June 12, 2018, at which there was an  
12 opportunity for persons to comment on the execution and delivery of the Note, this Board, on  
13 August 2, 2018, adopted Resolution No. 269-18, approving the execution and delivery of the  
14 Note solely for the purposes of Section 147(f) of the Code in an amount not to exceed  
15 \$30,000,000; and

16 WHEREAS, An application to the California Debt Limit Allocation Committee (CDLAC)  
17 has been submitted with respect to the Project for an allocation of qualified private activity  
18 bond volume cap in the amount of \$18,000,000 pursuant to Section 146 of the Code; and

19 WHEREAS, The City received such allocation from CDLAC at its meeting on October  
20 17, 2018 (the "CDLAC Allocation"); and

21 WHEREAS, There has been prepared and presented to the Board for consideration at  
22 this meeting the documentation required for the execution and delivery of the Note, and such  
23 documentation is on file with the Clerk of the Board of Supervisors, in File No. 181159; and

24 WHEREAS, It appears that each of the documents which is now before this Board is  
25 substantially in appropriate form and is an appropriate instrument to be executed and

1 delivered for the purposes intended; and

2 WHEREAS, The Board finds that the public interest and necessity require that the City  
3 at this time make arrangements for the execution and delivery of the Note; and

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

8 WHEREAS, The City has engaged Jones Hall, A Professional Law Corporation, and  
9 Fox Rothschild LLP, as co-bond counsel with respect to the Note ("Co-Bond Counsel"); and

10 WHEREAS, Capital One, N.A. (the "Bank") has expressed its intention to enter into the  
11 Funding Loan Agreement and make the loan evidenced by the Note authorized hereby; now,  
12 therefore, be it

13 RESOLVED, By this Board of Supervisors of the City and County of San Francisco as  
14 follows:

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

17 Section 2. Approval of Execution and Delivery of Note. In accordance with the Act  
18 and the Funding Loan Agreement (hereinafter defined), the City is hereby authorized to issue  
19 and deliver a revenue note of the City, such note to be issued in one or more series and  
20 subseries, and designated as "City and County of San Francisco Multifamily Housing  
21 Revenue Note (Market Heights Apartments), 2018 Series E," or such other designation as  
22 may be necessary or appropriate to distinguish such series from every other series of notes of  
23 the City, in an aggregate principal amount not to exceed \$18,000,000 (the "Note"), with an  
24 interest rate not to exceed 12% per annum for the Note, and which shall have a final maturity  
25 date not later than 40 years from the date of issuance. The Note shall be in the form set forth

1 in and otherwise in accordance with the Funding Loan Agreement, and shall be executed by  
2 the manual signature of the Mayor of the City (the "Mayor") and as further provided in the  
3 Funding Loan Agreement. Anything herein to the contrary notwithstanding, the execution and  
4 delivery of the Note and the City Agreements shall be subject to the receipt of the CDLAC  
5 Allocation prior thereto.

6 Section 3. Approval of Funding Loan Agreement. The Funding Loan Agreement  
7 (the "Funding Loan Agreement"), by and between the Bank, the City, and a fiscal agent to be  
8 named therein, in the form presented to the Board, a copy of which is on file with the Clerk of  
9 the Board of Supervisors, in File No. 181159, is hereby approved. The Mayor, the Director of  
10 the Mayor's Office of Housing and Community Development (the "Director"), or any  
11 Authorized Officer of the City (as such term is defined in the Funding Loan Agreement) is  
12 hereby authorized to execute the Funding Loan Agreement (collectively, "Authorized  
13 Representatives" and each, an "Authorized Representative"), approved as to form by the City  
14 Attorney of the City (the "City Attorney"), in substantially said form, together with such  
15 additions thereto and changes therein as the City Attorney and Co-Bond Counsel may  
16 approve or recommend in accordance with Section 7 hereof.

17 Section 4. Approval of Regulatory Agreement and Declaration of Restrictive  
18 Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the  
19 "Regulatory Agreement"), by and among the City, the Borrower, and a fiscal agent to be  
20 named therein, in the form presented to the Board, a copy of which is on file with the Clerk of  
21 the Board of Supervisors, in File No. 181159, is hereby approved. Each Authorized  
22 Representative is hereby authorized to execute the Regulatory Agreement, approved as to  
23 form by the City Attorney, in substantially said form, together with such additions thereto and  
24 changes therein as the City Attorney and Co-Bond Counsel may approve or recommend in  
25 accordance with Section 7 hereof.

1           Section 5.    Approval of Project Loan Agreement. The Project Loan Agreement by  
2 and among the City, the Borrower, and a fiscal agent to be named therein (the "Project Loan  
3 Agreement"), in the form presented to the Board, a copy of which is on file with the Clerk of  
4 the Board of Supervisors, in File No. 181159, is hereby approved. Each Authorized  
5 Representative is hereby authorized to execute the Project Loan Agreement in substantially  
6 said form, together with such additions thereto and changes therein as the City Attorney and  
7 Co-Bond Counsel may approve or recommend in accordance with Section 7 hereof.

8           Section 6.    Issuer Fees. The City, acting through the Mayor's Office of Housing and  
9 Community Development, shall charge a fee for the administrative costs associated with  
10 issuing the Note in an amount not to exceed 0.25% of the maximum aggregate principal  
11 amount of the Note. Such fee shall be payable at closing and may be contingent on the  
12 delivery of the Note. The City shall also charge an annual fee for monitoring compliance with  
13 the provisions of the Regulatory Agreement in an amount not to exceed 0.125% of the  
14 outstanding aggregate principal amount of the Note, but no less than \$2,500 annually, for the  
15 term of the Regulatory Agreement. The initial monitoring fee shall be payable at Note closing.  
16 The Board hereby authorizes the Mayor's Office of Housing and Community Development to  
17 charge and collect the fees described in this section.

18           Section 7.    Modifications, Changes, Additions. Any Authorized Representative  
19 executing the Funding Loan Agreement, the Regulatory Agreement or the Project Loan  
20 Agreement (collectively, the "City Agreements"), in consultation with the City Attorney and Co-  
21 Bond Counsel, is hereby authorized to approve and make such modifications, changes or  
22 additions to the City Agreements as may be necessary or advisable, provided that such  
23 modification does not authorize an aggregate principal amount of the Note in excess of  
24 \$18,000,000, provide for a final maturity on the Note later than 40 years from the date of  
25 issuance thereof, or provide for the Note to bear interest at a rate in excess of 12% per

1 annum. The approval of any modification, addition or change to any of the aforementioned  
2 documents shall be evidenced conclusively by the execution and delivery of the document in  
3 question.

4 Section 8. Ratification. All actions heretofore taken by the officers and agents of the  
5 City with respect to the execution and delivery of the Note, as consistent with the documents  
6 herein and this Resolution, are hereby approved, confirmed and ratified.

7 Section 9. General Authority. The proper officers of the City are hereby authorized  
8 and directed, for and in the name and on behalf of the City, to do any and all things and take  
9 any and all actions and execute and deliver any and all certificates, agreements and other  
10 documents, including but not limited to assignments, subordinations, tax documents and  
11 those documents described in the City Agreements, which they, or any of them, may deem  
12 necessary or advisable in order to consummate the lawful execution and delivery of the Note.  
13 Any Authorized Representative, hereby acting alone, is authorized to select the Fiscal Agent.  
14 Any such actions are solely intended to further the purposes of this Resolution, and are  
15 subject in all respects to the terms of the Resolution. No such actions shall increase the risk  
16 to the City or require the City to spend any resources not otherwise granted herein. Final  
17 versions of any such documents shall be provided to the Clerk of the Board of Supervisors for  
18 inclusion in the official file within 30 days of execution by all parties.

19 Section 10. File. All documents referenced herein as being on file with the Clerk of  
20 the Board of Supervisors are located in File No. 181159, which is hereby declared to be a

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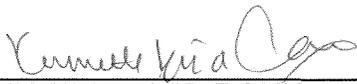
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part of this Resolution as if set forth fully herein.

APPROVED AS TO FORM:  
DENNIS J. HERRERA  
City Attorney

By:   
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KENNETH DAVID ROUX  
Deputy City Attorney  
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City and County of San Francisco

Tails  
Resolution

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

File Number: 181159

Date Passed: December 11, 2018

Resolution authorizing the execution and delivery of a multifamily housing revenue note in an aggregate principal amount not to exceed \$18,000,000 for the purpose of providing financing for the acquisition and rehabilitation of a 46-unit multifamily rental housing project located at 211-291 Putnam Street and 1000 Tompkins Avenue; approving the form of and authorizing the execution of a funding loan agreement providing the terms and conditions of the note and authorizing the execution and delivery thereof; 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 project loan agreement; authorizing the collection of certain fees; ratifying and approving any action heretofore taken in connection with the note and the project, as defined herein; granting general authority to City officials to take actions necessary to implement this Resolution, and related matters, as defined herein.

December 06, 2018 Budget and Finance Committee - RECOMMENDED AS COMMITTEE REPORT

December 11, 2018 Board of Supervisors - ADOPTED

Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

File No. 181159

I hereby certify that the foregoing Resolution was ADOPTED on 12/11/2018 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