

1 [Issuance and Sale of Revenue Obligations - California Enterprise Development Authority -
2 San Francisco Friends School - Not to Exceed \$25,000,000]

3 **Resolution approving for purposes of Internal Revenue Code, Section 147(f), the**
4 **Issuance and Sale of Revenue Obligations by the California Enterprise Development**
5 **Authority in an aggregate principal amount not to exceed \$25,000,000 to finance or**
6 **refinance the acquisition, construction, renovation, rehabilitation, improvement and/or**
7 **equipping of educational and related facilities to be owned and operated by San**
8 **Francisco Friends School, a California nonprofit public benefit corporation.**

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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 terms
12 of a Joint Powers Agreement, dated as of June 1, 2006 (“Agreement”), among certain public
13 agencies throughout the State of California, to issue revenue bonds and other forms of
14 indebtedness to assist nonprofit corporations to obtain tax-exempt financing for appropriate
15 projects and purposes; and

16 WHEREAS, San Francisco Friends School (“Borrower”), a California nonprofit public
17 benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue
18 Code of 1986, as amended (“Code”), has requested that the Authority issue revenue
19 obligations in an aggregate principal amount not to exceed \$25,000,000 (“Obligations”): (i) to
20 refinance certain indebtedness that previously financed costs relating to the acquisition,
21 construction, renovation, rehabilitation, improvement and/or equipping of its educational
22 facilities (“Prior Project”) located at 250 Valencia Street, San Francisco, California 94103
23 (“Property”); (ii) to finance and/or reimburse the Borrower for the cost of additional

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1 construction, renovation, rehabilitation, improvement and/or equipping of the Property
2 (collectively, “New Project” and, together with the Prior Project, “Project”), and (iii) to pay
3 various transaction costs and related costs; and

4 WHEREAS, The Project is located within the boundaries of the City and County of San
5 Francisco (“City”), which is a member of the Authority; and

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

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

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

21 WHEREAS, On August 4, 2020, the City caused a notice to appear on its website
22 stating that a public hearing with respect to the issuance of the Obligations would be held by
23 the Office of Public Finance on August 12, 2020; and

24 WHEREAS, The Office of Public Finance of the City has held the public hearing
25 described above on August 12, 2020, and an opportunity was provided for persons to

1 comment on the issuance and sale of the Obligations, the proposed nature and location of the
2 Project and the plan of financing and refinancing of the Project; and

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

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

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

12 FURTHER RESOLVED, That the Board, as an applicable elected representative of the
13 governmental unit on behalf of which the Obligations will be issued and having jurisdiction
14 over the geographic area in which the Project is or will be located, hereby approves the
15 issuance of the Obligations by the Authority; it is the purpose and intent of the Board that this
16 Resolution constitute both “issuer” approval and “host” approval of the issuance of the
17 Obligations by the City for purposes of Section 147(f) of the Code, and the Treasury
18 Regulations promulgated thereunder; and, be it

19 FURTHER RESOLVED, That the approval by the Board of the issuance and sale of the
20 Obligations is neither an approval of the underlying credit issues of the Project nor an
21 approval of the financial structure of the Obligations, and that the adoption of this Resolution
22 shall not obligate (i) the City to provide financing to the Borrower for the acquisition,
23 construction, renovation, rehabilitation, improvement and/or equipping of the Project, or to
24 issue the Obligations for purposes of such financing or (ii) the City, or any department of the
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1 City, to approve any application or request for, or take any other action in connection with any
2 environmental, General Plan, zoning or any other permit or other action necessary for the
3 construction, renovation, rehabilitation, improvement and/or equipping of the Project; and, be
4 it

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

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8 APPROVED AS TO FORM:
9 Dennis J. Herrera,
10 City Attorney

11 By: /s/ Mark D.Blake
12 Mark D. Blake
13 Deputy City Attorney

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