

File No. 131214

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date January 13, 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 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 |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <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: Andrea Ausberry Date January 9, 2014

Completed by: _____ Date _____

1 [Multifamily Housing Revenue Bonds - 227-228 West Point Road - Not to Exceed
2 \$45,000,000]

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 \$45,000,000 for 227-228 West Point Road (Assessor's Parcel Number**
10 **4624-Lot Nos. 29 and 31); 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; approving, for purposes of the Internal**
16 **Revenue Code of 1986, as amended, the issuance and sale of residential**
17 **mortgage revenue bonds by the City in an aggregate principal amount not to**
18 **exceed \$45,000,000; authorizing and directing the execution of any documents**
19 **necessary to implement this Resolution; and ratifying and approving any action**
20 **heretofore taken in connection with the project, as defined herein, and the**
21 **application, as defined herein.**

22
23 WHEREAS, The Board of Supervisors of the City and County of San Francisco
24 (Board of Supervisors), after careful study and consideration, has determined that there
25 is a shortage of safe and sanitary housing within the City, particularly for low and

1 moderate income persons, and that it is in the best interest of the residents of the City
2 and in furtherance of the health, safety, and welfare of the public for the City to assist in
3 the financing of multi-family rental housing units; and

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

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

20 WHEREAS, **Hunters View Associates, LP**, a California limited partnership (or
21 any successor thereto including any successor owner of the Project, the Developer),
22 desires to construct a 107-unit residential rental housing development located at 227-
23 229 West Point Road (Assessor's Parcel Number 4624-Lots 29 and 31) San Francisco,
24 California 94124 (Project); and

25 WHEREAS, the Developer has requested that the City assist in the financing of

1 the Project through the issuance of one or more series of tax-exempt mortgage revenue
2 bonds (Bonds); and

3 WHEREAS, The City expects that proceeds of the Bonds will be used to pay
4 certain costs incurred in connection with the Project prior to the date of issuance of the
5 Bonds; and

6 WHEREAS, The City intends to issue the Bonds in an amount not to exceed
7 \$45,000,000 and to loan the proceeds of the Bonds to the Developer (Loan) to finance
8 the costs of the Project; and

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

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

16 WHEREAS, The interest on the Bonds may qualify for tax exemption under
17 Section 103 of the Internal Revenue Code of 1986, as amended (Code), only if the
18 Bonds are 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
20 to 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 November 24, 2013, the City caused a notice stating that a
23 public hearing with respect to the issuance of the Bonds would be held by the Mayor's
24 Office of Housing and Community Development on December 9, 2013, to appear in the
25 San Francisco Examiner, which is a newspaper of general circulation in the City; and

1 WHEREAS, The Mayor's Office of Housing and Community Development held
2 the public hearing described above on December 9, 2013 and an opportunity was
3 provided for persons to comment on the issuance of the Bonds and the Project; and the
4 minutes of such hearing were provided to this Board of Supervisors prior to this
5 meeting; and

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

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

14 WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the
15 State of California governs the allocation in the State of California of the state ceiling
16 established by Section 146 of the Code among governmental units in the State having
17 the authority to issue tax-exempt private activity bonds; and

18 WHEREAS, Section 8869.85(b) of the Government Code requires that a local
19 agency file an application for a portion of the state ceiling with or upon the direction of
20 the California Debt Allocation Committee (CDLAC) prior to the issuance of tax-exempt
21 private activity bonds, including qualified mortgage bonds; and

22 WHEREAS, CDLAC procedures require an applicant for a portion of the state
23 ceiling to certify to CDLAC that applicant has on deposit an amount equal to one-half of
24 one percent (1/2%) of the amount of allocation requested not to exceed \$100,000.00;
25 now, therefore be it

1 RESOLVED, By the Board of Supervisors of the City and County of San
2 Francisco, as follows:

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

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

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

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

18 Section 5. The maximum principal amount of debt expected to be issued for the
19 Project is \$45,000,000.

20 Section 6. This Board of Supervisors, as the applicable elected representative of
21 the governmental unit having jurisdiction over the area in which the Project is located,
22 hereby approves the issuance of the Bonds for purposes of Section 147(f) of the Code.

23 Section 7. This approval of the issuance of the Bonds by the City is neither an
24 approval of the underlying credit issues of the proposed Project nor an approval of the
25 financial structure of the Bonds.

1 Section 8. The Board of Supervisors hereby authorizes the Director, or his
2 designee of the Mayor's Office of Housing and Community Development (Director), on
3 behalf of the City, to submit an application (Application), and such other documents as
4 may be required, to CDLAC pursuant to Government Code Section 8869.85 for an
5 allocation for the Project of a portion of the state ceiling for private activity bonds in a
6 principal amount not to exceed \$45,000,000.

7 Section 9. An amount equal to \$100,000 (Deposit) is hereby authorized to be
8 held on deposit in connection with the Application and the applicable CDLAC
9 procedures, and the Director is authorized to certify to CDLAC that such funds are
10 available; which Deposit shall consist of a restriction on cash in the Hotel Tax Fund
11 established pursuant to Section 515.01 of Article 7 of the San Francisco Business and
12 Tax Regulations Code (Hotel Tax Fund).

13 Section 10. If the City receives a CDLAC allocation and the applicable issuance
14 requirements are not met, the Mayor's Office of Housing and Community Development
15 is hereby authorized to cause an amount equal to the Deposit to be paid to the State of
16 California from the Hotel Tax Fund, if required by CDLAC.

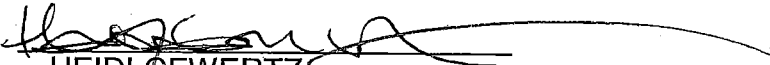
17 Section 11. The officers and employees of the City and the Director are hereby
18 authorized and directed, jointly and severally, to do any and all things necessary or
19 advisable to consummate the receipt of an allocation from CDLAC and otherwise
20 effectuate the purposes of this Resolution, and all actions previously taken by such
21 officers and employees with respect to the Project, including but not limited to the
22 submission of the application to CDLAC, are hereby ratified and approved.

23 Section 12. This Resolution shall take effect from and after its adoption by the
24 Board and approval by the Mayor.

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APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: 
HEIDI GEWERTZ
Deputy City Attorney

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



EDWIN M. LEE
MAYOR

OLSON LEE
DIRECTOR

December 16, 2013

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 227-229 West Point Road

With this memo, I am submitting to you for introduction at the Board of Supervisors meeting on Tuesday, December 17, 2013, a resolution regarding qualified mortgage revenue bonds for 227-229 West Point Road, San Francisco, Blocks 7 and 11; family housing developments located in Phase II(A) sponsored by Hunters View Association, LP (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 30 one bedroom, 32 two bedroom, 36 three bedroom, 8 four bedroom, and one five bedroom units (which includes one manager's unit), in Blocks 7 and 11. Specifically, Block 7 will include 50 units, with both apartments and row houses due to the steep topography. There will be 4 fully accessible flats, 23 adaptable flats, 1 "supervisitable" and 2 "visitable" row houses. Also, there will be three 3-story buildings, one 5-story building and a central courtyard area. Block 11 will include 57 units—7 row houses and 50 apartment homes. Five of the flats will be fully accessible, and 43 flats will be adaptable. One row house will be "supervisitable." Interior courtyard space will be activated by podium-level planters and plots for individual gardens and gathering spaces between buildings. Additionally, the project includes a small park with play equipment and space for recreational activities for residents. Incomes and rents at the Project will serve 80 households with incomes at or below 80% Area Median Income (AMI), and 26 households at or below 50% AMI.

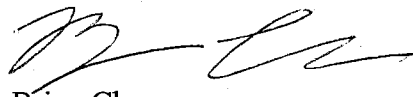
The Mayor's Office of Housing and Community Development has previously issued bonds for both rental housing and for first time homeownership. These financings are conduit financings, which do not require the City to pledge repayment of the bonds. Rather, the bondholders' only recourse for payment are 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 December 17, 2013. We would appreciate any assistance you can provide to help meet this schedule so that the City is able to submit the application on January 17, 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 'Brian Cheu', with a stylized flourish at the end.

Brian Cheu
Director of Community Development

**Project Description
Hunters View Phase II
227-229 West Point Road**

The project, Hunters View Phase II, is a part of the City of San Francisco's HOPE SF public housing transformation program, which was created to revitalize the City's most dilapidated public housing sites and transform them into mixed-income communities. Located in the Bayview Hunters Point community of San Francisco, the project is located on extremely hilly terrain with several public roads running through the site. The site is also somewhat geographically isolated from its adjacent neighbors, due to the topography and a street layout, which does not follow the typical San Francisco grid-patterned street design. The overall redevelopment of the site will connect the new property to the surrounding neighborhood with an emphasis on walkability and open space, and includes several new park spaces.

Blocks 7 and 11 in Phase II will consist of 30 one bedroom, 32 two bedroom, 36 three bedroom, 8 four bedroom, and one five bedroom units (which includes one manager's unit). Specifically, Block 7 will include 50 units, with both apartments and row houses due to the steep topography. There will be 4 fully accessible flats, 23 adaptable flats, 1 "supervisitable" and 2 "visitable" row houses. Also, there will be three 3-story buildings, one 5-story building and a central courtyard area. Block 11 will include 57 units—7 row houses and 50 apartment homes. Five of the flats will be fully accessible, and 43 flats will be adaptable. One row house will be "supervisitable." Interior courtyard space will be activated by podium-level planters and plots for individual gardens and gathering spaces between buildings. There will be 53 podium level parking spaces provided in both Blocks 7 and 11. Incomes and rents at the Project will serve 80 households with incomes at or below 80% Area Median Income (AMI), and 26 households at or below 50% AMI. Additionally, the project includes a small park with play equipment and space for recreational activities for residents.

Construction types for the apartments and row houses include Type III and V over concrete podiums, and Type V at grade for the townhomes.

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on December 9, 2013, at 11:00 a.m., in the Mayor's Office of Housing, 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, the City and County of San Francisco (the "City") will conduct a public hearing (the "Public Hearing") at which time the City will hear and consider information concerning a proposed plan of financing providing for the execution and delivery of a Multifamily Housing Revenue Note by the City (the "Note") or multifamily housing revenue bonds in one or more series, including notes or bonds issued to refund such notes or bonds in one or more series from time to time, and at no time to exceed Forty Five Million dollars (\$45,000,000). A portion of the proceeds of the Note will be loaned to HVA, L.P., a California limited partnership (or any successor thereto) (the "Borrower"), pursuant to a loan agreement (the "Loan Agreement"). The proceeds of the Note loaned to the Borrower will be used to finance the construction of a 107-unit multi-family residential rental housing development known as Hunters View Phase II (blocks 7 and 11) located at 227-229 West Point Road, San Francisco, California 94124 (the "Project"). The Project will be owned and operated by the Borrower.

The Note will be paid entirely by the Borrower from the revenues of the Project, in accordance with the Loan Agreement. Neither the full faith and credit nor the taxing power of the City, the State of California (the "State") or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal, premium, if any, or interest on the Note, nor shall the City, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal, premium, if any, or interest on the Note.

The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

All those interested in matters related to the execution and delivery of the Note and to the financing of the Project are invited to attend and be heard at this hearing. Interested parties may appear in person at the time and place indicated above or submit written comments, which must be received prior to the Public Hearing, to the City, c/o Pamela Sims, Mayor's Office of Housing and Community Development, at the address indicated above.

Date: November 25, 2013

CITY AND COUNTY OF SAN FRANCISCO

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

President, District 3
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-7450
Fax No. 554-7454
TDD/TTY No. 544-5227

*BOS-11, COB
Electronically*

DAVID CHIU
邱信福
市參事會主席

PRESIDENTIAL ACTION

Date: January 7, 2014
To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

- Waiving 30-Day Rule (Board Rule No. 3.23)
File No. _____
- Transferring (Board Rule No. 3.3)
File No. 131214
From: Budget & Finance Committee
To: Land Use & Economic Development Committee
- Assigning Temporary Committee Appointment (Board Rule No. 3.1)
Supervisor _____
Replacing Supervisor _____
For: _____ Meeting
(Date) (Committee)

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2014 JAN - 7 PM 2:49

David Chiu

David Chiu, President
Board of Supervisors

Member, Board of Supervisors
District 8



Orig: LU Comm. Clerk
COB, Leg Dep
RECEIVED
BOARD OF SUPERVISORS
City and County of San Francisco

2014 JAN -8 PM 5:02

SWB

SCOTT WIENER

威善高

DATE: January 8, 2014

TO: Angela Calvillo
Clerk of the Board of Supervisors

FROM: Supervisor Scott Wiener
Chairperson *SW*

RE: Land Use and Economic Development Committee
COMMITTEE REPORT

Pursuant to Board Rule 4.20, as Chair of the Land Use and Economic Development Committee, I have deemed the following matter is of an urgent nature and request it be considered by the full Board on January 14, 2014, as a Committee Report:

131214 Multifamily Housing Revenue Bonds - 227-228 West Point Road - Not to Exceed \$45,000,000

Resolution declaring the intent of the City and County of San Francisco (City) to reimburse certain expenditures from proceeds of future bonded indebtedness; authorizing the Director of the Mayor's Office of Housing and Community Development (Director) to submit an application and related documents to the California Debt Limit Allocation Committee (CDLAC) to permit the issuance of residential mortgage revenue bonds in an aggregate principal amount not to exceed \$45,000,000 for 227-228 West Point Road (Assessor's Parcel No. 4624, Lot Nos. 29 and 31); authorizing and directing the Director to direct the Controller's Office to hold in trust an amount not to exceed \$100,000 in accordance with CDLAC procedures; authorizing the Director to certify to CDLAC that the City has on deposit the required amount; authorizing the Director to pay an amount equal to such deposit to the State of California if the City fails to issue the residential mortgage revenue bonds; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue bonds by the City in an aggregate principal amount not to exceed \$45,000,000; authorizing and directing the execution of any documents necessary to implement this Resolution; and ratifying and approving any action heretofore taken in connection with the project, as defined herein, and the application, as defined herein.

This matter will be heard in the Land Use and Economic Development Committee on January 13, 2014 at 1:30 p.m.

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:

Multifamily Housing Revenue Bonds - 227/228 West Point Road

The text is listed below or attached:

Attached

Signature of Sponsoring Supervisor:

For Clerk's Use Only:

1/31/214

