

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



**Edwin M. Lee**  
Mayor

**Olson Lee**  
Director

September 22, 2014

Honorable Jane Kim  
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 588 Mission Bay Boulevard North (Mission Bay South Block 7 West)

With this memo, I am submitting to you for introduction at the Board of Supervisors meeting on Tuesday, September 23, 2014, a resolution authorizing the Mayor's Office of Housing of Community Development to apply for an allocation of qualified mortgage revenue bonds for 588 Mission Bay Boulevard North (aka, Mission Bay South Block 7 West), San Francisco, an affordable housing development sponsored by Related/Mission Bay Block 7 Development Co., LLC (the "Project"). Funds generated from the execution and delivery of the Bonds would be used to pay certain costs incurred in connection with the Project. This Project was previously submitted for introduction on May 6 2014, and was approved by the Board on May 20, 2014 for a \$47 million bond amount. Because the project construction costs have increased the Developer now would like to submit an application for a higher bond amount totaling \$60 million.

The Project will consist of 71 one bedroom and 129 two bedroom units (which includes two manager's units), a 53 space parking structure, 288 resident bicycle parking spaces, and visitor bicycle parking, two courtyards, common amenity spaces, and approximately 10,000 square feet of ground-level active street-front retail along 4<sup>th</sup> Street. Incomes and rents at the Project will serve households with incomes at or below 60% Area Median Income (AMI), with 40 units at 50% AMI levels.

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 are the project revenues themselves and the credit enhancement provided by lenders.

In order to meet the deadline for submitting an application to CDLAC, the resolution should be introduced at the Board on September 23, 2014. We would appreciate any assistance you can provide to help meet this schedule so that the City is able to submit the application on October 10, 2014. We will return to the Board to seek authorization to issue the bonds in February 2015, assuming the City receives an allocation in October.

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 Pam Sims at 701-5564.

Thank you,



Teresa Yanga  
Director of Housing Development  
Mayor's Office of Housing  
and Community Development