

Mayor's Office of Housing and Community Development  
City and County of San Francisco



Edwin M. Lee  
Mayor

Olson Lee  
Director

February 3, 2015

Honorable Mayor Lee  
City and County of San Francisco  
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 1601 Mariposa Street.

With this memo, I am submitting to you for introduction at the Board of Supervisors meeting on Tuesday, February 3, 2015, a resolution regarding qualified mortgage revenue bonds for 1601 Mariposa Street, a residential housing development sponsored by Related California. The resolution would authorize the Director of this office to submit an application to the California Debt Limit Allocation Committee for permission to issue such bonds in an amount not to exceed \$200,000,000, and to declare the intent of the City and County of San Francisco to reimburse certain expenditures from proceeds of future bonded indebtedness should the proposed project be approved and entitled. This resolution is related to the proposed project's financing mechanism only, and would authorize us to apply for an allocation of bond issuing authority. Should we receive authority, we will need to return to the Board for permission to actually issue the bonds if the proposed development project is approved. Funds generated from the issuance and sale of the bonds would be used to finance construction of the project.

The sponsor is proposing the new construction of approximately 320 units of rental housing located at 1601 Mariposa Street. Eighty percent of the units (256 units) would be market rate and twenty percent (64 units) would be affordable.

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 is the project revenues themselves and the credit enhancement provided by lenders.

In order to meet the inducement deadline prior to incurring costs, the resolution must be introduced at the Board no later than February 3, 2015 and return to the full Board for approval no later than Tuesday, February 24, 2015.

The attached resolution has been approved as-to-form by Deputy City Attorney Kenneth Roux. 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 Joan McNamara at 701-5532.

Thank you,

A handwritten signature in cursive script, appearing to read "Teresa Yanga".

Teresa Yanga  
Director, Multifamily Housing