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

Supervisor Fiona Ma, Sean Elsbernd
BOARD OF SUPERVISORS
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 $130,666,977 from 1993 to 2004; 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.

October 18, 2005  Board of Supervisors — ADOPTED
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Duffy, Elsbernd, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 051609

I hereby certify that the foregoing Resolution was ADOPTED on October 18, 2005 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Date Approved

10.18.05

Mayor Gavin Newsom