Resolution declaring the intent of the City and County of San Francisco (City) to: 1) reimburse certain expenditures from proceeds of future indebtedness; 2) authorizing the Director of the Mayor's Office of Housing (Director) to submit an application and related documents to the California Debt Limit Allocations Committee (CDLAC) for an allocation of indebtedness (Allocation) in an aggregate principal amount not to exceed $41,000,000 for Hunters View Phase IA; 3) 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; 4) authorizing the Director to certify to CDLAC that the City has on deposit the required amount; 5) authorizing the Director to pay an amount equal to such deposit to the State of California if the City fails to use such Allocation; 6) approving, for purposes of the Internal Revenue Code of 1986, as amended, the execution and delivery of a mortgage revenue note by the City in an aggregate principal amount not to exceed $41,000,000; 7) authorizing and directing the execution of any documents necessary to implement this Resolution; and 8) 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, 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 and the execution and delivery of revenue notes 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 make mortgage loans or otherwise provide funds, including conduit financing, to finance the development of multi-family rental housing including units for lower income households and very low income households; and,

WHEREAS, HV Partners 1, L.P., a California limited partnership (the "Developer" or "Borrower"), desires to construct a 107 unit multifamily residential rental housing development for very low income households at 227-229 West Point Road, San Francisco, CA 94124 to be known as Hunters View Phase IA (the "Project"); and,

WHEREAS, The Developer has requested that the City assist in the financing of the Project through the execution and delivery of a multifamily housing revenue note (the "Note"); and,

WHEREAS, The City expects that proceeds of the Note will be used to pay certain costs incurred on and after the date hereof in connection with the Project; and,
WHEREAS, The City intends to execute and deliver a Note in an amount not to exceed $41,000,000 to finance the costs of the Project and to loan the proceeds thereof to the Developer (the "Loan"); 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 all such expenditures made on and after the date hereof with respect to the Project from the proceeds of the Note; and,

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

WHEREAS, The interest on the Note may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), only if the Note is approved in accordance with Section 147(f) of the Code; and,

WHEREAS, The City now wishes to approve the issuance of the Note in order to satisfy the public approval requirements of Section 147(f) of the Code; and,

WHEREAS, The Project is located wholly within the City; and,

WHEREAS, On March 13, 2011, the City caused a notice stating that a public hearing with respect to the execution and delivery of the Note would be held by the Mayor's Office of Housing on March 28, 2011, to appear in The San Francisco Chronicle, which is a newspaper of general circulation in the City; and,

WHEREAS, The Mayor's Office of Housing will hold the public hearing described above on March 28, 2011 and an opportunity will be provided for persons to comment on the execution and delivery of the Note and the Project; and,
WHEREAS, This Board of Supervisors is the elected legislative body of the City and is
the applicable elected representative required to approve the execution and delivery of the
Note within the meaning of Section 147(f) of the Code; and,
WHEREAS, Section 146 of the Code limits the amount of qualified mortgage revenue
indebtedness 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 qualified
mortgage revenue indebtedness within such 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
qualified mortgage revenue indebtedness; and,
WHEREAS, Section 8869.85 of the Government Code requires a local agency to 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 qualified mortgage revenue
indebtedness; 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 (but not to exceed $100,000); 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 Treasury
Regulations. This Resolution does not bind the Board of Supervisors to execute and deliver the Note, to 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 Treasury Regulations Section 1.150-2 and declares its intent to use proceeds of indebtedness to reimburse all future 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.

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 incurred for the Project is $41,000,000.

Section 6. This Board of Supervisors, as the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, hereby approves, for purposes of Section 147(f) of the Code, a plan of financing providing for the execution and delivery of the Note or multifamily housing revenue bonds in one or more series, including notes or bonds used to refund such note or bonds in one or more series from time to time, and at no time to exceed $41,000,000 in aggregate principal amounts outstanding.

Section 7. This approval of the issuance of the Bonds by the City is neither an approval of the underlying credit issues of the proposed Project nor an approval of the financial structure of the transaction.

Section 8. The Board of Supervisors hereby authorizes the Director of the Mayor's Office of Housing (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 of a portion of the state ceiling for
qualified mortgage revenue indebtedness in a principal amount not to exceed $41,000,000.

Section 9. An amount equal to $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; which Deposit shall
consist of a restriction on cash in the Hotel Tax Fund established pursuant to Section 515.01
of Article 7 of the San Francisco Business and Tax Regulations Code (the "Hotel Tax Fund").

Section 10. If the City receives a CDLAC allocation and the applicable issuance
requirements are not met, the Mayor's Office of Housing is hereby authorized to cause an
amount equal to the Deposit to be paid to the State of California from the Hotel Tax Fund, if
required.

Section 11. 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, and all actions previously taken by such officers and employees
with respect to the Project, including but not limited to the submission of the application to
CDLAC, are hereby ratified and approved.

Section 12. 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
Resolution declaring the intent of the City and County of San Francisco (City) to: 1) reimburse certain expenditures from proceeds of future indebtedness; 2) authorizing the Director of the Mayor’s Office of Housing (Director) to submit an application and related documents to the California Debt Limit Allocations Committee (CDLAC) for an allocation of indebtedness (Allocation) in an aggregate principal amount not to exceed $41,000,000 for Hunters View Phase IA; 3) 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; 4) authorizing the Director to certify to CDLAC that the City has on deposit the required amount; 5) authorizing the Director to pay an amount equal to such deposit to the State of California if the City fails to use such Allocation; 6) approving, for purposes of the Internal Revenue Code of 1986, as amended, the execution and delivery of a mortgage revenue note by the City in an aggregate principal amount not to exceed $41,000,000; 7) authorizing and directing the execution of any documents necessary to implement this Resolution; and 8) ratifying and approving any action heretofore taken in connection with the Project as defined herein and the Application as defined herein.

March 29, 2011 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

File No. 110353

I hereby certify that the foregoing Resolution was ADOPTED on 3/29/2011 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Edwin Lee

Date Approved 3/30/11