

1 [Multifamily Housing Revenue Bonds - 2340 San Jose Avenue (Balboa Park Upper Yard) -  
2 Not to Exceed \$80,000,000]

3 **Resolution approving, for purposes of the Internal Revenue Code of 1986, as amended,**  
4 **the issuance and sale of residential mortgage revenue bonds by the City in an**  
5 **aggregate principal amount not to exceed \$80,000,000 for 2340 San Jose Avenue**  
6 **(Balboa Park Upper Yard); authorizing and directing the execution of any documents**  
7 **necessary to implement this Resolution, as defined herein; and ratifying and approving**  
8 **any action heretofore taken in connection with the Project, as defined herein, and the**  
9 **Application, as defined herein.**

10  
11 WHEREAS, The Board of Supervisors of the City and County of San Francisco (“Board  
12 of Supervisors”), after careful study and consideration, has determined that there is a  
13 shortage of safe and sanitary housing within the City and County of San Francisco (“City”),  
14 particularly for low and moderate income persons, and that it is in the best interest of the  
15 residents of the City and in furtherance of the health, safety, and welfare of the public for the  
16 City to assist in the financing of multi-family rental housing units; and

17 WHEREAS, Acting under and pursuant to the powers reserved to the City under  
18 Sections 3, 5, and 7 of Article XI of the Constitution of the State of California and Sections  
19 1.101 and 9.107 of the Charter of the City and County of San Francisco, the City has enacted  
20 the City and County of San Francisco Residential Mortgage Revenue Bond Law (“City Law”),  
21 constituting Article I of Chapter 43 of the San Francisco Administrative Code, in order to  
22 establish a procedure for the authorization, issuance and sale of residential mortgage revenue  
23 bonds by the City for the purpose of providing funds to encourage the availability of adequate  
24 housing and home finance for persons and families of low or moderate income, and to  
25

1 develop viable communities by providing decent housing, enhanced living environments, and  
2 increased economic opportunities for persons and families of low or moderate income; and

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

8 WHEREAS, Balboa Park Housing Partners L.P., a California limited partnership (or an  
9 affiliate thereof or successor thereto) (the “Borrower”), desires to construct or rehabilitate an  
10 approximately 131-unit affordable residential rental housing development located at 2340 San  
11 Jose Avenue, San Francisco, California 94158 (“Project”); and

12 WHEREAS, The Borrower has requested that the City assist in the financing of the  
13 Project through the issuance of one or more series of tax-exempt mortgage revenue bonds  
14 (“Bonds”); and

15 WHEREAS, Pursuant to Resolution 518-19 (the “Inducement Resolution”), adopted by  
16 the Board of Supervisors of the City on November 19, 2019, the City has previously (i)  
17 declared its intent to reimburse certain expenditures from proceeds of future bonded  
18 indebtedness in an amount not to exceed \$80,000,000, (ii) authorized the Director of the  
19 Mayor’s Office of Housing and Community Development (“Director”) to submit an application  
20 and related documents to the California Debt Limit Allocation Committee (“CDLAC”) to permit  
21 the issuance of residential mortgage revenue bonds in an aggregate principal amount not to  
22 exceed \$80,000,000 for 2340 San Jose Avenue, (iii) authorized and directed the Director to  
23 direct the Controller’s Office to hold in trust an amount not to exceed \$100,000 in accordance  
24 with CDLAC procedures and (iv) authorized the Director to certify to CDLAC that the City has  
25 on deposit the required amount; authorizing the Director to pay an amount equal to such

1 deposit to the State of California if the City fails to issue the residential mortgage revenue  
2 bonds; and

3 WHEREAS, The City intends to issue the Bonds in an aggregate principal amount not  
4 to exceed \$80,000,000 and to loan the proceeds of the Bonds to the Borrower (“Loan”) to  
5 finance the costs of the Project; and

6 WHEREAS, The Bonds will be limited obligations, payable solely from pledged  
7 security, including Project revenues, and will not constitute a debt of the City; and

8 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section  
9 103 of the Internal Revenue Code of 1986, as amended (“Code”), only if the Bonds are  
10 approved in accordance with Section 147(f) of the Code; and

11 WHEREAS, Due to the anticipated schedule for the Project, the Board of Supervisors  
12 did not approve the Bonds in accordance with Section 147(f) of the Code when the Board of  
13 Supervisors adopted the Inducement Resolution because such approval is generally only  
14 valid for one year; and

15 WHEREAS, The City now wishes to approve the issuance of the Bonds in order to  
16 satisfy the public approval requirements of Section 147(f) of the Code; and

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

18 WHEREAS, On May 5, 2020, the City caused a notice stating that a public hearing with  
19 respect to the issuance of the Bonds would be held by the Mayor’s Office of Housing and  
20 Community Development on May 12, 2020, published in the Notices section of the Mayor’s  
21 Office of Housing and Community Development website (at <https://sfmohcd.org/notices-0>);  
22 and

23 WHEREAS, The Mayor’s Office of Housing and Community Development held the  
24 public hearing described above on May 12, 2020, and an opportunity was provided for  
25 persons to comment on the issuance of the Bonds and the Project; and

1           WHEREAS, This Board of Supervisors is the elected legislative body of the City and is  
2 the applicable elected representative authorized to approve the issuance of the Bonds within  
3 the meaning of Section 147(f) of the Code; now, therefore, be it

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

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

8           Section 2. The maximum principal amount of debt expected to be issued for the Project  
9 is \$80,000,000. This Resolution does not bind the Board of Supervisors to issue the Bonds,  
10 approve the Loan or to make any expenditure, incur any indebtedness or proceed with the  
11 Project.

12           Section 3. This Board of Supervisors, as the applicable elected representative of the  
13 governmental unit having jurisdiction over the area in which the Project is located, hereby  
14 approves the issuance of the Bonds for purposes of Section 147(f) of the Code.

15           Section 4. This approval of the issuance of the Bonds by the City is neither an approval  
16 of the underlying credit issues of the proposed Project nor an approval of the financial  
17 structure of the Bonds.

18           Section 5. The officers and employees of the City, including the Director, are hereby  
19 authorized and directed, jointly and severally, to do any and all things necessary or advisable  
20 to otherwise effectuate the purposes of this Resolution, consistent with the documents cited  
21 herein and this Resolution, and all actions previously taken by such officers and employees  
22 with respect to the Project, consistent with the documents cited herein and this Resolution,  
23 including but not limited to the submission of the application to CDLAC, are hereby ratified  
24 and approved.

25    ///

1            Section 6. This Resolution shall take effect from and after its adoption by the Board and  
2 approval by the Mayor.

3  
4 APPROVED AS TO FORM:  
5 DENNIS J. HERRERA  
6 City Attorney

7 By:    /s/ Kenneth David Roux  
8        KENNETH DAVID ROUX  
9        Deputy City Attorney  
10        n:\financlas2020\2000210\01446604.docx



City and County of San Francisco

Tails  
Resolution

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

File Number: 200486

Date Passed: June 09, 2020

Resolution approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue bonds by the City in an aggregate principal amount not to exceed \$80,000,000 for 2340 San Jose Avenue (Balboa Park Upper Yard); authorizing and directing the execution of any documents necessary to implement this Resolution, as defined herein; and ratifying and approving any action heretofore taken in connection with the Project, as defined herein, and the Application, as defined herein.

June 03, 2020 Budget and Finance Committee - RECOMMENDED

June 09, 2020 Board of Supervisors - ADOPTED

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

File No. 200486

I hereby certify that the foregoing Resolution was ADOPTED on 6/9/2020 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo  
Clerk of the Board

London N. Breed  
Mayor

6/19/20

Date Approved