Committee Item No.	12
Board Item No	

## COMMITTEE/BOARD OF SUPERVISORS

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Sub - Comm	ittee: Budget and Finance	Date: <u>June 16, 2010</u>
Board of Su	pervisors Meeting	Date: 6/22/10
Cmte Boa	rd	·
	Motion Resolution Ordinance Legislative Digest Budget Analyst Report Legislative Analyst Report Introduction Form (for hearings) Department/Agency Cover Letter and MOU Grant Information Form Grant Budget Subcontract Budget Contract/Agreement Award Letter Application	nd/or Report
OTHER	Public Correspondence  (Use back side if additional space is	s needed)
Completed by: Andrea S. Ausberry  Completed by: Date Friday, June 11, 2010  Date 6/17/10		

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

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**Development Loans** 

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Resolution approving a loan in the amount not to exceed \$1,925,000 to the City and County of San Francisco from the Low Income Investment Fund to refinance existing Section 108 United States Department of Housing and Urban Development loans.

[Approval of a Loan to the City and County of San Francisco from the Low Income Investment Fund to Refinance Existing Section 108 United States Department of Housing and Urban

WHEREAS, In 1998 the City developed a Section 108 Child Care Center Loan

Program (the "Loan Program") for local child care organizations to provide favorable financing
for child care center capital projects; and,

WHEREAS, Approximately \$7 million in United States Department of Housing and Urban Development (HUD) Section 108 Program loans were originated for child care capital projects; and,

WHEREAS, The City has assisted the child care centers with the repayment of such loans by subsidizing loan repayments up to 80%; and,

WHEREAS, Section 108 loans were approved by a joint Section 108 Committee of representatives from the Department of Children, Youth and Their Families, the Mayor's Office of Community Development (now, Mayor's Office of Community Investment), the Department of Human Services, and the Low Income Investment Fund (LIIF); and,

WHEREAS, The Loan Program helped expand licensed child care facilities for over 600 children and assisted the City in doubling the capacity for licensed centers serving infants and toddlers; and,

WHEREAS, The Department of Human Services currently contracts with the LIF to service the Section 108 loans and loan subsidies on behalf of 13 child care centers; and,

WHEREAS, LIIF has agreed to refinance the existing loans to reduce the interest rates and annual cost to the City General Fund and child care providers; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby authorizes and directs the Executive Director of the Department of Human Services, in consultation with the Director of Public Finance and the City Attorney, to negotiate a loan agreement with LIIF in an amount not to exceed \$1,925,000 on such terms and conditions that are in the best interest of the City, provided however that the proceeds of which shall be applied to refinance the balance of the existing Section 108 HUD loans and to finance costs in connection with the Loan Program and costs in connection with the refinance of the Section 108 HUD loans, and provided further that the interest rate on the new loan shall not exceed 6.5%, the term of the loan shall not exceed 5 years from its date of execution, and may provide for monthly principal and interest payments in an amount to fully amortize the LIIF loan during its term; and, be it

FURTHER RESOLVED, That the Executive Director is hereby authorized and directed to enter into such agreements, and to execute such certificates as may be necessary and desirable in order to effectuate the terms of this Resolution.

## Office of the Mayor City & County of San Francisco



## Gavin Newsom

TO:

Angela Calvillo, Clerk of the Board of Supervisors

FROM:

₩ayor Gavin Newsom

RE:

Approval of a Loan to the City and County of San Francisco from The

Low Income Investment Fund to Refinance Existing Section 108 United

States Department of Housing and Urban Development Loans

DATE:

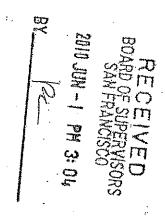
June 1, 2010

## Dear Madame Clerk:

Attached for introduction to the Board of Supervisors is the resolution approving a loan in the amount not to exceed \$1,925,000 to the City and County of San Francisco from the Low Income Investment Fund to refinance existing Section 108 United States Department of Housing and Urban Development loans.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Starr Terrell (415) 554-5262.



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