

RESOLUTION NO. 143-2006

Adopted November 7, 2006

AUTHORIZING A SECOND AMENDMENT TO A TAX INCREMENT LOAN AGREEMENT WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE LOAN AMOUNT BY \$931,380, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$6,206,894, FOR THE PREDEVELOPMENT, AND CONSTRUCTION OF APPROXIMATELY 49 VERY LOW INCOME FAMILY RENTAL UNITS AT 227-255 SEVENTH STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

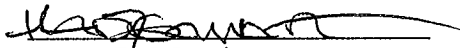
1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, (the "Law"), the Redevelopment Agency of the City and County of San Francisco (the "Agency") undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the "City").
2. Pursuant to the Law, the Board of Supervisors of the City established the South of Market Earthquake Recovery Redevelopment Project Area (the "Project Area") and adopted the South of Market Earthquake Recovery Redevelopment Plan (as amended, the "Redevelopment Plan").
3. The Agency is authorized pursuant to the Law to increase and maintain the affordability of the housing stock in the City for affordability by very-low, low and moderate-income households and to develop commercial, public or other structures or spaces as may be appropriate or necessary in the interest of the general welfare.
4. Mercy Housing California, a California nonprofit public benefit corporation ("MHC" or "Borrower"), and the South of Market Health Center, a California nonprofit public benefit corporation ("SOMHC"), plan to develop approximately 49 units of affordable family housing and a 20,000 square foot neighborhood health clinic (the "Project") at 227-255 Seventh Street (the "Site") within the Project Area.
5. On March 18, 2003, by Resolution Number 39-2003, the Agency Commission authorized a Tax Increment Affordable Housing Program Loan of \$5,275,514 (the "Agency Loan" or "Agreement") to MHC for acquisition and predevelopment costs related to developing affordable housing at the Site.

6. On November 18, 2003, by Resolution Number 174-2003, the Agency Commission authorized a First Amendment to modify certain terms of the Agreement.
7. MHC has requested that the Agency increase the Agency Loan by \$931,380, for a total aggregate amount not to exceed \$6,206,894, to pay for architectural expenses and other related predevelopment costs related to developing housing at the Site.
8. The Agency now desires to amend the Agency Loan and the Promissory Note as requested by the Borrower.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into a Second Amendment to the Tax Increment Loan Agreement with Mercy Housing California, a California nonprofit public benefit corporation, to increase the loan amount by \$931,380, for a total aggregate amount not to exceed \$6,206,894, for the acquisition, predevelopment, and construction of approximately 49 very low income family rental units at 227-255 Seventh Street, in the South of Market Redevelopment Project Area, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel