

1 [Multifamily Housing Revenue Bonds - 171 Loehr Street and 1250 Sunnydale Avenue (also
2 known as Britton Court) - Not to Exceed \$76,000,000]

3 **Resolution approving, for purposes of the Internal Revenue Code of 1986, as amended,**
4 **the issuance and sale of residential mortgage revenue bonds or notes by the City in an**
5 **aggregate principal amount not to exceed \$76,000,000 for the purpose of providing**
6 **financing for the acquisition and rehabilitation of a 92-unit multifamily rental housing**
7 **project for low or very low income persons or households, located at 171 Loehr Street**
8 **and 1250 Sunnydale Avenue; authorizing and directing the execution of any documents**
9 **necessary to implement this Resolution; and ratifying and approving any action**
10 **heretofore taken in connection with the Project, as defined herein.**

11
12 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
13 “Board of Supervisors”), after careful study and consideration, has determined that there is a
14 shortage of safe and sanitary housing within the City, particularly for low and moderate
15 income persons, and that it is in the best interest of the residents of the City and in
16 furtherance of the health, safety, and welfare of the public for the City to assist in the financing
17 of multi-family rental housing units; and

18 WHEREAS, Acting under and pursuant to the powers reserved to the City under
19 Sections 3, 5, and 7 of Article XI of the Constitution of the State of California and Sections
20 1.101 and 9.107 of the Charter, the City has enacted the City and County of San Francisco
21 Residential Mortgage Revenue Bond Law (the “City Law”), constituting Article I of Chapter 43
22 of the San Francisco Administrative Code, in order to establish a procedure for the
23 authorization, issuance and sale of residential mortgage revenue bonds by the City for the
24 purpose of providing funds to encourage the availability of adequate housing and home
25 finance for persons and families of low or moderate income, and to develop viable

1 communities by providing decent housing, enhanced living environments, and increased
2 economic opportunities for persons and families of low or moderate income; and

3 WHEREAS, In addition, pursuant to Division 31 of the Health and Safety Code of the
4 State of California, and particularly Chapter 7 of Part 5 thereof (the “State Law”), the City is
5 empowered to issue and sell bonds for the purpose of making mortgage loans or otherwise
6 providing funds to finance the development of multifamily rental housing including units for
7 lower income households and very low income households; and

8 WHEREAS, Mercy Housing California 74, L.P., a California limited partnership (or any
9 successor thereto including any successor owner of the Project, the “Developer”), desires to
10 acquire and rehabilitate a 92-unit affordable residential rental housing development located at
11 171 Loehr Street and 1250 Sunnysdale Avenue, San Francisco, California 94134 (the
12 “Project”); and

13 WHEREAS, The Developer has requested that the City assist in the financing of the
14 Project through the issuance of one or more series of tax-exempt residential mortgage
15 revenue bonds or notes (the “Bonds”); and

16 WHEREAS, The City intends to issue the Bonds in an amount not to exceed
17 \$76,000,000 and to loan the proceeds of the Bonds to the Developer to finance costs of the
18 Project; and

19 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
20 103 of the Internal Revenue Code of 1986, as amended (the “Code”), only if the Bonds are
21 approved in accordance with Section 147(f) of the Code; and

22 WHEREAS, The City now wishes to approve the issuance of the Bonds in order to
23 satisfy the public approval requirements of Section 147(f) of the Code; and

24 WHEREAS, The Project is located wholly within the City; and

25

1 WHEREAS, On April 20, 2017, the City caused a notice, stating that a public hearing
2 with respect to the issuance of the Bonds would be held by the Mayor’s Office of Housing and
3 Community Development on May 5, 2017, to appear in *The San Francisco Examiner*, which is
4 a newspaper of general circulation in the City; and

5 WHEREAS, The Mayor’s Office of Housing and Community Development held the
6 public hearing described above on May 5, 2017, and an opportunity was provided for persons
7 to comment on the issuance of the Bonds and the Project; and the minutes of such hearing
8 were provided to this Board of Supervisors prior to this meeting; and

9 WHEREAS, This Board of Supervisors is the elected legislative body of the City and is
10 the applicable elected representative authorized to approve the issuance of the Bonds within
11 the meaning of Section 147(f) of the Code; now, therefore be it

12 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
13 follows:

14 Section 1. The Board of Supervisors finds and determines that the foregoing recitals
15 are true and correct.

16 Section 2. The Board of Supervisors adopts this Resolution for purposes of
17 establishing compliance with the requirements of Section 147(f) of the Code. This Resolution
18 does not bind the Board of Supervisors to issue the Bonds or to make any expenditure, incur
19 any indebtedness or proceed with the Project.

20 Section 3. For purposes of Section 147(f) of the Code, this Board of Supervisors, as
21 the applicable elected representative of the governmental unit having jurisdiction over the
22 area in which the Project is located, hereby approves the issuance of the Bonds in the
23 maximum principal amount of \$76,000,000, for the purposes described herein.

1 Section 4. This approval of the issuance of the Bonds by the City is neither an approval
2 of the underlying credit issues of the proposed Project nor an approval of the financial
3 structure of the Bonds.

4 Section 5. The officers and employees of the City and the Director are hereby
5 authorized and directed, jointly and severally, to do any and all things consistent with this
6 Resolution necessary or advisable to effectuate the purposes of this Resolution, and all
7 actions previously taken by such officers and employees with respect to the Project consistent
8 with Resolution, are hereby ratified and approved.

9 Section 6. This Resolution shall take effect from and after its adoption by the Board and
10 approval by the Mayor.

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12 APPROVED AS TO FORM:
13 DENNIS J. HERRERA
14 City Attorney

15 By: _____
16 KENNETH D. ROUX
17 Deputy City Attorney
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