

File No. 140241

Committee Item No. 3

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date March 26, 2014

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong

Date March 21, 2014

Completed by: _____

Date _____

1 [Multifamily Housing Revenue Bonds - 350 Friedell Street (Block No. 4591-C, Lot No.
2 103) - Not to Exceed \$19,500,000]

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 \$19,500,000 for 350 Friedell Street, San Francisco, CA 94124 (Block No.**
10 **4591-C, Lot No. 103); 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; authorizing and directing the execution**
16 **of any documents necessary to implement this Resolution; and ratifying and**
17 **approving any action heretofore taken in connection with the project, as defined**
18 **herein, and the Application as defined herein.**

19
20 WHEREAS, The Board of Supervisors of the City and County of San Francisco
21 (Board of Supervisors), after careful study and consideration, has determined that there
22 is a shortage of safe and sanitary housing within the City, particularly for low and
23 moderate income persons, and that it is in the best interest of the residents of the City
24 and in furtherance of the health, safety, and welfare of the public for the City to assist in
25

1 the financing of multi-family rental housing units; and

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

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

18 WHEREAS, **AMCAL Pacific Pointe Fund**, L.P. (or any successor thereto
19 including any successor owner of the Project) (the "Developer"), desires to construct a
20 new 60-unit project to be located at 350 Friedell Street, San Francisco, CA 94124
21 (Block 4591-C, Lot 103) (the "Project"); and

22 WHEREAS, The Developer has requested that the City assist in the financing of
23 the Project through the issuance of one or more series of tax-exempt mortgage revenue
24 bonds (Bonds); and

25 WHEREAS, The City expects that proceeds of the Bonds will be used to pay

1 certain costs incurred in connection with the Project prior to the date of issuance of the
2 Bonds; and

3 WHEREAS, The City intends to issue the Bonds in an amount not to exceed
4 \$19,500,000 and to loan the proceeds of the Bonds to the Developer (Loan) to finance
5 the costs of the Project; and

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

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

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

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

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

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

25 WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the

1 State of California governs the allocation in the State of California of the state ceiling
2 established by Section 146 of the Code among governmental units in the State having
3 the authority to issue tax-exempt private activity bonds; and

4 WHEREAS, Section 8869.85(b) of the Government Code requires that a local
5 agency file an application for a portion of the state ceiling with or upon the direction of
6 the California Debt Limit Allocation Committee (CDLAC) prior to the issuance of tax-
7 exempt private activity bonds, including qualified mortgage bonds (the "Application");
8 and

9 WHEREAS, CDLAC procedures require an applicant for a portion of the state
10 ceiling to certify to CDLAC that applicant has on deposit an amount equal to one-half of
11 one percent (1/2%) of the amount of allocation requested not to exceed \$100,000;
12 now, therefore be it

13 RESOLVED, By the Board of Supervisors of the City and County of San
14 Francisco, as follows:

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

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

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

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

4 Section 5. The maximum principal amount of debt expected to be issued for the
5 Project is \$19,500,000.

6 Section 6. The Board of Supervisors hereby authorizes the Director, or his
7 designee of the Mayor's Office of Housing and Community Development (Director), on
8 behalf of the City, to submit an Application, and such other documents as may be
9 required, to CDLAC pursuant to Government Code Section 8869.85 for an allocation for
10 the Project of a portion of the state ceiling for private activity bonds in a principal amount
11 not to exceed \$19,500,000.

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

18 Section 8. If the City receives a CDLAC allocation and the applicable issuance
19 requirements are not met, the Mayor's Office of Housing and Community Development
20 is hereby authorized to cause an amount equal to the Deposit to be paid to the State of
21 California from the Hotel Tax Fund, if required by CDLAC.

22 Section 9. The officers and employees of the City and the Director are hereby
23 authorized and directed, jointly and severally, to do any and all things necessary or
24 advisable to consummate the receipt of an allocation from CDLAC and otherwise
25 effectuate the purposes of this Resolution, and all actions previously taken by such

1 officers and employees with respect to the Project, including but not limited to the
2 submission of the application to CDLAC, are hereby ratified and approved.

3 Section 10. This Resolution shall take effect from and after its adoption by the
4 Board and approval by the Mayor.

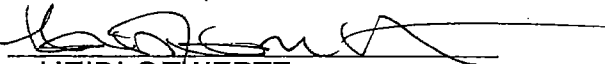
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6 APPROVED AS TO FORM:

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8 DENNIS J. HERRERA
City Attorney

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10 By: 
11 HEIDI GEWERTZ
Deputy City Attorney

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



Edwin M. Lee
Mayor

Olson Lee
Director

March 10, 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 Application to California Debt Limit Allocation Committee for Multifamily Housing Revenue Bonds for 350 Friedell Street

With this memo, I am submitting to you for introduction at the Board of Supervisors meeting on Tuesday, March 11, 2014, a resolution regarding qualified mortgage revenue bonds for 350 Friedell Street, San Francisco, a 60 unit affordable housing development sponsored by AMCAL Pacific Pointe Fund, L.P., a California limited partnership (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.

The Project will consist of 60 (22 one bedroom, 26 two bedroom units, and 11 three bedroom units (plus one manager's unit)) of affordable rental housing, a basement garage with 45 parking spaces, a community garden, central courtyards, a community room, and residential common areas. Incomes and rents at the development will serve families with incomes at or below 50% Area Median Income (AMI).

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 March 11, 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 March 21, 2014.

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,

A handwritten signature in black ink, appearing to read "Teresa Yanga", with a large, stylized flourish extending to the right.

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

Project Description

Pacific Pointe (aka, HP Shipyard – Block 49)

The project, Pacific Pointe (the Project), is located in the Hunters Point Shipyard Master Plan community of San Francisco and is on a mostly flat, rectangularly shaped 22,260 sq. ft. parcel located in the northwestern corner of the larger Shipyard Master Development. The site is bounded by Friedell Street on the east, Donahue Street on the West, Kirkwood to the North and a to be developed “pocket” park to the south

The Project is planned for 60 units (22 one bedroom, 26 two bedroom units, and 11 three bedroom units (plus one manager’s unit)) of affordable rental housing, a basement garage with 45 parking spaces, a community garden, central courtyards, a community room, and residential common areas. Incomes and rents at the development will serve families with incomes at or below 50% Area Median Income (AMI).

The building construction will consist of one level of concrete (Type I) construction with four levels of wood (Type V) construction above. The first level will consist of housing related property management offices and the community room. Upper level housing common areas will include an informal lounge and laundry room.

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee.
An ordinance, resolution, motion, or charter amendment.
- 2. Request for next printed agenda without reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Request for Closed Session (attach written motion).
- 10. Board to Sit as A Committee of the Whole.
- 11. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative

Sponsor(s):

COHEN

Subject:

Application for Multifamily Housing Revenue Bonds - 350 Fridell St.

The text is listed below or attached:

Attached

Signature of Sponsoring Supervisor:



For Clerk's Use Only:

140291

