

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15 – 2015
Adopted November 23, 2015

**AUTHORIZING A MEMORANDUM OF UNDERSTANDING WITH THE CITY AND
COUNTY OF SAN FRANCISCO MAYOR’S OFFICE OF HOUSING AND
COMMUNITY DEVELOPMENT TO GRANT UP TO \$8,259,000 IN TAX-EXEMPT
BOND PROCEEDS, SUBJECT TO APPROVAL BY THE DEPARTMENT OF FINANCE**

WHEREAS, Pursuant to California Health & Safety Code § 34191.4(c)(2)(A), successor agencies to redevelopment agencies that have been issued a finding of completion by the Department of Finance may expend former redevelopment agency bond proceeds derived from bonds issued on or before December 31, 2010 in excess of the amounts needed to satisfy approved enforceable obligations in a manner consistent with the original bond covenants. The Successor Agency to the City and County of San Francisco Redevelopment Agency, commonly known as the Office of Community Investment and Infrastructure (“OCII”), received a Finding of Completion on May 29, 2013; and,

WHEREAS, OCII has approximately \$8,259,000 in excess bond proceeds and associated interest remaining from tax-exempt bonds issued prior to 2011 for capital improvements of citywide affordable housing; and,

WHEREAS, OCII’s Recognized Obligations Payment Schedule (“ROPS”) 2015-16B, Item 388 included payment authority to transfer up to \$8,259,000 in excess tax-exempt bond proceeds (Bond Series 2000A, 2001A, 2003B, and 1996B) to the City and County of San Francisco for urgent elevator repairs at public housing sites, and for necessary rehabilitation at existing affordable housing sites owned by non-profit organizations consistent with bond covenants; and,

WHEREAS, As shown in the attached proposed Memorandum of Understanding the (“Exhibit A”), the City and City and County of San Francisco, acting through the Mayor’s Office of Housing and Community Development (“MOHCD”), has proposed to use up to \$3,000,000 of excess tax-exempt bond proceeds for urgently needed, non-routine elevator repair at up to nine public housing sites to modernize elevators. Pursuant to the MOU, the remaining \$5,259,000 is to be used for necessary rehabilitation at existing affordable housing sites that are owned by non-profit organizations and that are unable to access tax credit equity for the rehabilitation. MOHCD shall provide the funds through grant agreements for eligible tax exempt activities; and,

WHEREAS, The proposed uses for excess bond proceeds proposed in Exhibit A are consistent with the bond covenants and the Internal Revenue Service requirements related to the management and expenditure of tax exempt bond proceeds; and,

WHEREAS, MOHCD has agreed to comply with Internal Revenue Service requirements related to the management and expenditure of tax-exempt bond proceeds, including ensuring that adequate documentation is maintained to show that expenditures meet the eligible requirements for use of tax-exempt bond proceeds, and to comply with any arbitrage requirements related to interest that may be earned on unexpended tax-exempt bond proceeds; and,

WHEREAS, The uses for excess bond proceeds in Exhibit A are consistent with the bond covenants and shall cover capital improvements; and,

WHEREAS, Approval of a Memorandum of Understanding to transfer bond proceeds to MOHCD to fund capital improvements consisting solely of the operation, repair, maintenance and minor alterations of existing structures and facilities is Categorically Exempt under Section 15301 of the California Environmental Quality Act Guidelines. Now, therefore, be it

RESOLVED, That the Executive Director is hereby authorized to enter into a Memorandum of Understanding with the City and County of San Francisco, acting through its Mayor's Office of Housing and Community Development, substantially in the form of the attached Exhibit A, subject to Oversight Board and California Department of Finance approval.

Exhibit A: Memorandum of Understanding by and between the Successor Agency to the Redevelopment Agency, also known as the Office of Community Investment and Infrastructure and The City and County of San Francisco, acting through its Office of Housing and Community Development

I hereby certify that the foregoing resolution was adopted by the Oversight Board at its meeting of November 23, 2015.

Board Secretary

