RESOLUTION NO. 223-2001

Adopted December 11, 2001

AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH MERCY PROPERTIES CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED $6,702,754, IN CONJUNCTION WITH THE ACQUISITION, PREDEVELOPMENT, AND REHABILITATION OF 75 VERY LOW AND LOW INCOME RENTAL UNITS AT THE DUDLEY APARTMENTS, 172 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. California Redevelopment Law (Health and Safety Code, Section 33000, et seq.) (the “Law”), requires a Redevelopment Agency to set aside 20% of its tax increment funds for purposes of developing affordable housing.

2. The Redevelopment Agency of the City and County of San Francisco (the “Agency”) administers the tax increment funds for affordable housing projects.

3. Mercy Properties California, a California nonprofit public benefit corporation (the “Sponsor”), has applied to the Agency for tax increment funds for the acquisition, predevelopment, and rehabilitation of 75 very low and low income rental units (the “Project”) at the Dudley Apartments, 172 Sixth Street (the “Property”), in the Agency’s South of Market Earthquake Recovery Redevelopment Project Area (“Project Area”).

4. The Sponsor has entered into a purchase and sale agreement with the seller of the Property, and intends to rehabilitate and operate the Project on the Property.

5. The Citywide Affordable Housing Loan Committee approved a loan of $6,702,754 (the “Tax Increment Loan”) to the Sponsor for the Project on November 30, 2001 and recommends Commission approval as well.

6. The Agency now desires to execute the Tax Increment Loan with the Sponsor for the Project.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Tax Increment Loan Agreement in an amount not to exceed $6,702,754 with Mercy Properties California, a California
nonprofit public benefit corporation, for the acquisition, predevelopment, and rehabilitation of 75 very low and low income rental units at the Dudley Apartments, 172 Sixth Street, in the South of Market Earthquake Recovery Redevelopment Project Area, in substantially the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

[Signature]

Bertha A. Ontiveros
Agency General Counsel