[Multifamily Housing Revenue Bonds - 98 Franklin Street - Not to Exceed $32,500,000]

Resolution declaring the intent of the City and County of San Francisco ("City") to reimburse certain expenditures from proceeds of future bonded indebtedness in an aggregate principal amount not to exceed $32,500,000; authorizing the Director of the Mayor's Office of Housing and Community Development ("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 $32,500,000 for 98 Franklin 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 ("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 ("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 ("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 ("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 and/or rehabilitation of multi-family rental housing including units for lower income households and very low income households; and

WHEREAS, Oak Street Housing Associates, LLC, a California limited partnership (or an affiliate thereof or successor thereto) (the "Borrower") desires to construct a 72-unit affordable residential rental housing development located at 98 Franklin Street ("Project"); and

WHEREAS, The Borrower 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 ("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 $32,500,000 and to loan the proceeds of the Bonds to the Borrower ("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, The Project is located wholly within the City; 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 such applicant has on deposit an amount equal to one-half of one
percent (0.5%) of the amount of allocation requested 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 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 Borrower for actual expenditures
made by the Borrower 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 issued for the Project
is $32,500,000.

Section 6. This resolution is neither an approval of the underlying credit issues of the
proposed Project nor an approval of the financial structure of the Bonds.

Section 7. The Board of Supervisors hereby authorizes the Director of the Mayor's
Office of Housing and Community Development, including any acting or interim director, or
such person's designee ("Director"), on behalf of the City, to submit an application
("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 $32,500,000.

Section 8. 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 9. 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 10. The officers and employees of the City, including 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 11. This Resolution shall take effect from and after its adoption by the Board and approval by the Mayor.

APPROVED AS TO FORM:
DAVID CHIU
City Attorney

By: /s/KENNETH DAVID ROUX
KENNETH DAVID ROUX
Deputy City Attorney
Resolution declaring the intent of the City and County of San Francisco ("City") to reimburse certain expenditures from proceeds of future bonded indebtedness in an aggregate principal amount not to exceed $32,500,000; authorizing the Director of the Mayor's Office of Housing and Community Development ("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 $32,500,000 for 98 Franklin 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.

July 20, 2022 Budget and Finance Committee - RECOMMENDED

July 26, 2022 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

I hereby certify that the foregoing Resolution was ADOPTED on 7/26/2022 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved