

1 [Issuance and Sale of Revenue Bonds – Mercy Housing Projects.]

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3 **Resolution approving the issuance and sale of tax-exempt bonds by the California**
4 **Municipal Finance Authority in an aggregate principal amount not to exceed**
5 **\$12,000,000 for the financing of the acquisition and rehabilitation of certain housing**
6 **projects to be owned by a limited partnership or a limited liability company in which**
7 **Mercy Housing California or an affiliate will serve as a general partner or member.**

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

12 WHEREAS, The California Municipal Finance Authority (the "Authority"), proposes to
13 issue multifamily housing revenue bonds (the "Bonds") in an amount not to exceed
14 \$12,000,000 and to lend the proceeds thereof to the Borrower, to be used for the acquisition
15 and rehabilitation by the Borrower of (i) a 100 unit senior housing development known as
16 Dorothy Day Apartments located at 54 McAllister Street in San Francisco, California (the
17 “Dorothy Day Project”), (ii) a 20 unit senior housing development known as Monsignor Lyne
18 Apartments located at 118 Diamond Street in San Francisco, California (the “Monsignor Lyne
19 Project”) and (iii) a 25 unit special needs housing development known as Junipero Serra
20 Apartments located at 926 Fillmore Street in San Francisco, California (the "Junipero Serra
21 Project" and, together with the Dorothy Day Project and the Monsignor Lyne Project, the
22 “Projects”); and

23 WHEREAS, The issuance and delivery of the Bonds shall be subject to the approval of
24 and execution by the Authority of all financing documents relating thereto to which the
25 Authority is a party and subject to the sale of the Bonds by the Authority; and

1 WHEREAS, The City will be a member of the Authority as of the date the Bonds are
2 issued; and

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

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

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

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

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

19 WHEREAS, on April 29, 2006, the City caused a notice to appear in the *San Francisco*
20 *Examiner*, which is a newspaper of general circulation in the City, stating that a public hearing
21 with respect to the issuance of the Bonds would be held by the Mayor's Office of Housing on
22 May 15, 2006; and

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1 WHEREAS, the Mayor's Office of Housing held the public hearing described above on
2 May 15, 2006, and an opportunity was provided for persons to comment on the issuance and
3 sale of the Bonds and the plan of financing for the Projects; now, therefore be it

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

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

9 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
10 resolution constitute approval of the issuance of the Bonds in the not-to-exceed amount of
11 \$12,000,000; provided that the amount of the proceeds of the Bonds used to finance the
12 Dorothy Day Project will not exceed \$8,000,000, the amount of the proceeds of the Bonds
13 used to finance the Monsignor Lyne Project will not exceed \$1,800,000, and the amount of the
14 proceeds of the Bonds used to finance the Junipero Serra Project will not exceed \$2,200,000;
15 and, be it

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

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

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

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

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6 APPROVED AS TO FORM:

7 DENNIS J. HERRERA
8 City Attorney

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10 By: _____
MICHAEL J. MARTIN
11 Deputy City Attorney

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