

Mayor's Office of Housing and Community Development  
City and County of San Francisco



Edwin M. Lee  
Mayor

Olson Lee  
Director

July 15, 2014

Honorable Mayor Lee  
City and County of San Francisco  
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 1500-1580 Mission Street.

With this memo, I am submitting to you for introduction at the Board of Supervisors meeting on Tuesday, July 15, 2014, a resolution regarding qualified mortgage revenue bonds for 1500-1580 Mission Street, a residential housing development sponsored by Related California. The resolution would authorize me, 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 \$375,000,000, and to declare the intent of the City and County of San Francisco to reimburse certain expenditures from proceeds of future bonded indebtedness. This resolution would only authorize us to apply for an allocation 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 project.

The sponsor is proposing the new construction of approximately 565 units of rental housing located at South Van Ness Avenue and Mission Street. Eighty percent of the units or 452 units will be market rate and twenty percent or 113 units will be affordable.

The Mayor's Office of Housing and Community Development 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.

In order to meet the inducement deadline prior to incurring costs, the resolution must be introduced at the Board no later than July 15, 2014 and return to the full Board for approval no later than Tuesday, July 29, 2014.

The attached resolution has been approved as-to-form by Deputy City Attorney Kenneth Roux. 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 Joan McNamara at 701-5532.

Thank you,

Olson Lee  
Director