

1 [Application to the California Debt Limit Allocation Committee - Mortgage Credit Certificates -  
2 Not to Exceed \$50,000,000]

3 **Resolution authorizing an application to the California Debt Limit Allocation Committee**  
4 **to permit the issuance of Mortgage Credit Certificates, for an amount not to exceed**  
5 **\$50,000,000 to assist low- and moderate-income, first-time homebuyers in San**  
6 **Francisco.**

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

13 WHEREAS, The City has, by Ordinance No. 245-81, adopted by the Board of  
14 Supervisors on May 11, 1981, declared its intent to engage in a home finance program  
15 pursuant to Part 5 of Division 31 of the Health and Safety Code of the State of California, and  
16 to issue bonds pursuant to said Division in furtherance of the home finance program; and

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

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

1 WHEREAS, California Government Code, Sections 8869.80 et seq. governs the process in the  
2 State of California of how a local agency may apply for an allocation of a portion of the state ceiling of  
3 Certificates (an Allocation of Certificates) established by Section  
4 146 of the Code among governmental units in the State having the authority to issue Certificates; and

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

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

11 WHEREAS, The Board of Supervisors has since 1993 authorized the Director of the Mayor's  
12 Office of Housing and Community Development to submit previous applications for Allocations of  
13 Certificates for the City's Mortgage Credit Certificate Program (the MCC Program); and

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

17 RESOLVED, That the Board of Supervisors of the City hereby authorizes the Director of the  
18 Mayor's Office of Housing and Community Development, on behalf of the City and County of San  
19 Francisco, to submit an application (the Application), and other documents as may be required, to  
20 CDLAC pursuant to Government Code, Section 8869.85 for an Allocation of Certificates in an amount  
21 not to exceed fifty million dollars (\$50,000,000); and, be it

22 FURTHER RESOLVED, That an amount equal to one hundred thousand dollars  
23 (\$100,000) for the Application is hereby authorized to be held on deposit in connection with  
24 the Application and the applicable CDLAC procedures, and the Director is authorized to certify  
25 to CDLAC that such funds are available; which deposit shall consist of a restriction on funds in

1 the Home Ownership Assistance Loan Fund established pursuant to Section 10.100-108 of  
2 the San Francisco Administrative Code (the Fund); and, be it

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

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

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

16  
17 APPROVED AS TO FORM:  
18 DENNIS J. HERRERA, City Attorney

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20 By: \_\_\_\_\_  
21 Mark D. Blake  
22 Deputy City Attorney  
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