

1 [Issuance of Tax-Exempt Obligation - California College of the Arts - Not to Exceed
2 \$26,000,000]

3 **Resolution approving, in accordance with the Internal Revenue Code, Section 147(f),**
4 **the issuance of tax-exempt obligations by the California Statewide Communities**
5 **Development Authority in an aggregate principal amount not to exceed \$26,000,000 to**
6 **finance and refinance various capital facilities owned by California College of the Arts**
7 **or an affiliate.**

8
9 WHEREAS, California College of the Arts, a California nonprofit corporation (the
10 "Corporation") has requested that the California Statewide Communities Development
11 Authority, a joint exercise of powers agency established pursuant to the laws of the State of
12 California, or other conduit issuer (the "Authority"), issue from time to time tax-exempt
13 obligations (the "Obligation"), in an aggregate principal amount not expected to exceed
14 \$26,000,000 for the purpose of making one or more loans (collectively, the "Loan") to the
15 Corporation pursuant to a plan of financing for various capital facilities as more fully described
16 below; and

17 WHEREAS, The City and County of San Francisco (the "City") is a member of the
18 Authority and has entered into that certain Amended and Restated Joint Exercise of Powers
19 Agreement relating to the Authority, dated as of June 1, 1988 (the "Agreement") among
20 certain local agencies, including the City; and

21 WHEREAS, The Corporation expects to use the proceeds of the Loan for the following
22 purposes: (1) redeem in full all of the outstanding \$18,535,000 California Educational
23 Facilities Authority ("CEFA") Revenue Bonds (California College of the Arts), Series 2005 (the
24 "2005 Bonds") and the portion of CEFA's outstanding \$37,765,000 Revenue Bonds (College
25 and University Financing Program), Series 2007, allocable to the Corporation (the "2007

1 Bonds," and together with the 2005 Bonds, the "Refunded Bonds"), the proceeds of which
2 Refunded Bonds were used to finance or refinance the construction, acquisition,
3 improvement, capital maintenance, equipment acquisition and other related capital
4 expenditures at the Corporation's facilities located at 1111 Eighth Street, San Francisco,
5 California (the "San Francisco Campus") and 5212 Broadway, Oakland, California (the
6 "Oakland Campus"), (2) pay and/or reimburse the Corporation for miscellaneous capital
7 expenditures related to the acquisition, construction, improvement and equipping of the San
8 Francisco Campus and/or the Oakland Campus, and (3) pay various costs of issuance and
9 other related costs (collectively, the "Project"); and

10 WHEREAS, The issuance of the Obligation shall be subject to the approval of and
11 execution by the Authority of all financing documents relating thereto to which the Authority is
12 a party and subject to the issuance of the Obligation by the Authority; and

13 WHEREAS, All or a portion of the Project is and will be located within the City; and

14 WHEREAS, The interest on the Obligation may qualify for tax exemption under Section
15 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Obligation is
16 approved in accordance with Section 147(f) of the Code; and

17 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative
18 body of the City and is the applicable elected representative required to approve the issue
19 within the meaning of Section 147(f) of the Code; and

20 WHEREAS, The Authority has requested the Board to approve the issuance of the
21 Obligation in order to satisfy the public approval requirements of Section 147(f) of the Code
22 and the requirements of Section 9 of the Agreement; and

23 WHEREAS, On September 19, 2014, the City caused a notice to appear in the *San*
24 *Francisco Examiner*, which is a newspaper of general circulation in the City, stating that a
25

1 public hearing with respect to the issuance of the Obligation would be held by the City's Office
2 of Public Finance on October 3, 2014; and

3 WHEREAS, The Office of Public Finance held the public hearing described above on
4 October 3, 2014, and an opportunity was provided for persons to comment on the issuance of
5 the Obligation and the financing and refinancing of the Project; now, therefore, be it

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

8 FURTHER RESOLVED, That this Board hereby approves the issuance of the
9 Obligation by the Authority; and, be it

10 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
11 Resolution constitutes (a) approval of the issuance of the Obligation by the applicable elected
12 representative of the governmental unit having jurisdiction over the area in which the Project
13 is located for the purposes of and in accordance with Section 147(f) of the Code, and (b)
14 approval of the Obligation for purposes of Section 9 of the Agreement; and, be it

15 FURTHER RESOLVED, That the approval of the issuance of the Obligation by the City
16 is neither an approval of the underlying credit issues of the proposed Project nor an approval
17 of the financial structure of the Obligation; and, be it

18 FURTHER RESOLVED, That the Obligation shall not constitute a debt or obligation of
19 the City and the payment of the principal, prepayment premium, if any, and purchase price of
20 and interest on the Obligation shall be solely the responsibility of the Corporation; and, be it

21 FURTHER RESOLVED, That adoption of this Resolution shall not obligate (i) the City
22 to provide financing to the Corporation for the acquisition, rehabilitation and development of
23 the Project or to issue the Obligation for purposes of such financing; or (ii) the City, or any
24 department of the City, to approve any application or request for, or take any other action in
25

1 connection with, any environmental, General Plan, zoning or any other permit or other
2 regulatory action sought in connection with the Project; and, be it

3 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
4 adoption.

5

6 APPROVED AS TO FORM:
7 DENNIS J. HERRERA, City Attorney

8 By: _____
9 Mark D. Blake
10 Deputy City Attorney

n:\financlas2014\1300182\00966232.doc]

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25