

**MAYOR'S OFFICE OF HOUSING
AND COMMUNITY DEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO**



**EDWIN M. LEE
MAYOR**

**OLSON LEE
DIRECTOR**

September 30, 2016

Honorable Malia Cohen
City and County of San Francisco
Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Resolution Authorizing Application to California Debt Limit Allocation Committee for Multifamily Housing Revenue Bonds for Alice Griffith Phase 4: 2800 Arelious Walker Drive.

With this memo, I am submitting to you for introduction at the Board of Supervisors meeting on Tuesday, October 4, 2016, a resolution regarding qualified mortgage revenue bonds for 2800 Arelious Walker Drive or Phase 4 of the revitalization of the Alice Griffith Public Housing Development (the "Project"). McCormack Baron Salazar ("MBS") through their affiliate Double Rock ventures LLC is sponsoring this Project. Phase 4 totals 31 units (12 one-bedroom, six two-bedroom, ten four-bedroom, and three five-bedroom units). Phase 4 will be comprised of 42% (or 13 units) public housing replacement units and 58% (or 18 units) new affordable units.

The resolution would authorize Olson Lee, as Director of this office to submit an application to the California Debt Limit Allocation Committee for permission to issue such bonds in an amount not to exceed \$16,000,000. These resolutions would only authorize the Mayor's Office of Housing and Community Development ("MOHCD") to apply for the allocations of bond issuing authority. Should we receive authority, we will need to return to the Board for permission to actually issue the bonds. Funds generated from the issuance and sale of the bonds would be used to finance construction of the Projects.

The proposed Project is the fourth phase of a larger affordable housing development, the revitalization of the Alice Griffith public housing development, which is an enforceable obligation of the Office of Community Investment and Infrastructure, Successor Agency to the Redevelopment Agency ("OCII"). Alice Griffith Phases 1 through 3 are currently under

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construction. When the redevelopment is complete all 256 currently existing public housing units at Alice Griffith will be replaced and 248 new affordable units, 367 market rate units, 42 inclusionary units and 237 workforce units (serving households between 121% and 160% AMI) will be added. OCII will also be providing loans to all affordable phases of the redevelopment.

MOHCD has previously issued bonds for both rental housing and for first time homeownership. These financings are conduit financings, which do not require the City to pledge repayment of the bonds. Rather, the bondholders' only recourse for payment is the project revenues themselves and the credit enhancement provided by lenders.

Introduction on October 4, 2016 ensures that we have enough time to continue gathering the materials for the application which is due on January 13, 2017.

The attached resolution has been approved as-to-form by Deputy City Attorney Heidi Gewertz. I am enclosing a brief description of the Project for your review.

If you have any questions about the resolution or the project, please contact Elizabeth Colomello at the Office of Community Investment and Infrastructure at 701-5518.

Thank you,



Lisa Motoyama
Director of Real Estate –Special Initiatives