

1 [Multifamily Housing Revenue Bonds - 575 Eddy Street Apartments.]
2

3 **Resolution declaring the intent of the City and County of San Francisco (the "City") to**
4 **reimburse certain expenditures from proceeds of future bonded indebtedness;**
5 **authorizing the Director of the Mayor's Office of Housing (the "Director") to submit an**
6 **application and related documents to the California Debt Limit Allocations Committee**
7 **("CDLAC") to permit the issuance of qualified mortgage revenue bonds in an aggregate**
8 **principal amount not to exceed \$5,000,000 for 575 Eddy Street Apartments; authorizing**
9 **and directing the Director to direct the Controller's Office to hold in trust an amount not**
10 **to exceed \$25,000 in accordance with CDLAC procedures; authorizing the Director to**
11 **certify to CDLAC that the City has on deposit the required amount; authorizing the**
12 **Director to pay an amount equal to such deposit to the State of California if the City**
13 **fails to issue the qualified mortgage revenue bonds; approving, for purposes of the**
14 **Internal Revenue Code of 1986, as amended, the issuance and sale of mortgage**
15 **revenue bonds by the City in an aggregate principal amount not to exceed \$5,000,000;**
16 **authorizing and directing the execution of any documents necessary to implement this**
17 **Resolution; and ratifying and approving any action heretofore taken in connection with**
18 **the Project (as defined herein) and the Application (as defined herein).**
19

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

Supervisor Daly
Mayor Gavin Newsom
BOARD OF SUPERVISORS

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

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

16 WHEREAS, ASIAN, Inc., a California nonprofit corporation (the "Developer"), desires to
17 rehabilitate and reconstruct a 47-unit multi-family residential rental housing development at
18 575 Eddy Street to be known as the 575 Eddy Street Apartments (the "Project"); and,

19 WHEREAS, The Developer has requested that the City assist in the financing of the
20 Project through the issuance of one or more series of tax-exempt mortgage revenue bonds
21 (the "Bonds") and a loan of the proceeds of such issuance to the Developer; and,

22 WHEREAS, The City expects that proceeds of the Bonds will be used to pay certain
23 costs incurred on and after the date hereof by the Developer in connection with the Project;
24 and,

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1 WHEREAS, The City intends to issue the Bonds in an amount not to exceed
2 \$5,000,000 to finance the costs of the Project; and,

3 WHEREAS, The Board of Supervisors has determined that the moneys advanced and
4 to be advanced to pay certain expenditures of the Project are or will be available only for a
5 temporary period and it is necessary to reimburse all such expenditures made on and after
6 the date hereof with respect to the Project from the proceeds of the Bonds; and,

7 WHEREAS, Section 1.150-2 of the Treasury Regulations requires the Board of
8 Supervisors to declare its reasonable official intent to reimburse prior expenditures for the
9 Project with proceeds of a borrowing; and,

10 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
11 103 of the Internal Revenue Code of 1986, as amended (the "Code"), only if the Bonds are
12 approved in accordance with Section 147(f) of the Code; and,

13 WHEREAS, The City now wishes to approve the issuance of the Bonds in order to
14 satisfy the public approval requirements of Section 147(f) of the Code; and,

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

16 WHEREAS, On April 6, 2005, the City caused a notice stating that a public hearing with
17 respect to the issuance of the Bonds would be held by the Mayor's Office of Housing on April
18 22, 2005, to appear in *The San Francisco Chronicle*, which is a newspaper of general
19 circulation in the City; and,

20 WHEREAS, The Mayor's Office of Housing has held the public hearing described
21 above on April 22, 2005 and an opportunity was provided for persons to comment on the
22 issuance of the Bonds and the Project; and,

23 WHEREAS, This Board of Supervisors is the elected legislative body of the City and is
24 the applicable elected representative required to approve the issuance of the Bonds within the
25 meaning of Section 147(f) of the Code; and,

1 WHEREAS, Section 146 of the Code limits the amount of qualified mortgage revenue
2 bonds that may be issued in any calendar year by entities within a state and authorizes the
3 legislature of such state to provide the method of allocating authority to issue qualified
4 mortgage revenue bonds within such state; and,

5 WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State
6 of California governs the allocation in the State of California of the state ceiling established by
7 Section 146 of the Code among governmental units in the State having the authority to issue
8 qualified mortgage revenue bonds; and,

9 WHEREAS, Section 8869.85 of the Government Code requires a local agency to file
10 an application for a portion of the state ceiling with or upon the direction of the California Debt
11 Allocation Committee ("CDLAC") prior to the issuance of qualified mortgage revenue bonds;
12 and,

13 WHEREAS, CDLAC procedures require an applicant for a portion of the state ceiling to
14 certify to CDLAC that applicant has on deposit an amount equal to one-half of one percent
15 (1/2%) of the amount of allocation requested; now, therefore be it

16 RESOLVED, by the Board of Supervisors of the City and County of San Francisco, as
17 follows:

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

20 Section 2. The Board of Supervisors adopts this Resolution for purposes of
21 establishing compliance with the requirements of Section 1.150-2 of the Treasury
22 Regulations. This Resolution does not bind the Board of Supervisors to make any
23 expenditure, incur any indebtedness or proceed with the Project.

24 Section 3. The Board of Supervisors hereby declares its official intent under Treasury
25 Regulations Section 1.150-2 and declares its intent to use proceeds of indebtedness to

1 reimburse all future expenditures incurred in connection with the Project. The Board of
2 Supervisors hereby further declares its intent to use such proceeds to reimburse the
3 Developer for actual expenditures made by the Developer on the Project.

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

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

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

12 Section 7. This approval of the issuance of the Bonds by the City is neither an
13 approval of the underlying credit issues of the proposed Project nor an approval of the
14 financial structure of the Bonds.

15 Section 8. The Board of Supervisors hereby authorizes the Director of the Mayor's
16 Office of Housing (the "Director"), on behalf of the City, to submit an application (the
17 "Application"), and such other documents as may be required, to CDLAC pursuant to
18 Government Code Section 8869.85 for an allocation of a portion of the state ceiling for private
19 activity bonds in a principal amount not to exceed \$5,000,000 for qualified mortgage revenue
20 bonds.


21 Section 9. An amount equal to \$25,000 ("Deposit") is hereby authorized to be held on
22 deposit in connection with the Application and the applicable CDLAC procedures, and the
23 Director is authorized to certify to CDLAC that such funds are available; which Deposit shall
24 consist of a restriction on cash in the Hotel Tax Fund established pursuant to Section 515.01
25 of Article 7 of the San Francisco Business and Tax Regulations Code (the "Hotel Tax Fund").

1 Section 10. If the City receives a CDLAC allocation and the applicable issuance
2 requirements are not met, the Mayor's Office of Housing is hereby authorized to cause an
3 amount equal to the Deposit to be paid to the State of California from the Hotel Tax Fund, if
4 required.

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

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

13
14 APPROVED AS TO FORM:
15 DENNIS J. HERRERA
16 City Attorney

17 By: 
18 Michael Martin
19 Deputy City Attorney
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24
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City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Resolution

File Number: 051044

Date Passed:

Resolution declaring the intent of the City and County of San Francisco (the "City") to reimburse certain expenditures from proceeds of future bonded indebtedness; authorizing the Director of the Mayor's Office of Housing (the "Director") to submit an application and related documents to the California Debt Limit Allocations Committee ("CDLAC") to permit the issuance of qualified mortgage revenue bonds in an aggregate principal amount not to exceed \$5,000,000 for 575 Eddy Street Apartments; authorizing and directing the Director to direct the Controller's Office to hold in trust an amount not to exceed \$25,000 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 qualified mortgage revenue bonds; approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of mortgage revenue bonds by the City in an aggregate principal amount not to exceed \$5,000,000; 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).

August 2, 2005 Board of Supervisors — ADOPTED

Ayes: 10 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell,
Mirkarimi, Peskin, Sandoval

Absent: 1 - McGoldrick

File No. 051044

I hereby certify that the foregoing Resolution
was ADOPTED on August 2, 2005 by the
Board of Supervisors of the City and County
of San Francisco.

AUG 12 2005

Date Approved

Kay Gulberg

Gloria L. Young
Clerk of the Board

Mayor Gavin Newsom