[Multifamily Housing Revenue Bonds - 53 Colton Street - Not to Exceed $33,520,000]

Resolution authorizing the issuance, sale and delivery of multifamily housing revenue bonds in one or more series in an aggregate principal amount not to exceed $33,520,000 for the purpose of providing financing for the acquisition and construction of a 96-unit multifamily rental housing project located at 53 Colton Street; 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, as defined herein; 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 the financing of a portion of the costs of the acquisition and construction by 53 Colton, L.P., a California limited partnership (the “Borrower”), of a 96-unit residential rental development project located at 53 Colton Street, in San Francisco, California, known as “53 Colton” (the “Project”), to provide housing for persons of low and very-low income through the issuance of multifamily housing revenue bonds in one or more series which may be taxable or tax-exempt (collectively, the “Bond”); 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, The interest on the Bond may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), only if the Bond is approved in accordance with Section 147(f) of the Code; and

WHEREAS, The Board is the elected legislative body of the City and is the applicable elected representative authorized to approve the issuance of the Bond within the meaning of Section 147(f) of the Code; and

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

WHEREAS, The Mayor’s Office of Housing and Community Development ("MOHCD") held a duly noticed public hearing on November 8, 2019, at which hearing an opportunity was provided for persons to comment on the Project and the issuance of the Bond; and

WHEREAS, The Board on December 10, 2019, adopted Resolution No. 538-19 approving the issuance of the Bond for the purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, in an amount not to exceed $38,700,000; and

WHEREAS, On April 14, 2020, the California Debt Limit Allocation Committee ("CDLAC") in its Resolution No. 20-079, allocated an amount not to exceed $29,520,000 (the "Allocation Amount") in qualified private activity volume cap to the Project; and

WHEREAS, There has been prepared and presented to the Board for consideration at this meeting the documentation required for the issuance of the Bond, 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 final form and is an appropriate instrument to be executed and delivered for the purposes intended; and

WHEREAS, The Board finds that public interest and necessity require that the City at this time make arrangements for the sale of the Bond; and

WHEREAS, The Bond 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, if any, of certain funds and accounts held under the Indenture (hereinafter defined); and

WHEREAS, The City has engaged Kutak Rock LLP and Amira Jackmon, Attorney at Law, as co-bond counsel with respect to the Bond ("Co-Bond Counsel"); and

WHEREAS, Merchants Bank of Indiana (or an affiliate thereof) has expressed its intention to purchase the Bond 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 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 Bond 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 or subseries, and designated as “City and County of San Francisco, California Multifamily Housing Revenue Bonds (53 Colton Apartments) Series 2020H-1” and “City and County of San Francisco, California Multifamily Housing
Revenue Bonds (53 Colton Apartments) Taxable Series 2020H-2” or such additional or 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 $33,520,000,
provided that any tax-exempt portion of the Bond shall not exceed the Allocation Amount, with
an interest rate not to exceed twelve percent (12%) per annum for the Bond, and which shall
have a final maturity date of not later than forty (40) years from the date of issuance of the
Bond. The Bond 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. Approval of Indenture. 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 trustee to be
named therein (the “Trustee”). Each of the Mayor, the Director (the “Director”) of MOHCD, the
Housing Development Director of MOHCD, and any other Authorized City Representative (as
such term is defined in the Indenture), acting individually or collectively (each, an “Authorized
City Representative”) 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. Approval of Loan Agreement. 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 City
Representative is hereby authorized to execute the Loan 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. Approval of Regulatory Agreement and Declaration of Restrictive
Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the
"Regulatory Agreement" and, together with the Indenture and the Loan Agreement, the "City
Documents"), 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 City
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-Bond Counsel may approve or recommend in
accordance with Section 7 hereof.

Section 6. Issuer Fees. The City, acting through MOHCD, shall charge a fee for the
administrative costs associated with issuing the Bond in an amount not to exceed one-quarter
of one percent (0.25%) of the maximum aggregate principal amount of the Bond. 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 compliance by the Borrower with certain provisions of the
Regulatory Agreement in an amount not to exceed one-eighth of one percent (0.125%) of the
maximum outstanding aggregate principal amount of the Bond, but no less than $2,500
annually, for the term of the Regulatory Agreement. The initial monitoring fee shall be
payable at bond closing. The Board hereby authorizes MOHCD to charge and collect the fees
described in this section.

Section 7. Modifications, Changes, and Additions. Any Authorized City
Representative executing the City Documents, in consultation with the City Attorney and
Co-Bond Counsel, is hereby authorized to approve and make such modifications,
 amendments, changes or additions to the City Documents as may be necessary or advisable,
provided that such modification does not: (i) authorize an aggregate principal amount of the Bond in excess of $33,520,000 or an aggregate principal amount of the tax-exempt portion of the Bond in excess of the Allocation Amount; (ii) provide for a final maturity of the Bond later than forty (40) years from the date of issuance thereof; or (iii) provide for the Bond to bear interest at a rate in excess of twelve percent (12%) per annum. The approval of any modification, amendment, addition or change to any of the aforementioned documents shall be evidenced conclusively by the execution and delivery of the document in question by an Authorized City Representative or a designee thereof.

Section 8. Ratification. All actions heretofore taken by the officers and agents of the City with respect to the sale and issuance of the Bond consistent with the purposes of this Resolution and the City Documents are hereby approved, confirmed, and ratified.

Section 9. General Authority. The proper officers of the City (including the Authorized City Representatives or designees thereof) 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 (including, but not limited to, tax certificates), agreements (including agreements to provide adequate or additional security or indemnities as required by lenders to consummate the financing), and other documents and amendments, 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 issuance and delivery of the Bond and to effectuate the purposes thereof and of the City Documents in consultation with the City Attorney. Any such actions are solely intended to further the purposes of this Resolution, and are subject in all respects to the terms of this Resolution. No such actions shall increase the risk to the City or require the City to spend any resources not otherwise contemplated herein. Final versions of such documents (showing
marked changes, if any) shall be provided to the Clerk of the Board for inclusion in the official
file within thirty (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. 201064, which is hereby declared to be a part of this
Resolution as if set forth fully herein.

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Section 11. Effectiveness. 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: /s/ Heidi J. Gewertz
Heidi J. Gewertz
Deputy City Attorney

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September 30, 2020 Budget and Finance Committee - RECOMMENDED

October 06, 2020 Board of Supervisors - ADOPTED
Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

File No. 201064

I hereby certify that the foregoing Resolution was ADOPTED on 10/6/2020 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor