[Mortgage Credit Certificates]

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

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

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

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

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

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

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

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

WHEREAS, the Board of Supervisors has since 1993 authorized the Director of the Mayor's Office of Housing to submit previous applications for Allocations of Certificates for the City's Mortgage Credit Certificate Program (the "MCC Program"), which applications were approved by CDLAC for a total of $122,336,187 from 1993 to 2003; and,

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

RESOLVED, That the Board of Supervisors of the City and County of San Francisco hereby authorizes the Director of the Mayor's Office of Housing (the "Director"), on behalf of the City and County of San Francisco, 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 of Certificates in an amount not to exceed twenty million dollars ($20,000,000); and, be it

FURTHER RESOLVED, That an amount equal to one hundred thousand dollars ($100,000) for the Application 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; which deposit shall consist of a restriction on
cash in the Home Ownership Assistance Loan Fund established pursuant to Section 10.100-
108 of the San Francisco Administrative Code (the “Fund”); and, be it

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

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

FURTHER RESOLVED, That this Resolution shall take effect from and after its
adoption by the Board and approval by the Mayor.
Resolution authorizing an application to the California Debt Limit Allocation Committee to permit the issuance of Mortgage Credit Certificates.

June 15, 2004  Board of Supervisors — ADOPTED

Ayes: 10 - Alioto-Pier, Ammiano, Daly, Dufty, Gonzalez, Hall, Ma, McGoldrick, Peskin, Sandoval
Absent: 1 - Maxwell

I hereby certify that the foregoing Resolution was ADOPTED on June 15, 2004 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Date Approved

Mayor Gavin Newsom