[Residential Mortgage Revenue Bonds or Notes - Reimbursement Declarations and TEFRA Approvals]

Resolution delegating limited authority to execute and deliver certificates declaring the City's official intent to reimburse original expenditures for the costs of multifamily rental housing projects in the City with proceeds of residential mortgage revenue bonds or notes of the City, for purposes of Section 1.150-2 of Title 26 of the Code of Federal Regulations; delegating limited authority to execute and deliver certificates granting public approval of residential mortgage revenue bonds to finance multifamily rental housing projects in the City; and approving certain related matters, as defined herein.

WHEREAS, The Board of Supervisors of the City and County of San Francisco ("Board of Supervisors"), after careful study and consideration, has determined that there is a shortage of safe and sanitary housing within the City, particularly for low and moderate income persons, and that it is in the best interest of the residents of the City and in furtherance of the health, safety, and welfare of the public for the City to assist in the financing of multi-family rental housing units; and

WHEREAS, Acting under and pursuant to the powers reserved to the City under Sections 3, 5, and 7 of Article XI of the Constitution of the State of California and Sections 1.101 and 9.107 of the Charter, the City has enacted the City and County of San Francisco Residential Mortgage Revenue Bond Law (City Law), constituting Article I of Chapter 43 of the San Francisco Administrative Code, in order to establish a procedure for the authorization, issuance and sale of residential mortgage revenue bonds by the City for the purpose of providing funds to encourage the availability of adequate housing and home finance for persons and families of low or moderate income, and to develop viable communities by providing decent housing, enhanced living environments, and increased economic opportunities for persons and families of low or moderate income; and

WHEREAS, In addition, pursuant to Division 31 of the Health and Safety Code of the State of California, and particularly Chapter 7 of Part 5 thereof (State Law), the City is empowered to issue and sell residential mortgage revenue bonds for the purpose of making mortgage loans or otherwise providing funds to finance the development of multifamily rental housing including units for lower income households and very low income households; and

WHEREAS, The issuance of such residential mortgage revenue bonds typically requires an allocation of private activity bond volume cap from the California Debt Limit Allocation Committee (“CDLAC”), which in recent years has scheduled the grant of such allocations as few as two times per calendar year; and

WHEREAS, Each application to obtain an allocation of private activity bond volume cap for a multifamily rental housing project in the City requires a declaration of the City’s official intent to reimburse original expenditures for the costs of such project with proceeds of residential mortgage revenue bonds or notes of the City (each, a “Declaration”); and

WHEREAS, A Declaration can be made by resolution of the Board of Supervisors or by certificate executed by a City official delegated the authority to make such a declaration; and

WHEREAS, A Declaration made by certificate of a City official can be obtained more expeditiously than a resolution of the Board of Supervisors, and would streamline the process for obtaining an allocation of private activity bond volume cap from CDLAC, and thus for obtaining financing for affordable housing in the City; and

WHEREAS, Section 147 of the Internal Revenue Code of 1986, as amended, provides that the City must grant public approval of residential mortgage revenue bonds the interest on which is excluded from gross income for federal income tax purposes (each, a “TEFRA Approval”); and

WHEREAS, In certain cases, a TEFRA Approval previously granted must be renewed upon reissuance of such residential mortgage revenue bonds, or upon the passage of one year without the issuance of the bonds for the subject housing project; and

WHEREAS, TEFRA Approvals may be made by resolution of the Board of Supervisors, or by certificate of the chief elected executive officer of the governmental unit granting the approval; and

WHEREAS, The Mayor of the City is the chief elected executive officer of the City; and

WHEREAS, A TEFRA Approval granted by certificate of the Mayor can be obtained more expeditiously than a resolution of the Board of Supervisors, and would streamline the process for issuing and reissuing residential mortgage revenue bonds to finance multifamily rental housing projects in the City; and

WHEREAS, Neither a Declaration or TEFRA Approval will bind the Board of Supervisors to (i) issue revenue bonds or notes for any project, (ii) approve a loan for any such project, or (iii) make any expenditure, incur any indebtedness or proceed with any such project; now, therefore, be it

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

Section 1. The Board of Supervisors finds and determines that the foregoing recitals are true and correct.

Section 2. The Mayor is hereby authorized to execute and deliver a certificate or other written instrument in the name of and on behalf of the City, without further action of the Board, for any of the following purposes: (i) declaring the City’s official intent to reimburse original expenditures for the acquisition, development, construction, rehabilitation, improvement and/or equipping of a multifamily rental housing project with proceeds of residential mortgage revenue bonds of the City, all for purposes of Section 1.150-2 of Title 26 of the Code of Federal Regulations; and (ii) authorizing the Mayor's Office of Housing and Community Development to prepare and submit an application to CDLAC for an allocation of the State of California's private activity bond volume cap for the financing of multifamily rental housing in the City; provided, however, that the authority granted to the Mayor in this section is expressly limited to the financing of multifamily rental housing in the City that must be approved by the full Board of Supervisors after an allocation of private activity bond volume cap is received from CDLAC. Any such certificate or written instrument may be in such form as the Mayor, with the advice of the City Attorney, may approve, such approval to be conclusively evidenced by the execution and delivery thereof, and such form of certificate or written instrument is hereby expressly authorized to contain such findings, determinations, representations, statements of expectation, ratifications, approvals or other matters as are customarily included in the inducement resolutions of the Board of Supervisors.

Section 3. The Mayor is hereby authorized to execute and deliver a certificate or other written instrument in the name of and on behalf of the City, without further action of the Board, to grant approval of the issuance and/or reissuance of tax-exempt residential mortgage revenue bonds to finance and/or refinance any multifamily rental housing project in the City for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, provided that the authority granted in this Section is limited to instances where approval of such tax-exempt residential mortgage revenue bonds for purposes of said Section 147(f) has been previously received in a resolution duly adopted by the Board of Supervisors that remains in full force and effect at the time of the Mayoral certificate or other written instrument. Any such certificate or written instrument may be in such form as the Mayor, with the advice of the City Attorney, may approve, such approval to be conclusively evidenced by the execution and delivery thereof, and such form of certificate or written instrument is hereby expressly authorized to contain such findings, determinations, representations, statements of expectation, ratifications, approvals or other matters as are customarily included in TEFRA approval resolutions of the Board of Supervisors.

Section 4. The officers and employees of the City are hereby authorized and directed, jointly and severally, to do any and all things consistent with this Resolution necessary or advisable to effectuate the purposes of this Resolution, and all actions previously taken by such officers and employees consistent with this Resolution, are hereby ratified and approved.

Section 5. This Resolution shall take effect from and after its adoption by the Board of Supervisors and approval by the Mayor.

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: /s/Kenneth D. Roux
Kenneth D. Roux
Deputy City Attorney

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