

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



**EDWIN M. LEE**  
MAYOR

**OLSON LEE**  
DIRECTOR

October 20, 2014

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 the execution and delivery of a Multifamily Housing Revenue Note for Hunters View – Phase IIA, 112 Middle Point Road, for an amount not to exceed \$41,000,000

Dear Supervisor Cohen,

The Mayor's Office of Housing and Community Development (MOHCD) requests your support in introducing and sponsoring a resolution (attached) at the Board of Supervisors on Tuesday, October 21, 2014, which would authorize the City to enter into qualified mortgage revenue indebtedness for Hunters View Phase IIA, 112 Middle Point Road (the "Project"). This is the follow-up legislation to the resolution you sponsored in January 2014 that authorized MOHCD to apply to the California Debt Limit Allocation Committee (CDLAC) for an allocation of \$41 million in qualified mortgage revenue indebtedness. The City, on behalf of the project sponsor, HV Partners 2, L.P., received a \$41 million allocation on March 19, 2014.

The project, Hunters View Phase IIA, is located in the Bayview Hunters Point community. The Developer, HV Partners 2 L.P., will develop 107 units (30 one bedroom, 32 two bedroom, 36 three bedroom, 8 four bedroom and 1 five bedroom units (which includes one manager's unit)) of affordable family rental housing, interior courtyards, podium level planters, and plots for individual gardens and gathering spaces between buildings. Incomes and rents at the development will serve households with incomes at or below 50% Area Median Income (AMI).

As you may know, 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.**

**1 South Van Ness Avenue, Fifth Floor, San Francisco, CA 94103**  
**Phone: (415) 701-5500 Fax: (415) 701-5501 TDD: (415) 701-5503 [www.sfgov.org/moh](http://www.sfgov.org/moh)**

**Rather, the bondholders' only recourse for payment are the project revenues themselves and the credit enhancement provided by lenders.** The Hunters View Phase IIA housing transaction requires loan documents rather than bond documents and therefore MOHCD is requesting approval of a mortgage revenue Note. Just as with all of the other multifamily housing mortgage revenue bonds MOHCD has issued on behalf of its affordable housing projects and programs, this is a conduit, or pass-through, financing mechanism and it is not an obligation of the City to repay the Note from City funds.

We kindly request that the resolution be introduced at the Board on **October 21, 2014**, in anticipation of being referred to the Budget and Finance Committee, possibly for the **October 29<sup>th</sup>** committee meeting, and forwarded to the full Board on **November 4<sup>th</sup>**. We are required by the California Debt Limit Allocation to close the bonds by December 31, 2014, but we anticipate that bond closing will occur in early December 2014, and construction will start at the end of December if we are able to get full Board approval on November 4<sup>th</sup>.

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 information.

If you have any questions about the resolution or the project, please contact Pam Sims at 701-5564.

Sincerely,

Olson Lee  
Director