

1 [Issuance and Sale of Revenue Obligations - California Enterprise Development Authority
2 Revenue Obligations - Progress Foundation - Not to Exceed \$7,500,000]

3 **Resolution approving for purposes of Internal Revenue Code of 1986, as amended,**
4 **Section 147(f) of the Issuance and Sale of Revenue Obligations by the California**
5 **Enterprise Development Authority in an aggregate principal amount not to exceed**
6 **\$7,500,000 to refinance the acquisition, construction, installation, rehabilitation,**
7 **equipping and furnishing of various capital facilities to be owned and operated by**
8 **Progress Foundation, a California nonprofit public benefit corporation.**

9
10 WHEREAS, The California Enterprise Development Authority ("Authority") is authorized
11 pursuant to the provisions of California Government Code, Section 6500 et seq., and the
12 terms of a Joint Exercise of Powers Agreement, dated as of June 1, 2006 ("Agreement"),
13 among certain public agencies throughout the State of California, to issue revenue bonds and
14 other forms of indebtedness to assist nonprofit corporations to obtain tax-exempt financing for
15 appropriate projects and purposes; and

16 WHEREAS, Progress Foundation ("Borrower"), a California nonprofit public benefit
17 corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code
18 of 1986, as amended ("Code"), has requested that the Authority issue revenue obligations in
19 an aggregate principal amount not to exceed \$7,500,000 ("Obligations") to: (i) refinance
20 outstanding indebtedness incurred by the Borrower, the proceeds of which were used to
21 finance and refinance the cost of the acquisition, construction, installation, rehabilitation,
22 equipping and furnishing of mental health treatment and rehabilitation facilities located in
23 California at 3400 Montgomery Drive, Santa Rosa (approximately \$532,860) (the "Sonoma
24 Facility"), and at 50 Shrader Street, San Francisco (approximately \$894,370), 368 Fell Street,
25 San Francisco (approximately \$383,150), 25 Beulah Street, San Francisco (approximately

1 \$986,240), 212 Ashbury Street, San Francisco (approximately \$397,430), 2210 Clay Street,
2 San Francisco (approximately \$1,090,580), 1443 7th Avenue, San Francisco (approximately
3 \$49,815), 405 Baker Street, San Francisco (approximately \$1,120,770) and 50-54 Dore
4 Street, San Francisco (approximately \$2,044,785) (the "Local Facilities" and together with the
5 Sonoma Facility, the "Facilities"), and (ii) pay various transaction costs and related costs; and

6 WHEREAS, The Local Facilities are located within the boundaries of the City and
7 County of San Francisco ("City"), which is an associate member of the Authority; and

8 WHEREAS, Pursuant to Section 147(f) of the Code, and the Treasury Regulations
9 promulgated thereunder, the issuance of the Obligations by the Authority may qualify for tax
10 exemption under Section 103 of the Code only if the Obligations are approved by an
11 "applicable elected representative" of both the governmental unit issuing the Obligations or on
12 behalf of which the Obligations are to be issued, and a governmental unit having jurisdiction
13 over the geographic area in which the Local Facilities are located, after a public hearing held
14 following reasonable public notice; and

15 WHEREAS, The issuance and delivery of the Obligations shall be subject to the
16 approval of and execution by the Authority; and

17 WHEREAS, The Authority has requested the Board of Supervisors of the City and
18 County of San Francisco ("Board") to approve the issuance and sale of the Obligations in
19 order to satisfy the requirements of Section 147(f) of the Code, and the Treasury Regulations
20 promulgated thereunder, the Board being an applicable elected representative having
21 jurisdiction over the geographic area in which the Local Facilities are located within the
22 meaning of Section 147(f) of the Code, and the Treasury Regulations promulgated
23 thereunder; and

1 WHEREAS, On May 11, 2022, the City caused a notice to appear on its website stating
2 that a public hearing with respect to the issuance of the Obligations would be held by the
3 Office of Public Finance on May 18, 2022; and

4 WHEREAS, The Office of Public Finance of the City has held the public hearing
5 described above on May 18, 2022, and an opportunity was provided for persons to comment
6 on the issuance and sale of the Obligations and the plan of refinancing of the Local Facilities;
7 and

8 WHEREAS, The Obligations will be limited obligations of the Authority, payable solely
9 from and secured solely by amounts received from or on behalf of the Borrower, and will not
10 constitute an indebtedness or obligation, or a pledge of the faith and credit of, the City or the
11 Authority, except to the limited extent described herein; and

12 WHEREAS, It is intended that this Resolution shall constitute approval of the issuance
13 of the Obligations for purposes of Section 147(f) of the Code, and the Treasury Regulations
14 promulgated thereunder; now, therefore, be it

15 RESOLVED, That this Board finds that all of the recitals set forth above are true and
16 correct; and, be it

17 FURTHER RESOLVED, That the Board, as an applicable elected representative of the
18 governmental unit on behalf of which the Obligations will be issued and having jurisdiction
19 over the geographic area in which the Local Facilities are or will be located, hereby approves
20 the issuance of the Obligations by the Authority. It is the purpose and intent of the Board that
21 this Resolution constitute both "issuer" approval and "host" approval of the issuance of the
22 Obligations by the City for purposes of Section 147(f) of the Code, and the Treasury
23 Regulations promulgated thereunder; and, be it

1 FURTHER RESOLVED, That the Obligations shall not constitute a debt or obligation in
2 any respect of the City, and the payment of the principal, prepayment premium, if any, and
3 interest on the Bonds shall be solely the responsibility of the Borrower; and, be it

4 FURTHER RESOLVED, That the approval by the Board of the issuance and sale of the
5 Obligations is neither an approval of the underlying credit issues of the Facilities nor an
6 approval of the financial structure of the Obligations, and that the adoption of this Resolution
7 shall not obligate (i) the City to provide refinancing to the Borrower for the acquisition,
8 construction, installation, rehabilitation, equipping and/or furnishing of the Facilities, or to issue
9 the Obligations for purposes of such financing or (ii) the City, or any department of the City, to
10 approve any application or request for, or take any other action in connection with any
11 environmental, General Plan, zoning or any other permit or other action necessary for the
12 acquisition, construction, installation, rehabilitation, equipping and/or furnishing of the
13 Facilities; and, be it

14 FURTHER RESOLVED, That the Controller and the Director of the Office of Public
15 Finance and any other proper officers of the City are hereby authorized and directed to
16 execute such other agreements, documents and certificates, and to perform such other acts
17 as may be necessary or advisable to effect the purposes of this Resolution, and, be it

18 FURTHER RESOLVED, That this Resolution shall take effect from and after its
19 adoption and approval.

20 APPROVED AS TO FORM:
21 DAVID CHIU, City Attorney

22 By: /s/MARK D. BLAKE
23 MARK D. BLAKE
24 Deputy City Attorney

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City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 220714

Date Passed: July 26, 2022

Resolution approving for purposes of Internal Revenue Code of 1986, as amended, Section 147(f) of the Issuance and Sale of Revenue Obligations by the California Enterprise Development Authority in an aggregate principal amount not to exceed \$7,500,000 to refinance the acquisition, construction, installation, rehabilitation, equipping and furnishing of various capital facilities to be owned and operated by Progress Foundation, a California nonprofit public benefit corporation.


July 20, 2022 Budget and Finance Committee - RECOMMENDED


July 26, 2022 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 220714

I hereby certify that the foregoing
Resolution was ADOPTED on 7/26/2022 by
the Board of Supervisors of the City and
County of San Francisco.


Angela Calvillo
Clerk of the Board


London N. Breed
Mayor

8/4/22
Date Approved