

1 [Mortgage Credit Certificates]

2

3 **Resolution authorizing an application to the California Debt Limit Allocation Committee**
4 **to permit the issuance of Mortgage Credit Certificates.**

5

6 WHEREAS, There is a shortage in the City and County of San Francisco (the "City") of
7 decent, safe and sanitary housing, particularly of housing afforded by persons in the lower
8 end of the purchasing spectrum, and a consequent need to facilitate the financing of home
9 purchases by such persons and otherwise to increase the supply of housing in the City for
10 such persons; and

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

15 WHEREAS, The Congress of the United States by the Tax Reform Act of 1984
16 provided for the issuance of Mortgage Credit Certificates ("Certificates") by local government
17 agencies to assist low and moderate income first time homebuyers; and

18 WHEREAS, Section 146 of the Internal Revenue Code of 1986 (the "Code") limits the
19 amount of Certificates that may be issued in any calendar year by entities within a state and
20 authorizes the legislature of such state to provide the method of allocating authority to issue
21 Certificates within such state; and

22 WHEREAS, California Government Code Sections 8869.80 *et seq.* governs the
23 process in the State of California of how a local agency may apply for an allocation of a
24 portion of the state ceiling of Certificates (an "Allocation of Certificates") established by
25

1 Section 146 of the Code among governmental units in the State having the authority to issue
2 Certificates; and

3 WHEREAS, Section 8869.85 of the Government Code requires a local agency to file
4 an application for an Allocation of Certificates with or upon the direction of the California Debt
5 Limit Allocation Committee (“CDLAC”) prior to the issuance of Certificates; and

6 WHEREAS, CDLAC procedures require an applicant for an Allocation of Certificates to
7 certify to CDLAC that the applicant has on deposit an amount equal to 0.5% (one-half of one
8 percent) of the Allocation request not to exceed one hundred thousand dollars (\$100,000);
9 and

10 WHEREAS, the Board of Supervisors has since 1993 authorized the Director of the
11 Mayor’s Office of Housing to submit previous applications for Allocations of Certificates for the
12 City’s Mortgage Credit Certificate Program (the “MCC Program”), which applications were
13 approved by CDLAC for a total of \$ 145,348,270 from 1993 to 2006; and

14 WHEREAS, the Mayor’s Office of Housing finds a continuing need to secure an
15 Allocations of Certificates to assist low and moderate-income first time homebuyers in San
16 Francisco; now, therefore, be it

17 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
18 hereby authorizes the Director of the Mayor’s Office of Housing (the “Director”), on behalf of
19 the City and County of San Francisco, to submit an application (the “Application”), and such
20 other documents as may be required, to CDLAC pursuant to Government Code Section
21 8869.85 for an Allocation of Certificates in an amount not to exceed twenty million dollars
22 (\$20,000,000); and, be it

23 FURTHER RESOLVED, That an amount equal to one hundred thousand dollars
24 (\$100,000) for the Application is hereby authorized to be held on deposit in connection with

25

1 the Application and the applicable CDLAC procedures, and the Director is authorized to certify
2 to CDLAC that such funds are available; which deposit shall consist of a restriction on cash in
3 the Home Ownership Assistance Loan Fund established pursuant to Section 10.100-108 of
4 the San Francisco Administrative Code (the "Fund"); and, be it

5 FURTHER RESOLVED, That if the City receives an Allocation of Certificates and the
6 issuance requirements applicable to Certificates are not met, a cost outlay depleting the Fund
7 in an amount not to exceed one hundred thousand dollars (\$100,000) is hereby authorized if
8 required by the State of California; and, be it

9 FURTHER RESOLVED, That the Director and the officers and employees of the City
10 are hereby authorized and directed, jointly and severally, to do any and all things necessary or
11 advisable in order to consummate the receipt of an Allocation of Certificates and the issuance
12 of Certificates and otherwise effectuate the purposes of this resolution, and all actions
13 previously taken by such officers and employees in connection with the establishment of the
14 MCC Program and issuance of the Certificates including the submission of the Application to
15 CDLAC, are hereby ratified and approved; and, be it

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

18
19
20
21
22
23
24
25