

1 [Single Family Housing Bond REO and Refinance program]

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3 **Resolution authorizing an application by the Mayor’s Office of Housing to the California**
4 **Debt Limit Allocation Committee to permit the issuance of Single Family Housing**
5 **Bonds in an aggregate amount not to exceed \$10,115,243 to enable the purchase of**
6 **Real Estate Owned (REO) single family units by low and moderate income households**
7 **and the refinance of subprime and adjustable rate mortgages (ARM) to 30- and 40-year**
8 **amortized fixed mortgages for low and moderate income households in single family**
9 **homes.**

10 WHEREAS, There is a shortage in the City and County of San Francisco (the “City”) of
11 decent, safe and sanitary housing, particularly of housing afforded by persons in the lower
12 end of the purchasing spectrum, and a consequent need to facilitate the financing of home
13 purchases by such persons and otherwise to increase the supply of housing in the City for
14 such persons; and

15 WHEREAS, The number of Trustee Deeds Upon Sale recorded with the City and
16 County of San Francisco has increased in the past 48 months; and

17 WHEREAS, Mortgage foreclosures negatively affect San Francisco communities by
18 threatening the security of homeowners and disrupting the fabric of the neighborhoods where
19 they occur, and

20 WHEREAS, The City has, by Ordinance 245-81, adopted by the Board of Supervisors
21 on May 11, 1981, declared its intent to engage in a home finance program pursuant to Part 5
22 of Division 31 of the Health and Safety Code of the State of California, and to issue bonds
23 pursuant to said Division in furtherance of the home finance program; and

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1 WHEREAS, The Congress of the United States through H.R. 3221 provided for the
2 issuance of Single Family Housing Bonds by local government agencies to assist low and
3 moderate income first time homebuyers purchasing Real Estate Owned (REO) properties and
4 refinance of subprime and adjustable rate mortgages; and

5 WHEREAS, The Board has heretofore determined and hereby further declares that it is
6 necessary, essential and a public purpose for the City to assist low and moderate income
7 residents to establish and maintain homeownership; and

8 WHEREAS, Section 8869.85 of the Government Code requires a local agency to file
9 an application for an Allocation Single Family Housing Bonds with or upon the direction of the
10 California Debt Limit Allocation Committee (“CDLAC”) prior to the issuance of Single Family
11 Housing Bonds; and

12 WHEREAS, Section 146 of the Internal Revenue Code of 1986 (the “Code”) limits the
13 amount of Single Family Housing Bonds that may be issued in any calendar year by entities
14 within a state and authorizes the legislature of such state to provide the method of allocating
15 authority to issue Single Family Housing Bonds within such state; and

16 WHEREAS, California Government Code Sections 8869.80 *et seq.* governs the
17 process in the State of California of how a local agency may apply for an allocation of a
18 portion of the state ceiling of Single Family Housing Bonds established by Section 146 of the
19 Code among governmental units in the State having the authority to issue Certificates; and

20 WHEREAS, Section 8869.85 of the Government Code requires a local agency to file
21 an application for an Allocation Single Family Housing Bonds with or upon the direction of the
22 California Debt Limit Allocation Committee (“CDLAC”) prior to the issuance of Certificates; and
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1 WHEREAS, CDLAC procedures require an applicant for an Allocation of Single Family
2 Housing Bonds to certify to CDLAC that the applicant has on deposit an amount equal to
3 0.5% (one-half of one percent) of the Allocation request not to exceed one hundred thousand
4 dollars (\$100,000); and

5 WHEREAS, the Mayor's Office of Housing finds a need to secure an Allocation of
6 Single Family Housing Bonds to assist low and moderate-income first time homebuyers in
7 San Francisco purchasing Real Estate Owned (REO) properties and the refinance of
8 subprime and adjustable rate mortgages into 30 year and 40 year amortized fixed rate
9 mortgages; now, therefore, be it

10 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
11 hereby authorizes the Director of the Mayor's Office of Housing (the "Director"), on behalf of
12 the City and County of San Francisco, to submit an application (the "Application"), and such
13 other documents as may be required, to CDLAC pursuant to Government Code Section
14 8869.85 for an Allocation of Single Family Housing Bonds in an amount not to exceed Ten
15 Million One Hundred Fifteen Thousand Two Hundred Forty Three Dollars (\$10,115,243) and,
16 be it

17 FURTHER RESOLVED, That an amount equal to one hundred thousand dollars
18 (\$100,000) for the Application is hereby authorized to be held on deposit in connection with
19 the Application and the applicable CDLAC procedures, and the Director is authorized to certify
20 to CDLAC that such funds are available; which deposit shall consist of a restriction on cash in
21 The Home Ownership Assistance Loan Fund established pursuant to Section 10.100-108 of
22 The San Francisco Administrative Code (the "Fund"); and, be it

23 FURTHER RESOLVED, That if the City receives an Allocation of Single Family
24 Housing Bonds and the issuance requirements applicable to the bonds are not met, a cost
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1 outlay depleting the Fund in an amount not to exceed one hundred thousand dollars
2 (\$100,000) is hereby authorized if required by the State of California; and, be it

3 FURTHER RESOLVED, That the Director and the officers and employees of the City
4 are hereby authorized and directed, jointly and severally, to do any and all things necessary or
5 advisable in order to consummate the submission of the Application to CDLAC for the
6 allocation of the Single Family Housing bond for the establishment of the REO purchase and
7 Refinance Program, are hereby ratified and approved; and, be it

8 FURTHER RESOLVED, that this Resolution shall take effect from and after its
9 adoption by the Board and approval by the Mayor.

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