RESOLUTION NO. 213-2001  
Adopted December 4, 2001

AUTHORIZING A SECOND AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT WITH MERCY PROPERTIES CALIFORNIA, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, PERTAINING TO THE ACQUISITION AND REHABILITATION OF 151 SRO UNITS OF VERY LOW INCOME HOUSING AT THE MARLTON MANOR, 240 JONES STREET, THAT RESCINDS THE FIRST AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT AND EXTENDS THE REPAYMENT DATE FOR THE PREVIOUSLY APROVED INTERIM LOAN OF THREE MILLION, FOUR THOUSAND, THREE HUNDRED AND THIRTY-THREE DOLLARS ($3,004,333) TO THE CLOSING OF PERMANENT FINANCING; THE AGENCY'S HOUSING PRESERVATION PROGRAM AND CITYWIDE TAX INCREMENT HOUSING PROGRAM

BASIS FOR RESOLUTION

1. The Agency is authorized, pursuant to the California Community Redevelopment Law (Health and Safety Code, Section 33000, et seq.), and desires to distribute money from its Low and Moderate Income Housing Fund for the specific and special purpose of increasing and maintaining the housing stock in the City and County of San Francisco affordable to very low, low, and moderate income households.

2. To facilitate the Borrower’s purchase and rehabilitation of the Marlton Manor improvements, 151 units of low-income housing located at 240 Jones Street, San Francisco (the “Project”), the Agency and Borrower executed a Tax Increment Affordable Housing Program Loan Agreement (“Agreement”), pursuant to which the Agency loaned Borrower $3,004,333. This sum is due and payable, with interest, on December 18, 2001.

3. On June 5, 2001, by Resolution No. 98-2001, the Agency approved a First Amendment to the Agreement (“First Amendment”), which converted One Million, Three Hundred Thirty-Five Thousand, One Hundred and Five Dollars ($1,335,105) of the Borrower’s total loan from bridge to permanent financing. This approval was based upon the Borrower’s most current financial projections.

4. The Borrower proceeded diligently with its predevelopment work and has secured permanent financing for the Project rehabilitation and operation, including 9% Low Income Housing Tax Credits, conventional mortgage financing, and a Mark-Up-To-Market Housing Assistance Payment Contract rental subsidy increase.

5. The total value of Borrower’s sources of Project funding exceeds its prior projections, enabling the Borrower to rescind its request for permanent funding.
from the Agency, which was approved by the Agency’s adoption of Resolution No. 98-2001, adopted on June 5, 2001, and memorialized in the First Amendment.

6. The Agency and Borrower now desire to execute a Second Amendment to the Agreement in order to extend the loan repayment date to the closing of the Project’s permanent financing.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that:

1) It rescinds the authorization granted by Resolution No. 98-2001, adopted June 5, 2001, to execute a First Amendment to the Tax Increment Loan Agreement with Mercy Properties California, a California non-profit public benefit corporation “(Mercy Properties”) pertaining to the acquisition and rehabilitation of the Project.

2) The Executive Director and other officers of the Agency designated by the Executive Director are authorized to enter into the following agreements and obligations in substantially the form lodged with Agency General Counsel:

   a) A Second Amendment to the Tax Increment Loan Agreement with Mercy Properties to extend the loan repayment date to closing of permanent financing, and

   b) Any and all ancillary documents necessary to carry out the transactions authorized by this Resolution.

APPROVED AS TO FORM:

BERTHA A. ONTIVEROS
Agency General Counsel