

File No. 161113

Committee Item No. 1

Board Item No. 27

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget & Finance Committee

Date November 2, 2016

Board of Supervisors Meeting

Date November 15, 2016

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- Department/Agency Cover Letter and/or Report
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Completed by: Linda Wong Date October 28, 2016

Completed by: Linda Wong Date November 9, 2016

1 [Residential Mortgage Revenue Bonds or Notes - 1601 Mariposa Apartments - Not to
2 Exceed \$240,000,000]

3 **Resolution approving, for purposes of the Internal Revenue Code of 1986, as amended,**
4 **the issuance and sale of residential mortgage revenue bonds or notes by the City in an**
5 **aggregate principal amount not to exceed \$240,000,000 for the purpose of providing**
6 **financing for the acquisition, construction and development of an approximately 299-**
7 **unit multifamily rental housing project, in part for low or very low income persons or**
8 **households, located in the City at 1601 and 1677 Mariposa Street, 485-497 Carolina**
9 **Street, 395 and 420 Wisconsin Street and 210 Arkansas Street; authorizing and**
10 **directing the execution of any documents necessary to implement this Resolution; and**
11 **ratifying and approving any action heretofore taken in connection with the Project, as**
12 **defined herein, and the Application, as defined herein.**

13
14 WHEREAS, The Board of Supervisors of the City and County of San Francisco (Board
15 of Supervisors), after careful study and consideration, has determined that there is a shortage
16 of safe and sanitary housing within the City, particularly for low and moderate income
17 persons, and that it is in the best interest of the residents of the City and in furtherance of the
18 health, safety, and welfare of the public for the City to assist in the financing of multi-family
19 rental housing units; and

20 WHEREAS, Acting under and pursuant to the powers reserved to the City under
21 Sections 3, 5, and 7 of Article XI of the Constitution of the State of California and Sections
22 1.101 and 9.107 of the Charter, the City has enacted the City and County of San Francisco
23 Residential Mortgage Revenue Bond Law (City Law), constituting Article I of Chapter 43 of the
24 San Francisco Administrative Code, in order to establish a procedure for the authorization,
25 issuance and sale of residential mortgage revenue bonds by the City for the purpose of

1 providing funds to encourage the availability of adequate housing and home finance for
2 persons and families of low or moderate income, and to develop viable communities by
3 providing decent housing, enhanced living environments, and increased economic
4 opportunities for persons and families of low or moderate income; and

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

10 WHEREAS, Related/Mariposa Development Co., LLC, a California limited liability
11 company, or an entity formed thereby or by an affiliate thereof (or any successor thereto
12 including any successor owner of the Project, the Developer), desires to construct an
13 approximately 299-unit residential rental housing development, in part for low or very low
14 income persons or households, located at 1601 and 1677 Mariposa Street, 485-497 Carolina
15 Street, 395 and 420 Wisconsin Street and 210 Arkansas Street, San Francisco, California
16 94107 (Project); and

17 WHEREAS, the Developer has requested that the City assist in the financing of the
18 Project through the issuance of one or more series of tax-exempt residential mortgage
19 revenue bonds or notes (Bonds); and

20 WHEREAS, The City intends to issue the Bonds in an amount not to exceed
21 \$240,000,000 and to loan the proceeds of the Bonds to the Developer (Loan) to finance costs
22 of the Project; and

23 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
24 103 of the Internal Revenue Code of 1986, as amended (Code), only if the Bonds are
25 approved in accordance with Section 147(f) of the Code; and

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

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

4 WHEREAS, On June 16, 2016, the City caused a notice, stating that a public hearing
5 with respect to the issuance of the Bonds would be held by the Mayor's Office of Housing and
6 Community Development on July 1, 2016, to appear in *The San Francisco Chronicle*, which is
7 a newspaper of general circulation in the City; and

8 WHEREAS, The Mayor's Office of Housing and Community Development held the
9 public hearing described above on July 1, 2016, and an opportunity was provided for persons
10 to comment on the issuance of the Bonds and the Project; and the minutes of such hearing
11 were provided to this Board of Supervisors prior to this meeting; and

12 WHEREAS, This Board of Supervisors is the elected legislative body of the City and is
13 the applicable elected representative authorized to approve the issuance of the Bonds within
14 the meaning of Section 147(f) of the Code; now, therefore be it

15 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
16 follows:

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

19 Section 2. The Board of Supervisors adopts this Resolution for purposes of
20 establishing compliance with the requirements of Section 147(f) of the Code. This Resolution
21 does not bind the Board of Supervisors to issue the Bonds or to make any expenditure, incur
22 any indebtedness or proceed with the Project.

23 Section 3. For purposes of Section 147(f) of the Code, this Board of Supervisors, as
24 the applicable elected representative of the governmental unit having jurisdiction over the
25

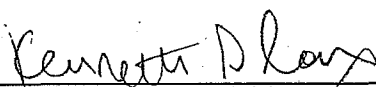
1 area in which the Project is located, hereby approves the issuance of the Bonds in the
2 maximum principal amount of \$240,000,000, for the purposes described herein.

3 Section 4. This approval of the issuance of the Bonds by the City is neither an approval
4 of the underlying credit issues of the proposed Project nor an approval of the financial
5 structure of the Bonds.

6 Section 5. The officers and employees of the City and the Director are hereby
7 authorized and directed, jointly and severally, to do any and all things consistent with this
8 Resolution necessary or advisable to effectuate the purposes of this Resolution; and all
9 actions previously taken by such officers and employees with respect to the Project consistent
10 with Resolution, are hereby ratified and approved.

11 Section 6. This Resolution shall take effect from and after its adoption by the Board and
12 approval by the Mayor.

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

17 By: 
18 KENNETH D. ROUX
19 Deputy City Attorney
20 n:\financlas2016\1300370\01143063.docx

SAN FRANCISCO CHRONICLE

This space for filing stamp only

925 MISSION ST, SAN FRANCISCO, CA 94103
Telephone (415) 615-3562 / Fax (415) 348-3084

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of SAN FRANCISCO) ss

Notice Type: GPN - GOVT PUBLIC NOTICE

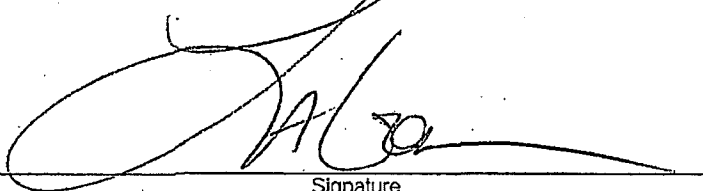
Ad Description:
1601 Mariposa TEFRA Ad

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 CHRONICLE, a newspaper published in the English language in the city 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 of 11/13/1951, Case No.411596. 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:

06/16/2016

Executed on: 06/16/2016
At SAN FRANCISCO, CA

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


Signature

CNS#: 2893419

NOTICE OF PUBLIC HEARING
NOTICE IS HEREBY GIVEN that on Friday, July 1, 2016 at 10:00 a.m., in the Mayor's Office of Housing and Community Development, 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 the proposed sale and issuance by the City of multifamily affordable housing mortgage revenue bonds (the "Bonds") in an aggregate principal amount not to exceed two hundred forty million dollars (\$240,000,000). A portion of the proceeds of the Bonds will be loaned to Related/Mariposa Development Co., LLC, a California limited liability company (or any successor thereto) (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 approximately 289 units of residential rental housing located at 1601 & 1677 Mariposa Street, 485-497 Carolina Street, 395 & 420 Wisconsin Street, and 210 Arkansas Street, San Francisco, California 94107 (the "Project"). The Project will be owned and operated by the Borrower (or an affiliate thereof or 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 Adam Cray, Mayor's Office of Housing and Community Development, at the address indicated above. Date: June 16, 2016

CITY AND COUNTY OF SAN FRANCISCO
Olson Lee, Director
Mayor's Office of Housing and Community Development



Email * A 0 0 0 0 0 4 1 3 4 8 9 4 * 10126

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



Edwin M. Lee
Mayor

Olson Lee
Director

TEFRA Hearing Minutes

Project Name: 1601 Mariposa

Project Address: 1601 & 1677 Mariposa Street, 485-497 Carolina Street, 395 & 420 Wisconsin Street, and 210 Arkansas Street, San Francisco, California 94107

Project Block/Lots: 4005/001B, 4005/004, 4006/006, 4006/010, 4006/019, 4006/020

Hearing Location: City and County of San Francisco
Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

Hearing Date/Time: July 1, 2016 from 10:00 a.m. to 11:00 a.m.

The hearing was called to order by Adam Cray of the San Francisco Mayor's Office of Housing and Community Development ("MOHCD") at 10:00 a.m. The only other party in attendance was Matthew Keipper of Related/Mariposa Development Co, LLC, the project's developer.

1. Explanation of the Purpose for the Hearing

The Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") is a federal law requiring any issuer of tax-exempt bonds to provide a reasonable opportunity for interested individuals to express their views, either orally or in writing, on the issuance of the bonds and the nature of the improvements and projects for which the bond funds will be allocated. Thus, as the issuer of the tax-exempt bonds financing the subject project, the City and County of San Francisco held the TEFRA hearing to provide those interested in discussing the project the opportunity to comment and ask questions.

2. Comments and Questions from Interested Parties

As no parties other than the MOHCD and developer staff noted above were in attendance, there were no comments or questions.

The hearing was adjourned at 11:00 a.m.

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *EML* Mayor Edwin M. Lee *NE*
RE: Residential Mortgage Revenue Bonds or Notes – 1601 Mariposa
Apartments
DATE: October 18, 2016

Attached for introduction to the Board of Supervisors is a resolution approving, for purposes of the Internal Revenue Code of 1986, as amended, the issuance and sale of residential mortgage revenue bonds or notes by the City in an aggregate principal amount not to exceed \$240,000,000 for the purpose of providing financing for the acquisition; construction and development of an approximately 299-unit multifamily rental housing project, in part for low or very low income persons or households; located in the City at 1601 and 1677 Mariposa Street, 485-497 Carolina Street, 395 and 420 Wisconsin Street and 210 Arkansas Street; 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).

I respectfully request that this item be calendared in Budget & Finance Committee on November 2, 2016.

Should you have any questions, please contact Nicole Elliott at (415) 554-7940.

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2016 OCT 18 PM 3:28
BY _____ AK