Resolution declaring the intent of the City and County of San Francisco (the "City") to
reimburse certain expenditures from proceeds of future bonded indebtedness;
authorizing the Director of the Mayor's Office of Housing and Community Development
(the "Director") to submit an application and related documents to the California Debt
Limit Allocation Committee ("CDLAC") to permit the issuance of residential mortgage
revenue bonds in an aggregate principal amount not to exceed $240,000,000 for 1601
and 1677 Mariposa Street, 485-497 Carolina Street, 395 and 420 Wisconsin Street, and
210 Arkansas Street; authorizing and directing the Director to direct the Controller's
Office to hold in trust an amount not to exceed $100,000 in accordance with CDLAC
procedures; authorizing the Director to certify to CDLAC that the City has on deposit
the required amount; authorizing the Director to pay an amount equal to such deposit
to the State of California if the City fails to issue the residential mortgage revenue
bonds; authorizing and directing the execution of any documents necessary to
implement this Resolution as defined herein; and ratifying and approving any action
heretofore taken in connection with the Project as defined herein, and the Application
as defined herein.

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

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

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

WHEREAS, Related/Mariposa Development Co, LLC, a California limited liability
company (or any successor thereto including any successor owner of the Project, the
"Developer"), desires to acquire land and construct a 299-unit affordable residential rental
housing development located at 1601 & 1677 Mariposa Street, 485-497 Carolina Street, 395
& 420 Wisconsin Street, and 210 Arkansas Street, San Francisco, California 94107 (Lots
001B and 004 of Block 4005 and Lots 006, 010, 019, and 020 of Block 4006 in the records of
the City's Assessor-Recorder) (the "Project"); and
WHEREAS, The Developer has requested that the City assist in the financing of the Project through the issuance of one or more series of tax-exempt mortgage revenue bonds (the "Bonds"); and

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

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

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

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

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

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

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State of California governs the allocation in the State of California of the state ceiling established by Section 146 of the Code among governmental units in the State having the authority to issue tax-exempt private activity bonds; and
WHEREAS, Section 8869.85(b) of the Government Code requires that a local agency file an application for a portion of the state ceiling with or upon the direction of the California Debt Allocation Committee ("CDLAC") prior to the issuance of tax-exempt private activity bonds, including qualified mortgage bonds; and

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

WHEREAS, On February 24, 2015, this Board of Supervisors adopted its Resolution No. 46-15 (the "Prior Resolution"), approving certain matters related to this Project, including the issuance of the Bonds in an aggregate principal amount not to exceed $200,000,000 and on February 27, 2015, the Mayor approved the Prior Resolution; and

WHEREAS, The Developer has since requested the City to authorize an increase in the maximum size of the Bond issue to $240,000,000; now, therefore, be it

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

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

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

Section 3. The Board of Supervisors hereby declares its official intent under United States Treasury Regulations Section 1.150-2 to use proceeds of the Bonds to reimburse expenditures incurred in connection with the Project. The Board of Supervisors hereby further
declares its intent to use such proceeds to reimburse the Developer for actual expenditures made by the Developer on the Project. This Section 3 is intended to supplement, rather than amend, Section 3 of the Prior Resolution. Section 3 of the Prior Resolution, and the official intent date established thereby with respect to the first $200,000,000 principal amount of Bonds for the reimbursement of costs of the Project, are hereby confirmed.

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

Section 5. The maximum principal amount of debt expected to be issued for the Project is $240,000,000.

Section 6. The Board of Supervisors hereby authorizes the Director of the Mayor's Office of Housing and Community Development, or his designee (the "Director"), on behalf of the City, to submit an application (the "Application"), and such other documents as may be required, to CDLAC pursuant to Government Code Section 8869.85 for an allocation for the Project of a portion of the state ceiling for private activity bonds in a principal amount not to exceed $240,000,000.

Section 7. An amount equal to one-half of one percent (0.5%) of the amount of the CDLAC allocation requested for the Project, not to exceed $100,000 ("Deposit"), is hereby authorized to be held on deposit in connection with the Application and the applicable CDLAC procedures, and the Director is authorized to certify to CDLAC that such funds are available.

Section 8. If the City receives a CDLAC allocation for the Project and the Bonds are not issued, the Mayor's Office of Housing and Community Development is hereby authorized to cause an amount equal to the Deposit to be paid to the State of California, if and to the extent required by CDLAC.
Section 9. The officers and employees of the City and the Director are hereby authorized and directed, jointly and severally, to do any and all things necessary or advisable to consummate the receipt of an allocation from CDLAC and otherwise effectuate the purposes of this Resolution, consistent with the documents cited herein and this Resolution, and all actions previously taken by such officers and employees with respect to the Project, consistent with the documents cited herein and this Resolution, including but not limited to the submission of the application to CDLAC, are hereby ratified and approved.

Section 10. This Resolution shall supplement the Prior Resolution. Any provision of the Prior Resolution that is irreconcilable with this Resolution is hereby repealed.

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

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: ________________
Kenneth David Roux
Deputy City Attorney

n:\spec\as2016\0100007\01104266.docx
Resolution declaring the intent of the City and County of San Francisco (the "City") to reimburse certain expenditures from proceeds of future bonded indebtedness; authorizing the Director of the Mayor's Office of Housing and Community Development (the "Director") to submit an application and related documents to the California Debt Limit Allocation Committee ("CDLAC") to permit the issuance of residential mortgage revenue bonds in an aggregate principal amount not to exceed $240,000,000 for 1601 and 1677 Mariposa Street, 485-497 Carolina Street, 395 and 420 Wisconsin Street, and 210 Arkansas Street; authorizing and directing the Director to direct the Controller's Office to hold in trust an amount not to exceed $100,000 in accordance with CDLAC procedures; authorizing the Director to certify to CDLAC that the City has on deposit the required amount; authorizing the Director to pay an amount equal to such deposit to the State of California if the City fails to issue the residential mortgage revenue bonds; authorizing and directing the execution of any documents necessary to implement this Resolution as defined herein; and ratifying and approving any action heretofore taken in connection with the Project as defined herein, and the Application as defined herein.

May 25, 2016 Budget and Finance Committee - RECOMMENDED

June 07, 2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 6/7/2016 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved