

1 [Multifamily Housing Revenue Bonds - 1990 Folsom Street - Not to Exceed \$90,000,000]

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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 and Community Development**
6 **(the “Director”) to submit an application and related documents to the California Debt**
7 **Limit Allocation Committee (“CDLAC”) to permit the issuance of residential mortgage**
8 **revenue bonds in an aggregate principal amount not to exceed \$90,000,000 for**
9 **1990 Folsom Street; authorizing and directing the Director to direct the Controller’s**
10 **Office to hold in trust an amount not to exceed \$100,000 in accordance with CDLAC**
11 **procedures; authorizing the Director to certify to CDLAC that the City has on deposit**
12 **the required amount; authorizing the Director to pay an amount equal to such deposit**
13 **to the State of California if the City fails to issue the residential mortgage revenue**
14 **bonds; authorizing and directing the execution of any documents necessary to**
15 **implement this Resolution; and ratifying and approving any action heretofore taken in**
16 **connection with the Project, as defined herein, and the Application, as defined herein.**

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

24 WHEREAS, Acting under and pursuant to the powers reserved to the City under
25 Sections 3, 5, and 7 of Article XI of the Constitution of the State of California and Sections

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

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

15 WHEREAS, 1990 Folsom Housing Associates, LP, a California limited partnership (or
16 any successor thereto including any successor owner of the Project, the “Developer”), desires
17 to construct a 143-unit affordable residential rental housing development located at 1990
18 Folsom Street, San Francisco, California 94103 (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 or
21 notes (the “Bonds”); and

22 WHEREAS, The City expects that proceeds of the Bonds will be used to pay certain
23 costs incurred in connection with the Project prior to the date of issuance of the Bonds; and
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1 WHEREAS, The City intends to issue the Bonds in an amount not to exceed
2 \$90,000,000 and to loan the proceeds of the Bonds to the Developer (the "Loan") to finance
3 the costs of the Project; and

4 WHEREAS, The Bonds will be limited obligations, payable solely from pledged
5 security, including Project revenues, and will not constitute a debt of the City; 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 Project is located wholly within the City; and

14 WHEREAS, Section 146 of the Internal Revenue Code of 1986, as amended (the
15 "Code") limits the amount of tax-exempt private activity bonds, which include qualified
16 mortgage bonds, that may be issued in any calendar year by entities within a state and
17 authorizes the legislature of each state to provide the method of allocating authority to issue
18 tax-exempt private activity bonds within the respective state; and,

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

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

3 WHEREAS, CDLAC procedures require an applicant for a portion of the state ceiling to
4 certify to CDLAC that applicant has on deposit an amount equal to one-half of one percent
5 (1/2%) of the amount of allocation requested not to exceed \$100,000.00; now, therefore be it

6 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
7 follows:

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

10 Section 2. The Board of Supervisors adopts this Resolution for purposes of
11 establishing compliance with the requirements of Section 1.150-2 of the United States
12 Treasury Regulations. This Resolution does not bind the Board of Supervisors to issue the
13 Bonds, approve the Loan or to make any expenditure, incur any indebtedness or proceed with
14 the Project.

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

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

23 Section 5. The maximum principal amount of debt expected to be issued for the Project
24 is \$90,000,000.

1 Section 6. The Board of Supervisors hereby authorizes the Director of the Mayor’s
2 Office of Housing and Community Development, or her designee (the “Director”), on behalf of
3 the City, to submit an application (the “Application”), and such other documents as may be
4 required, to CDLAC pursuant to Government Code Section 8869.85 for an allocation for the
5 Project of a portion of the state ceiling for private activity bonds in a principal amount not to
6 exceed \$90,000,000.

7 Section 7. An amount equal to \$100,000 (“Deposit”) is hereby authorized to be held on
8 deposit in connection with the Application and the applicable CDLAC procedures, and the
9 Director is authorized to certify to CDLAC that such funds are available.

10 Section 8. If the City receives a CDLAC allocation for the Project and the Bonds are not
11 issued, the Mayor’s Office of Housing and Community Development is hereby authorized to
12 cause an amount equal to the Deposit to be paid to the State of California, if and to the extent
13 required by CDLAC.

14 Section 9. The officers and employees of the City and the Director are hereby
15 authorized and directed, jointly and severally, to do any and all things necessary or advisable
16 to consummate the receipt of an allocation from CDLAC and otherwise effectuate the
17 purposes of this Resolution, consistent with the documents cited herein and this Resolution,
18 and all actions previously taken by such officers and employees with respect to the Project,
19 consistent with the documents cited herein and this Resolution, including but not limited to the
20 submission of the application to CDLAC, are hereby ratified and approved.

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1 Section 10. This Resolution shall take effect from and after its adoption by the Board of
2 Supervisors and approval by the Mayor.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA
6 City Attorney

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9 By: _____
10 Kenneth D. Roux
11 Deputy City Attorney
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