

1 [Issuance and Sale of Tax-Exempt Bonds – Pacific Institute.]

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3 **Resolution approving the issuance and sale of tax-exempt bonds by the ABAG Finance**
4 **Authority for Nonprofit Corporations in an aggregate principal amount not to exceed**
5 **\$32,000,000 to finance the acquisition and construction of improvements to and**
6 **equipping of senior residential care facilities owned by Pacific Institute or an affiliate.**

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8 WHEREAS, Pacific Institute, a California public benefit nonprofit corporation (the
9 "Corporation") has requested that the ABAG Finance Authority for Nonprofit Corporations, a
10 joint exercise of powers agency established pursuant to the laws of the State of California (the
11 "Authority") issue and sell its revenue bonds (the "Bonds") in an aggregate principal amount
12 not expected to exceed \$32,000,000, for the purpose of making a loan (the "Loan") to the
13 Corporation to finance various capital facilities as more fully described below; and,

14 WHEREAS, The Corporation plans to use the proceeds of the Loan for the following
15 purposes: (1) finance the acquisition, construction of improvements to and equipping of a 47
16 bed assisted living facility for frail elders located at 601 Laguna Street, San Francisco,
17 California 94102 and a 56 bed senior community located at 624 Laguna Street, San
18 Francisco, California 94102 (collectively, the "Project"), to be owned and operated by the
19 Corporation; and (2) pay certain expenses incurred in connection with the issuance of the
20 Bonds; and,

21 WHEREAS, The issuance and delivery of the Bonds shall be subject to the approval of
22 and execution by the Authority of all financing documents relating thereto to which the
23 Authority is a party and subject to the sale of the Bonds by the Authority; and,

24 WHEREAS, The Project is located wholly within the City; and,

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1 WHEREAS, The interest on the Bonds may qualify for tax exemption under
2 Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the
3 Bonds are approved in accordance with Section 147(f) of the Code; and,

4 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative
5 body of the City and is one of the applicable elected representatives required to approve the
6 issue within the meaning of Section 147(f) of the Code; and,

7 WHEREAS, The Authority has requested the Board to approve the issuance and sale
8 of the Bonds in order to satisfy the public approval requirements of Section 147(f) of the Code;
9 and,

10 WHEREAS, On April 2, 2007, the City caused a notice to appear in the *San Francisco*
11 *Chronicle*, which is a newspaper of general circulation in the City, stating that a public hearing
12 with respect to the issuance of the Bonds would be held by the City's Office of Public Finance
13 on April 16, 2007; and,

14 WHEREAS, The Office of Public Finance held the public hearing described above on
15 April 16, 2007, and an opportunity was provided for persons to comment on the issuance and
16 sale of the Bonds and plan of financing the Project; and,

17 WHEREAS, The Office of Public Finance has satisfied the requirements of the City's
18 Bond TEFRA Approval Policy set forth in San Francisco Administrative Code Section 43.9.5
19 and the Director of Public Finance recommends adoption of this Resolution; now, therefore be
20 it

21 RESOLVED, That this Board hereby finds and declares the above recitals are true and
22 correct; and, be it

23 FURTHER RESOLVED, That this Board hereby approves the issuance and sale of the
24 Bonds by the Authority; and be it

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1 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
2 Resolution constitute approval of the issuance of the Bonds by the applicable elected
3 representative of the governmental unit having jurisdiction over the area in which the Project
4 is located for the purposes of and in accordance with Section 147(f) of the; and, be it

5 FURTHER RESOLVED, That the approval of the issuance and sale of the Bonds by
6 the Authority is neither an approval of the underlying credit issues of the proposed Project nor
7 an approval of the financial structure of the Bonds; and be it

8 FURTHER RESOLVED, That the Bonds shall not constitute a debt or obligation of the
9 City and the payment of the principal, prepayment premium, if any, and purchase price of and
10 interest on the Bonds shall be solely the responsibility of the Corporation; and be it

11 FURTHER RESOLVED, The adoption of this Resolution shall not obligate (i) the City to
12 provide financing to the Corporation for the acquisition, rehabilitation and development of the
13 Project or to issue the Bonds for purposes of such financing; or (ii) the City, or any department
14 of the City, to approve any application or request for, or take any other action in connection
15 with, any environmental, General Plan, zoning or any other permit or other regulatory action
16 sought in connection with the Project; and be it

17 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
18 adoption.

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20 APPROVED AS TO FORM:

21 DENNIS J. HERRERA
22 City Attorney

23 By: _____
24 KENNETH DAVID ROUX
25 Deputy City Attorney