

1 [Mortgage Credit Certificates]

2 AUTHORIZING AN APPLICATION TO THE CALIFORNIA DEBT LIMIT ALLOCATION
3 COMMITTEE TO PERMIT THE ISSUANCE OF MORTGAGE CREDIT CERTIFICATES.

4 WHEREAS, there is a shortage in the City and County of San Francisco (the "City") of decent,
5 safe and sanitary housing, particularly of housing afforded by persons in the lower end of the purchasing
6 spectrum, and a consequent need to facilitate the financing of home purchases by such persons and
7 otherwise to increase the supply of housing in the City for such persons; and

8 WHEREAS, the City has, by Ordinance 245-81, adopted by the Board of Supervisors on May 11,
9 1981, declared its intent to engage in a home finance program pursuant to Part 5 of Division 31 of the
10 Health and Safety Code of the State of California, and to issue bonds pursuant to said Division in
11 furtherance of the home finance program; and

12 WHEREAS, the Congress of the United States by the Tax Reform Act of 1984 provided for the
13 issuance of Mortgage Credit Certificates ("Certificates") by local government agencies as an alternative
14 to the issuance of mortgage revenue bonds to assist low and moderate income first time homebuyers; and

15 WHEREAS, Section 146 of the Internal Revenue Code of 1986 (the "Code") limits the amount
16 of qualified mortgage bonds and mortgage credit certificates that may be issued in any calendar year by
17 entities within a state and authorizes the legislature of such state to provide the method of allocating
18 authority to issue qualified mortgage bonds and mortgage credit certificates within such state; and

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

23 WHEREAS, Section 8869.85 of the Government Code requires a local agency to file an
24 application for a portion of the ceiling with or upon the direction of California Debt Limit Allocation
25

1 Committee ("CDLAC") prior to the issuance of Mortgage Credit Certificates; and

2 WHEREAS, CDLAC procedures require an applicant for a portion of the state ceiling to certify
3 to CDLAC that the applicant has on deposit an amount equal to 0.5% (one-half of one percent) of the
4 allocation request not to exceed one hundred thousand dollars (\$100,000); and

5 WHEREAS, the Board of Supervisors has since 1993 authorized the Director of the Mayor's
6 Office of Housing to submit previous applications for allocations for the City's Mortgage Credit
7 Certificate Program, which applications were approved by CDLAC for a total of \$103,746,621 from
8 1993 to 2000; and

9 WHEREAS, the Mayor's Office of Housing finds a continuing need to secure allocations of
10 Mortgage Credit Certificates to assist low and moderate income first time homebuyers in San Francisco;
11 now, therefore, be it

12 RESOLVED, that the Board of Supervisors of the City and County of San Francisco hereby
13 authorizes the Director of the Mayor's Office of Housing for the City (the "Director"), on behalf of the
14 City and County of San Francisco, to submit an application (the "Application"), and such other
15 documents as may be required, to CDLAC pursuant to Government Code Section 8869.85 for a portion
16 of the state ceiling for private activity bonds and mortgage credit certificates in an amount not to exceed
17 twenty million dollars (\$20,000,000) for mortgage credit certificates; and, be it

18 FURTHER RESOLVED, that an amount equal to one hundred thousand dollars (\$100,000) is
19 hereby authorized to be held on deposit in connection with the Application and the applicable CDLAC
20 procedures, and the Director is authorized to certify to CDLAC that such funds are available; which
21 deposit shall consist of a restriction on cash in the Home Mortgage Assistance Fund established pursuant
22 to the Home Mortgage Assistance Trust Agreement, made and entered into as of October 1, 1982, by
23 and between the City and County of San Francisco and Bank of America National Trust and Savings
24 Association (the Home Mortgage Assistance Fund"); and, be it
25

1 FURTHER RESOLVED, that if the City receives an allocation and the issuance requirements
2 applicable to Mortgage Credit Certificates are not met, a cost outlay depleting the Home Mortgage
3 Assistance Fund in an amount not to exceed one hundred thousand dollars (\$100,000) is hereby
4 authorized if required by the State of California; and, be it

5 FURTHER RESOLVED, that the officers and employees of the City and the Director are hereby
6 authorized and directed, jointly and severally, to do any and all things necessary or advisable in order to
7 consummate the receipt of an allocation and the issuance of mortgage credit certificates and otherwise
8 effectuate the purposes of this resolution, and all actions previously taken by such officers and
9 employees in connection with the establishment of the Program and issuance of the mortgage credit
10 certificates, including the submission of the application to CDLAC, are hereby ratified and approved;
11 and, be it

12 FURTHER RESOLVED, that this Resolution shall take effect from and after its adoption by the
13 Board and approval by the Mayor.
14
15
16
17
18
19
20
21
22
23
24
25



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 010070

Date Passed:

Resolution authorizing an application to the California Debt Limit Allocation Committee to permit the issuance of Mortgage Credit Certificates.

January 22, 2001 Board of Supervisors — ADOPTED

Ayes: 10 - Ammiano, Daly, Gonzalez, Hall, Maxwell, McGoldrick, Leno,
Newsom, Peskin, Yee
Absent: 1 - Sandoval

File No. 010070

I hereby certify that the foregoing Resolution was ADOPTED on January 22, 2001 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

FEB 02 2001

Date Approved

Mayor Willie L. Brown Jr.