Resolution approving the issuance and sale of tax-exempt bonds by the California Municipal Finance Authority in an aggregate principal amount not to exceed $12,000,000 for the financing of the acquisition and rehabilitation of certain housing projects to be owned by a limited partnership or a limited liability company in which Mercy Housing California or an affiliate will serve as a general partner or member.

WHEREAS, Mercy Housing California ("Mercy Housing") intends to establish a limited partnership or limited liability company in which Mercy Housing or an affiliate will serve as a general partner or member (the "Borrower"); and

WHEREAS, The California Municipal Finance Authority (the "Authority"), proposes to issue multifamily housing revenue bonds (the "Bonds") in an amount not to exceed $12,000,000 and to lend the proceeds thereof to the Borrower, to be used for the acquisition and rehabilitation by the Borrower of (i) a 100 unit senior housing development known as Dorothy Day Apartments located at 54 McAllister Street in San Francisco, California (the "Dorothy Day Project"), (ii) a 20 unit senior housing development known as Monsignor Lyne Apartments located at 118 Diamond Street in San Francisco, California (the "Monsignor Lyne Project") and (iii) a 25 unit special needs housing development known as Junipero Serra Apartments located at 926 Fillmore Street in San Francisco, California (the "Junipero Serra Project" and, together with the Dorothy Day Project and the Monsignor Lyne Project, the "Projects"); and

WHEREAS, The issuance and delivery of the Bonds shall be subject to the approval of and execution by the Authority of all financing documents relating thereto to which the Authority is a party and subject to the sale of the Bonds by the Authority; and
WHEREAS, The City will be a member of the Authority as of the date the Bonds are issued; and

WHEREAS, Section 4 of the Authority's Joint Exercise of Powers Agreement (the "Agreement") requires that any project proposed to be financed with Authority bonds that is located within the jurisdiction of one of the Authority's members must receive the prior approval of the governing body of such member or such body's duly authorized representative; and

WHEREAS, the Projects are located wholly within the City and County of San Francisco (the "City"); and

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

WHEREAS, the Board of Supervisors of the City (the "Board") is the elected legislative body of the City and is one of the applicable elected representatives required to approve the issue within the meaning of Section 147(f) of the Code; and

WHEREAS, the Authority has requested the Board to approve the issuance and sale of the Bonds in order to satisfy the public approval requirements of Section 147(f) of the Code; and

WHEREAS, on April 29, 2006, the City caused a notice to appear in the San Francisco Examiner, which is a newspaper of general circulation in the City, stating that a public hearing with respect to the issuance of the Bonds would be held by the Mayor's Office of Housing on May 15, 2006; and
WHEREAS, the Mayor's Office of Housing held the public hearing described above on May 15, 2006, and an opportunity was provided for persons to comment on the issuance and sale of the Bonds and the plan of financing for the Projects; now, therefore be it

RESOLVED, That this Board hereby finds and declares the above recitals are true and correct; and, be it

FURTHER RESOLVED, That this Board hereby approves the issuance and sale of the Bonds with respect to the Projects by the Authority solely for the purposes of and in accordance with Section 147(f) of the Code and Section 4 of the Agreement; and, be it

FURTHER RESOLVED, That it is the purpose and intent of this Board that this resolution constitute approval of the issuance of the Bonds in the not-to-exceed amount of $12,000,000; provided that the amount of the proceeds of the Bonds used to finance the Dorothy Day Project will not exceed $8,000,000, the amount of the proceeds of the Bonds used to finance the Monsignor Lyne Project will not exceed $1,800,000, and the amount of the proceeds of the Bonds used to finance the Junipero Serra Project will not exceed $2,200,000; and, be it

FURTHER RESOLVED, That the approval of the issuance and sale of the Bonds by the City is neither an approval of the underlying credit issues of the proposed Projects nor an approval of the financial structure of the Bonds; and, be it

FURTHER RESOLVED, That the Bonds shall not constitute a debt or obligation of the City and the payment of the principal, prepayment premium, if any, and purchase price of and interest on the Bonds shall be solely the responsibility of Borrower; and, be it

FURTHER RESOLVED, That the officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and
comply with the terms and intent of this resolution and the financing transaction approved hereby; and, be it

FURTHER RESOLVED, That this Resolution shall take effect immediately upon its adoption.

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By:  

MICHAEL J. MARTIN
Deputy City Attorney
Resolution approving the issuance and sale of tax-exempt bonds by the California Municipal Finance Authority in an aggregate principal amount not to exceed $12,000,000 for the financing of the acquisition and rehabilitation of certain housing projects to be owned by a limited partnership or a limited liability company in which Mercy Housing California or an affiliate will serve as a general partner or member.

July 25, 2006  Board of Supervisors — ADOPTED

Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval
I hereby certify that the foregoing Resolution was ADOPTED on July 25, 2006 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Mayor Gavin Newsom