

File No. 141230

Committee Item No. 8

Board Item No. 31

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date December 10, 2014

Board of Supervisors Meeting

Date 12/14/14

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
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| <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 checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input 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 |
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| <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 |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Public Hearing Notice</u> |
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Completed by: Linda Wong Date December 5, 2014

Completed by: L.W. Date 12/11/14

1 [Multifamily Housing Revenue Bonds - 588 Mission Bay Boulevard North (also known as
2 Mission Bay South Block 7 West) - Not to Exceed \$62,500,000]

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 Development**
6 **(Director) to submit an application and related documents to the California Debt Limit**
7 **Allocation Committee (CDLAC) to permit the issuance of residential mortgage revenue**
8 **bonds in an aggregate principal amount not to exceed \$62,500,000 for 588 Mission Bay**
9 **Boulevard North (also known as Mission Bay South Block 7 West), San Francisco,**
10 **California 94107; authorizing and directing the Director to direct the Controller's Office**
11 **to hold in trust an amount not to exceed \$100,000 in accordance with CDLAC**
12 **procedures; authorizing the Director to certify to CDLAC that the City has on deposit**
13 **the required amount; authorizing the Director to pay an amount equal to such deposit**
14 **to the State of California if the City fails to issue the residential mortgage revenue**
15 **bonds; approving, for purposes of the Internal Revenue Code of 1986, as amended, the**
16 **issuance and sale of residential mortgage revenue bonds by the City in an aggregate**
17 **principal amount not to exceed \$ 62,500,000; authorizing and directing the execution of**
18 **any documents necessary to implement this Resolution; and ratifying and approving**
19 **any action heretofore taken in connection with the Project (as defined herein) and the**
20 **Application (as defined herein).**

21
22 WHEREAS, The Board of Supervisors of the City and County of San Francisco (Board
23 of Supervisors), after careful study and consideration, has determined that there is a shortage
24 of safe and sanitary housing within the City, particularly for low and moderate income
25 persons, and that it is in the best interest of the residents of the City and in furtherance of the

1 health, safety, and welfare of the public for the City to assist in the financing of multi-family
2 rental housing units; and

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

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

18 WHEREAS, **Mission Bay Block 7 Housing Partners, LP**, a California limited
19 partnership formed by Related Companies (or any successor thereto including any successor
20 owner of the Project) Developer), desires to construct a 200-unit residential rental housing
21 development located at 588 Mission Bay Boulevard North (also known as Mission Bay South
22 Block 7 West), San Francisco, California 94107 (Project); and

23 WHEREAS, The Developer has requested that the City assist in the financing of the
24 Project through the issuance of one or more series of tax-exempt mortgage revenue bonds
25 (Bonds); and

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

3 WHEREAS, The City intends to issue the Bonds in an amount not to exceed
4 \$62,500,000 and to loan the proceeds of the Bonds to the Developer (Loan) to finance costs
5 of the Project; and

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

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

13 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
14 103 of the Internal Revenue Code of 1986, as amended (Code), only if the Bonds are
15 approved in accordance with Section 147(f) of the Code; and

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

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

19 WHEREAS, On October 28, 2014, the City caused a notice stating that a public
20 hearing with respect to the issuance of the Bonds would be held by the Mayor's Office of
21 Housing and Community Development on November 12, 2014, to appear in The San
22 Francisco Chronicle, which is a newspaper of general circulation in the City; and

23 WHEREAS, The Mayor's Office of Housing and Community Development held the
24 public hearing described above on November 12, 2014, and an opportunity was provided for
25

1 persons to comment on the issuance of the Bonds and the Project; and the minutes of such
2 hearing were provided to this Board of Supervisors prior to this meeting; and

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

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

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

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

18 WHEREAS, CDLAC procedures require an applicant for a portion of the state ceiling to
19 certify to CDLAC that the applicant has on deposit an amount equal to one-half of one percent
20 (0.5%) of the amount of allocation requested but not to exceed \$100,000; now, therefore be it

21 RESOLVED, By the Board of Supervisors of the City and County of San
22 Francisco, as follows:

23 Section 1. The Board of Supervisors finds and determines that the foregoing recitals
24 are true and correct.
25

1 Section 2. The Board of Supervisors adopts this Resolution for purposes of
2 establishing compliance with the requirements of Section 1.150-2 of the United States
3 Treasury Regulations. This Resolution does not bind the Board of Supervisors to issue the
4 Bonds or to make any expenditure, incur any indebtedness or proceed with the Project.

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

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

13 Section 5. The maximum principal amount of debt expected to be issued for the Project
14 is \$62,500,000.

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

18 Section 7. This approval of the issuance of the Bonds by the City is neither an approval
19 of the underlying credit issues of the proposed Project nor an approval of the
20 financial structure of the Bonds.

21 Section 8. The Board of Supervisors hereby authorizes the Director, of the Mayor's
22 Office of Housing and Community Development (Director), on behalf of the City, to submit an
23 application (Application), and such other documents as may be required, to CDLAC pursuant
24 to Government Code Section 8869.85 for an allocation for the Project of a portion of the state
25 ceiling for private activity bonds in a principal amount not to exceed \$62,500,000.

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

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

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

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

18 APPROVED AS TO FORM:
19 DENNIS J. HERRERA
20 City Attorney

21
22 By: _____
23 HEIDI GEWERTZ
24 Deputy City Attorney

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22 By: 
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24 Deputy City Attorney

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SAN FRANCISCO EXAMINER

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835 MARKET ST, SAN FRANCISCO, CA 94103
Telephone (415) 359-2811 / Fax (415) 359-2660

Pamela Sims
SF MAYOR'S OFFICE OF HOUSING
ONE SOUTH VAN NESS AVE 5TH FLR
SAN FRANCISCO, CA - 94103-5416

CNS#: 2682641

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of SAN FRANCISCO) ss

Notice Type: GPN - GOVT PUBLIC NOTICE

Ad Description:

TEFRA Hearing - MBS 7W

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the SAN FRANCISCO EXAMINER, a newspaper published in the English language in the city of SAN FRANCISCO, county of SAN FRANCISCO, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of SAN FRANCISCO, State of California, under date 10/18/1951, Case No. 410667. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

10/28/2014

Executed on: 10/28/2014
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.



Signature

NOTICE OF PUBLIC HEARING
NOTICE IS HEREBY GIVEN that on November 12, 2014, at 10:00 a.m., at the Mayor's Office of Housing and Community Development, 1 South Van Ness Avenue, 5th Floor, San Francisco, California 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 the proposed sale and issuance by the City of private activity multifamily affordable housing mortgage revenue bonds (the "Bonds") in an aggregate principal amount not to exceed sixty-two million five hundred thousand dollars (\$62,500,000). All or a portion of the proceeds of the Bonds will be loaned to Mission Bay Block 7 Housing Partners, LP (or any successor thereto including any successor owner of the Project) (the "Borrower"), pursuant to a loan agreement (the "Loan Agreement"). The proceeds of the Bonds loaned to the Borrower will be used to finance the construction of up to 200 affordable rental units located at 588 Mission Bay Boulevard North (aka, Mission Bay South Block 7 West, 4th Street between China Basin Street and Mission Bay Boulevard), San Francisco, California 94107, including ground floor retail along Fourth Street, a 52 space parking structure, at-grade and podium level courtyards, common amenity spaces for residents, and accessory use spaces (the "Project"). The Project will be owned and operated by the Borrower (or any successor thereto). The Bonds 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 Bonds, 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 Bonds. 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 issuance of the Bonds 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, Office of Community Investment and Infrastructure, at the address indicated above. Date: October 29, 2014
CITY AND COUNTY OF SAN FRANCISCO
Teresa Yanga, Housing Development Director
Mayor's Office of Housing and Community Development
10/28/14
CNS-2682641#
SAN FRANCISCO EXAMINER



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Print Form

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
MAY 25 11:39 AM

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
for 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. Reactivate File No. []
- 10. 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 Form.

Sponsor(s):

Supervisor Kim

Subject:

Multifamily Housing Revenue Bonds -- 588 Mission Bay Boulevard North (also known as Mission Bay South Block 7 West) -- Not to Exceed \$62,500,000

The text is listed below or attached:

See attached

Signature of Sponsoring Supervisor:

For Clerk's Use Only:

141230