Resolution authorizing the issuance and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed $87,000,000 for the purpose of providing financing for the acquisition and construction of a 258-unit, affordable multifamily residential rental housing project located at 1064-1068 Mission Street; approving the form of and authorizing the execution of a trust indenture providing 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; ratifying and approving any action heretofore taken in connection with the bonds 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 1064 Mission, L.P., a California limited partnership (the "Borrower"), of a 258-unit, mixed use, residential rental housing development located at 1064-1068 Mission Street, San Francisco, California (the "Project"), including therein a complex of 103 units for seniors of low- and very low-income (plus one resident manager unit) and a complex of 153 units for adults of low- and very low-income (plus one resident manager unit), 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, Any Bonds (hereinafter defined) to be issued to finance the Project will be limited obligations of the City, the sole source of repayment for which shall be payments made by the Borrower or collateral security pledged by or for the Borrower, together with investment income on certain funds and accounts; and

WHEREAS, The interest on the Bonds may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended, (the "Code"), only if the Bonds are approved in accordance with Section 147(f) of the Code; and

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

WHEREAS, On May 21, 2019, the City published a notice on the City’s website regarding its intent to hold a public hearing with respect to the issuance of multifamily housing revenue bonds in an amount not to exceed $103,000,000 to finance the Project, and said hearing was held on June 3, 2019, by the Mayor’s Office of Housing and Community Development and an opportunity was provided for persons to comment on the issuance of the Bonds and the financing of the Project; and

WHEREAS, Thereafter, on July 9, 2019, pursuant to Resolution No. 312-19, this Board approved the issuance of multifamily housing revenue bonds, in an amount not to exceed $87,000,000, for the purposes of Section 147(f) of the Code, declared its intent to issue multifamily housing revenue bonds and authorized officers of the City to submit an application and related documents to the California Debt Limit Allocation Committee ("CDLAC") and take other actions in connection with the proposed financing of the Project; and
WHEREAS, On October 16, 2019, CDLAC, in its Resolution No. 19-152, allocated $87,000,000 in qualified private activity bond volume cap to the Project; and

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

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

WHEREAS, JPMorgan Chase Bank, N.A. 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. Approval of Recitals. This Board hereby finds and declares that the above recitals are true and correct.

Section 2. Approval of Issuance of Bonds. 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 designated as “City and County of San Francisco Multifamily Housing Revenue Bonds (1064 Mission Street Permanent Supportive Housing), Series 2020A,” or such other designation as may be necessary or appropriate to distinguish such series from every other series of bonds of the

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BOARD OF SUPERVISORS
City, in an aggregate principal amount not to exceed $87,000,000 (the “Bonds”), with an 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-five (45) 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 signature of the Mayor of the City (the “Mayor”) and as further provided in the Indenture.

Section 3. Indenture. The Trust Indenture (the “Indenture”), by and between the City and U.S. Bank National Association, as trustee thereunder (the “Trustee”), in the form presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each of the Mayor, the Director of the Mayor’s Office of Housing and Community Development or any other Authorized City Representative (as such term is defined in the Indenture) of the City (collectively, the “Authorized Officers”) is hereby authorized to execute the Indenture in 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. Regulatory Agreement and Declaration of Restrictive Covenants. The Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), by and between the City and the Borrower, in the form presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized Officer is hereby authorized to execute the Regulatory Agreement, in 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 Loan Agreement. The Loan Agreement (the “Loan Agreement”), by and between the City and the Borrower, in the form presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. Each Authorized
Officer is hereby authorized to execute the Loan Agreement in 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 the Mayor's Office of Housing and

Community Development, shall charge a fee for the administrative costs associated with
issuing the Bonds (the "Issuance Fee") in an amount not to exceed 0.25% of the maximum
aggregate principal amount of the Bonds. Such fee shall be payable at closing and may be
contingent on the issuance of the Bonds. The City shall also charge an annual fee (the
"Annual Fees") for monitoring compliance with the provisions of the Regulatory Agreement 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 Board
hereby authorizes the Mayor's Office of Housing and Community Development to charge and
collect, or appoint an agent, which may be the Trustee, to collect on behalf of the City, the
fees described in this section. Notwithstanding the foregoing provisions of this Section, the
City, acting through the Mayor's Office of Housing and Community Development, is
authorized to charge an Issuance Fee or Annual Fees, or both, that is or are lower than the
fees prescribed in this Section if, upon the advice of Co-Bond Counsel, lower fees are
necessary or advisable to ensure that the Bonds do not become "arbitrage bonds" within the
meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or to ensure that
interest on the Bonds does not become includable in gross income for federal income tax
purposes.

Section 7. Modifications, Changes, Additions. Any Authorized Officer executing the
Indenture, the Loan Agreement or the Regulatory 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 the Bonds in excess of $87,000,000, provide for a final maturity on the Bonds later than forty-five (45) years from the date of issuance of the Bonds, 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 City Agreements 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 sale, issuance and delivery of the Bonds, as consistent with the City Agreements and this Resolution, are hereby approved, confirmed and ratified.

Section 9. General Authority. The proper officers of the City, including but not limited to the Authorized Officers, 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 any certificates necessary to allocate a portion of the previously-obtained voter approval of low rent housing projects pursuant to Article 34 of the State Constitution to the Project, if applicable), subordinations, assignments, tax documents and those documents described in the City Agreements, 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 City Agreements. 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 any 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. 191113, which is hereby declared to be a part of this Resolution as set forth fully herein.

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: Heidi Gewertz
Deputy City Attorney
Resolution authorizing the issuance and delivery of multifamily housing revenue bonds in an aggregate principal amount not to exceed $87,000,000 for the purpose of providing financing for the acquisition and construction of a 258-unit, affordable multifamily residential rental housing project located at 1064-1068 Mission Street; approving the form of and authorizing the execution of a trust indenture providing 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; ratifying and approving any action heretofore taken in connection with the bonds and the project; granting general authority to City officials to take actions necessary to implement this Resolution; and related matters, as defined herein.

November 19, 2019 Board of Supervisors - ADOPTED
Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

File No. 191113

I hereby certify that the foregoing Resolution was ADOPTED on 11/19/2019 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