

1 [Multifamily Housing Revenue Bonds - 2175 Market Street]

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3 **Resolution of the City and County of San Francisco approving, for purposes of the**
4 **Internal Revenue Code of 1986, as amended, the issuance and sale of residential**
5 **mortgage revenue bonds by the City in an aggregate principal amount not to exceed**
6 **\$31,000,000; authorizing and directing the execution of any documents necessary to**
7 **implement this Resolution; and ratifying and approving any action heretofore taken in**
8 **connection with the Project (as defined herein).**

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10 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
11 "Board of Supervisors"), after careful study and consideration, has determined that there is a
12 shortage of safe and sanitary housing within the City and County of San Francisco (the "City"),
13 particularly for low and moderate income persons, and that it is in the best interest of the
14 residents of the City and in furtherance of the health, safety, and welfare of the public for the
15 City to assist in the financing of multi-family rental housing units; and,

16 WHEREAS, Acting under and pursuant to the powers reserved to the City under
17 Sections 3, 5, and 7 of Article XI of the Constitution of the State of California and Sections
18 1.101 and 9.107 of the Charter, the City has enacted the City and County of San Francisco
19 Residential Mortgage Revenue Bond Law (the "City Law"), constituting Article I of Chapter 43
20 of the San Francisco Administrative Code, in order to establish a procedure for the
21 authorization, issuance and sale of residential mortgage revenue bonds by the City for the
22 purpose of providing funds to encourage the availability of adequate housing and home
23 finance for persons and families of low or moderate income, and to develop viable
24 communities by providing decent housing, enhanced living environments, and increased
25 economic opportunities for persons and families of low or moderate income; and,

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

6 WHEREAS, FC 2175 Market Street LLC., a limited liability company (or any successor
7 thereto including any successor owner of the Project, the “Developer”), desires to construct a
8 88-unit residential rental housing development located at 2175 Market Street (the “Project”);
9 and,

10 WHEREAS, the Developer has requested that the City assist in the financing of the
11 Project through the issuance of one or more series of tax-exempt mortgage revenue bonds in
12 an amount not to exceed \$31,000,000 (the “Bonds”); and,

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

16 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
17 103 of the Internal Revenue Code of 1986, as amended (the “Code”), only if the Bonds are
18 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 to
20 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 August 22, 2012, the City caused a notice stating that a public hearing
23 with respect to the issuance of the Bonds would be held by the Mayor’s Office of Housing on
24 September 10, 2012, to appear in The San Francisco Chronicle, which is a newspaper of
25 general circulation in the City; and,

1 WHEREAS, The Mayor's Office of Housing held the public hearing described above on
2 September 10, 2012 and an opportunity was provided for persons to comment on the
3 issuance of the Bonds and the Project; and the minutes of such hearing were provided to this
4 Board of Supervisors prior to this meeting; and,

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

8 RESOLVED, by the Board of Supervisors of the City and County of San Francisco, as
9 follows:

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

12 Section 2. This Board of Supervisors, as the applicable elected representative of the
13 governmental unit having jurisdiction over the area in which the Project is located, hereby
14 approves the issuance of the Bonds in an amount not to exceed \$31,000,000 for purposes of
15 Section 147(f) of the Code.

16 Section 3. This approval of the issuance of the Bonds by the City is neither an
17 approval of the underlying credit issues of the proposed Project nor an approval of the
18 financial structure of the Bonds.

19 Section 4. The officers and employees of the City and the Director of the Mayor's
20 Office of Housing; or his designee, are hereby authorized and directed, jointly and severally,
21 to do any and all things necessary or advisable to effectuate the purposes of this Resolution,
22 and all actions previously taken by such officers and employees with respect to the Project
23 are hereby ratified and approved.

24 Section 5. This Resolution shall take effect from and after its adoption by the Board
25 and approval by the Mayor.

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APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
HEIDI GEWERTZ
Deputy City Attorney