Resolution authorizing participation in the California Housing Finance Agency private activity bond volume cap recycling program; authorizing a memorandum of understanding with California Housing Finance Agency regarding such participation; authorizing certain amendments to legal documents relating to the City’s multifamily housing revenue bonds and notes in order to facilitate such recycling, as defined herein; authorizing the collection of certain fees, as defined herein; ratifying and approving any action heretofore taken in connection with such recycling, as defined herein; granting authority to City officials to take actions necessary to implement this Resolution, as defined herein; and related matters, as defined herein.

WHEREAS, From time to time, the City and County of San Francisco (the “City”) has issued in the past and will issue in the future its multifamily housing revenue bonds or notes (each, a “Multifamily Issue”) in order to provide for the conduit financing of the acquisition, development, construction, rehabilitation and/or equipping of privately owned multifamily rental housing facilities in the City consisting of, in whole or in part, units which are rented to households of low, very low or extremely low income (each, a “Project”); and

WHEREAS, Each Multifamily Issue is a limited obligation of the City, repayable only from the revenues of the Project financed thereby and other collateral pledged by the owner thereof (each, a “Borrower”); and

WHEREAS, In order for interest on any Multifamily Issue to be exempt from federal income tax, Section 146 of the Internal Revenue Code requires the California Debt Limit Allocation Committee to grant an allocation of private activity bond volume cap to the City in
the amount of the Multifamily Issue or the portion thereof the interest on which is intended to be so exempt; and

WHEREAS, Such private activity bond volume cap is a limited resource, and its scarcity currently limits the production and preservation of affordable rental housing units in the City and throughout California; and

WHEREAS, The California Housing Finance Agency ("CalHFA") has proposed a program (the "Program") the purpose of which is to recycle private activity bond volume cap previously granted to California multifamily housing revenue bond and note issuers such as the City, thereby facilitating the financing of additional affordable rental housing in California without obtaining new private activity bond volume cap; and

WHEREAS, There has been prepared and presented to this Board of Supervisors (the "Board") for consideration at this meeting a form of memorandum of understanding with CalHFA (the "MOU"), regarding the City's participation in the CalHFA volume cap recycling program, and such document is on file with the Clerk of the Board of Supervisors (the "Clerk of the Board"); and

WHEREAS, Such recycling would require the amendment of certain legal documents associated with the applicable Multifamily Issues, including without limitation indentures, funding loan agreements, master pledge and assignment agreements, governmental notes and bonds; and

WHEREAS, There has been prepared and presented to the Board for consideration at this meeting the form of Amendment to Funding Loan Agreement and Governmental Notes (the "Form Amendment"), and such document is on file with the Clerk of the Board; and

WHEREAS, The Form Amendment is in substantially appropriate form and is an appropriate instrument to be executed and delivered with respect to any Multifamily Issue of the City to accomplish the purposes intended; and
WHEREAS, The Board finds that the public interest and necessity require that the City assist in recycling private activity bond volume cap by participating in the Program, executing and delivering the MOU in substantially the form presented to this meeting, and amending certain legal documents associated with one or more Multifamily Issues of the City, including without limitation amendments in substantially the form of the Form Amendment; and

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 Recycling of Private Activity Bond Volume Cap. The Board hereby authorizes the City, acting through the Mayor’s Office of Housing and Community Development, to participate in the Program and to take such other actions and execute such documents as may be necessary or desirable to recycle private activity bond volume cap associated with the Multifamily Issues of the City. All actions in furtherance thereof heretofore taken by the City and its officers, employees and representatives are hereby approved, ratified and confirmed.

Section 3. Approval of MOU. The form of MOU, which has been presented to the Board and a copy of which is on file with the Clerk of the Board, is hereby approved. The Board hereby authorizes the execution and delivery of the MOU, in substantially such form, together with such additions thereto and changes therein as the Mayor, the Director of the Mayor’s Office of Housing and Community Development, or the designee of either (each, an “Authorized Representative”) may approve or recommend in accordance with Section 5 hereof, in consultation with the City Attorney of the City (the "City Attorney").

Section 4. Approval of Amendments. The indentures, funding loan agreements, master pledge agreements, bonds, governmental notes and other legal documents relating to any
and all Multifamily Issues of the City, past, present and future, are hereby authorized to be amended (each, an “Amendment”) in such manner as may be deemed necessary or desirable by any Authorized Representative, in consultation with the City Attorney, to accomplish the recycling of the private activity bond volume cap associated with such Multifamily Issues, provided that such Amendment does not increase the liability or risk to the City, require the City to spend any resources beyond the reasonable cost of any outside advisors and that which is provided for in the MOU, or otherwise harm the interests of the City. Without implied limitation of the foregoing, the Form Amendment, which has been presented to the Board and a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor, the Director of the Mayor’s Office of Housing and Community Development, or the designee of either (each, an “Authorized Representative”), is hereby authorized to execute any Amendment approved as to form by the City Attorney if it is (i) in substantially the form of the Form Amendment, together with such additions thereto and changes therein as the Authorized Representative may approve or recommend in accordance with Section 5 hereof, or (ii) in any other form meeting the requirements of the first sentence of this Section.

Section 5. Issuer Fees. In addition to any other fees permitted to be charged with respect to the Bonds or the Project, the City, acting through the Mayor’s Office of Housing and Community Development, is authorized to charge fees provided for in the MOU or otherwise reasonably calculated to recover the internal and third-party administrative costs associated with negotiating the MOU, entering into an Amendment and assisting with the recycling of private activity bond volume cap associated therewith. The Board hereby authorizes the Mayor’s Office of Housing and Community Development to charge and collect the fees described in this section.

Section 5. Modifications, Changes, Additions. Any Authorized Representative executing the MOU or an Amendment, in consultation with the City Attorney, is hereby
authorized to approve and make such additional modifications, changes or additions to the
MOU or such Amendment as may be necessary or advisable, provided that such modification,
change or addition does not increase the liability or risk to the City, require the City to spend
any resources beyond the reasonable cost of any outside advisors and that which is provided
for in the MOU, or otherwise harm the interests of the City. 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. Within 90 days of the documents
approved by this Resolution being executed by all parties, such final documents (showing
marked changes, if any) shall be provided to the Clerk of the Board, for inclusion in the official
file, together with a brief explanation of any changes from the date of the adoption of this
Resolution.

Section 6. Ratification. All actions heretofore taken by the officers and agents of the
City with respect to the MOU, any Amendments and the recycling of private activity bond
volume cap, as consistent with the documents authorized herein and this Resolution, are
hereby approved, confirmed and ratified.

Section 7. 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 approve, and execute and deliver any and all certificates, agreements and
other documents, including but not limited to estoppels, tax documents, releases,
terminations, consents, assignments, replacement Bonds, acknowledgments, recognitions,
notices and those documents described in the MOU or any Amendment, which they, or any of
them, may deem necessary or advisable in order to effectuate the purposes of this Resolution
in consultation with the City Attorney. Any such actions shall not increase the liability or risk to
the City, require the City to spend any resources beyond the reasonable cost of any outside
advisors and that which is provided for in the MOU, or otherwise harm the interests of the
City, and any such officer shall consult with the City Attorney prior to taking any such action or executing any such document.

Section 8. File. All documents referenced herein as being on file with the Clerk of the Board are located in File No. 210939, 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: /s/ KENNETH D. ROUX
Deputy City Attorney

Mayor Breed
BOARD OF SUPERVISORS
Resolution authorizing participation in the California Housing Finance Agency private activity bond volume cap recycling program; authorizing a memorandum of understanding with the California Housing Finance Agency regarding such participation; authorizing certain amendments to legal documents relating to the City's multifamily housing revenue bonds and notes in order to facilitate such recycling, as defined herein; authorizing the collection of certain fees, as defined herein; ratifying and approving any action heretofore taken in connection with such recycling, as defined herein; granting authority to City officials to take actions necessary to implement this Resolution, as defined herein; and related matters, as defined herein.

September 29, 2021 Budget and Finance Committee - RECOMMENDED

October 05, 2021 Board of Supervisors - ADOPTED

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

File No. 210939

I hereby certify that the foregoing Resolution was ADOPTED on 10/5/2021 by the Board of Supervisors of the City and County of San Francisco.

Angela Căvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved