

1 [Multifamily Housing Revenue Bonds - 227-228 West Point Road - Not to Exceed
2 \$45,000,000]

3 **Resolution declaring the intent of the City and County of San Francisco (City) to**
4 **reimburse certain expenditures from proceeds of future bonded indebtedness;**
5 **authorizing the Director of the Mayor’s Office of Housing and Community**
6 **Development (Director) to submit an application and related documents to the**
7 **California Debt Limit Allocation Committee (CDLAC) to permit the issuance of**
8 **residential mortgage revenue bonds in an aggregate principal amount not to**
9 **exceed \$45,000,000 for 227-228 West Point Road (Assessor’s Parcel Number**
10 **4624-Lot Nos. 29 and 31); authorizing and directing the Director to direct the**
11 **Controller’s Office to hold in trust an amount not to exceed \$100,000 in**
12 **accordance with CDLAC procedures; authorizing the Director to certify to CDLAC**
13 **that the City has on deposit the required amount; authorizing the Director to pay**
14 **an amount equal to such deposit to the State of California if the City fails to issue**
15 **the residential mortgage revenue bonds; approving, for purposes of the Internal**
16 **Revenue Code of 1986, as amended, the issuance and sale of residential**
17 **mortgage revenue bonds by the City in an aggregate principal amount not to**
18 **exceed \$45,000,000; authorizing and directing the execution of any documents**
19 **necessary to implement this Resolution; and ratifying and approving any action**
20 **heretofore taken in connection with the project, as defined herein, and the**
21 **application, as defined herein.**

22
23 WHEREAS, The Board of Supervisors of the City and County of San Francisco
24 (Board of Supervisors), after careful study and consideration, has determined that there
25 is a shortage of safe and sanitary housing within the City, particularly for low and

1 moderate income persons, and that it is in the best interest of the residents of the City
2 and in furtherance of the health, safety, and welfare of the public for the City to assist in
3 the financing of multi-family rental housing units; and

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

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

20 WHEREAS, **Hunters View Associates**, LP, a California limited partnership (or
21 any successor thereto including any successor owner of the Project, the Developer),
22 desires to construct a 107-unit residential rental housing development located at 227-
23 229 West Point Road (Assessor's Parcel Number 4624-Lots 29 and 31) San Francisco,
24 California 94124 (Project); and

25 WHEREAS, the Developer has requested that the City assist in the financing of

1 the Project through the issuance of one or more series of tax-exempt mortgage revenue
2 bonds (Bonds); and

3 WHEREAS, The City expects that proceeds of the Bonds will be used to pay
4 certain costs incurred in connection with the Project prior to the date of issuance of the
5 Bonds; and

6 WHEREAS, The City intends to issue the Bonds in an amount not to exceed
7 \$45,000,000 and to loan the proceeds of the Bonds to the Developer (Loan) to finance
8 the costs of the Project; and

9 WHEREAS, The Board of Supervisors has determined that the moneys
10 advanced and to be advanced to pay certain expenditures of the Project are or will be
11 available only for a temporary period and it is necessary to reimburse such expenditures
12 with respect to the Project from the proceeds of the Bonds; and

13 WHEREAS, Section 1.150-2 of the United States Treasury Regulations requires
14 that the Board of Supervisors declare its reasonable official intent to reimburse prior
15 expenditures for the Project with proceeds of the Bonds; and

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

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

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

22 WHEREAS, On November 24, 2013, the City caused a notice stating that a
23 public hearing with respect to the issuance of the Bonds would be held by the Mayor's
24 Office of Housing and Community Development on December 9, 2013, to appear in the
25 San Francisco Examiner, which is a newspaper of general circulation in the City; and

1 WHEREAS, The Mayor's Office of Housing and Community Development held
2 the public hearing described above on December 9, 2013 and an opportunity was
3 provided for persons to comment on the issuance of the Bonds and the Project; and the
4 minutes of such hearing were provided to this Board of Supervisors prior to this
5 meeting; and

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

9 WHEREAS, Section 146 of the Code limits the amount of tax-exempt private
10 activity bonds, which include qualified mortgage bonds, that may be issued in any
11 calendar year by entities within a state and authorizes the legislature of each state to
12 provide the method of allocating authority to issue tax-exempt private activity bonds
13 within the respective state; and

14 WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the
15 State of California governs the allocation in the State of California of the state ceiling
16 established by Section 146 of the Code among governmental units in the State having
17 the authority to issue tax-exempt private activity bonds; and

18 WHEREAS, Section 8869.85(b) of the Government Code requires that a local
19 agency file an application for a portion of the state ceiling with or upon the direction of
20 the California Debt Allocation Committee (CDLAC) prior to the issuance of tax-exempt
21 private activity bonds, including qualified mortgage bonds; and

22 WHEREAS, CDLAC procedures require an applicant for a portion of the state
23 ceiling to certify to CDLAC that applicant has on deposit an amount equal to one-half of
24 one percent (1/2%) of the amount of allocation requested not to exceed \$100,000.00;
25 now, therefore be it

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

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

5 Section 2. The Board of Supervisors adopts this Resolution for purposes of
6 establishing compliance with the requirements of Section 1.150-2 of the United States
7 Treasury Regulations. This Resolution does not bind the Board of Supervisors to issue
8 the Bonds, approve the Loan or to make any expenditure, incur any indebtedness or
9 proceed with the Project.

10 Section 3. The Board of Supervisors hereby declares its official intent under
11 United States Treasury Regulations Section 1.150-2 to use proceeds of the Bonds to
12 reimburse expenditures incurred in connection with the Project. The Board of
13 Supervisors hereby further declares its intent to use such proceeds to reimburse the
14 Developer for actual expenditures made by the Developer on the Project.

15 Section 4. On the date of the expenditure to be reimbursed, all reimbursable
16 costs of the Project will be of a type properly chargeable to a capital account under
17 general federal income tax principles.

18 Section 5. The maximum principal amount of debt expected to be issued for the
19 Project is \$45,000,000.

20 Section 6. This Board of Supervisors, as the applicable elected representative of
21 the governmental unit having jurisdiction over the area in which the Project is located,
22 hereby approves the issuance of the Bonds for purposes of Section 147(f) of the Code.

23 Section 7. This approval of the issuance of the Bonds by the City is neither an
24 approval of the underlying credit issues of the proposed Project nor an approval of the
25 financial structure of the Bonds.

1 Section 8. The Board of Supervisors hereby authorizes the Director, or his
2 designee of the Mayor's Office of Housing and Community Development (Director), on
3 behalf of the City, to submit an application (Application), and such other documents as
4 may be required, to CDLAC pursuant to Government Code Section 8869.85 for an
5 allocation for the Project of a portion of the state ceiling for private activity bonds in a
6 principal amount not to exceed \$45,000,000.

7 Section 9. An amount equal to \$100,000 (Deposit) is hereby authorized to be
8 held on deposit in connection with the Application and the applicable CDLAC
9 procedures, and the Director is authorized to certify to CDLAC that such funds are
10 available; which Deposit shall consist of a restriction on cash in the Hotel Tax Fund
11 established pursuant to Section 515.01 of Article 7 of the San Francisco Business and
12 Tax Regulations Code (Hotel Tax Fund).

13 Section 10. If the City receives a CDLAC allocation and the applicable issuance
14 requirements are not met, the Mayor's Office of Housing and Community Development
15 is hereby authorized to cause an amount equal to the Deposit to be paid to the State of
16 California from the Hotel Tax Fund, if required by CDLAC.

17 Section 11. The officers and employees of the City and the Director are hereby
18 authorized and directed, jointly and severally, to do any and all things necessary or
19 advisable to consummate the receipt of an allocation from CDLAC and otherwise
20 effectuate the purposes of this Resolution, and all actions previously taken by such
21 officers and employees with respect to the Project, including but not limited to the
22 submission of the application to CDLAC, are hereby ratified and approved.

23 Section 12. This Resolution shall take effect from and after its adoption by the
24 Board and approval by the Mayor.

25

APPROVED AS TO FORM:

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

DENNIS J. HERRERA
City Attorney

By: _____
HEIDI GEWERTZ
Deputy City Attorney