

1 [Issuance of Tax-Exempt Obligations - Progress Foundation - Not to Exceed \$9,000,000]

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3 **Resolution approving the issuance of tax-exempt obligations by the California**
4 **Enterprise Development Authority in an aggregate principal amount not to exceed**
5 **\$9,000,000 to finance and refinance various capital facilities owned by Progress**
6 **Foundation.**

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8 WHEREAS, Progress Foundation, a California nonprofit corporation (the "Borrower")
9 has requested that the California Enterprise Development Authority, a joint exercise of powers
10 agency established pursuant to the laws of the State of California (the "Authority") issue its
11 tax-exempt obligations (the "Obligations"), in an aggregate principal amount not expected to
12 exceed \$9,000,000, for the purpose of making from time to time one or more loans to the
13 Borrower pursuant to a plan of financing for various capital facilities as more fully described
14 below; and

15 WHEREAS, The City and County of San Francisco (the "City") is a member of the
16 Authority; and

17 WHEREAS, The Borrower expects to use the proceeds of the Obligations to: (i)
18 refinance outstanding indebtedness incurred by the Borrower, the proceeds of which were
19 used to finance and refinance the cost of the acquisition, construction, installation,
20 rehabilitation, equipping and furnishing of mental health treatment and rehabilitation facilities
21 located at 368 Fell Street, San Francisco, California 94102, 25 Beulah Street, San Francisco,
22 California 94117, 212 Ashbury Street, San Francisco, California 94117, 2210 Clay Street, San
23 Francisco, California 94115, 1443 7th Avenue, San Francisco, California 94122, 405 Baker
24 Street, San Francisco, California 94117 and 50-54 Dore Street, San Francisco, California

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1 94103 (collectively, the "Facilities"), and (ii) pay certain costs of issuance in connection with
2 the Obligations; and

3 WHEREAS, The Facilities will be owned and operated by the Borrower and used in
4 connection with the Borrower's tax-exempt mission of providing community-based residential
5 treatment and supported housing programs as alternatives to institutional treatment for
6 individuals with mental disabilities and for the management and administration of such
7 programs; and

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

11 WHEREAS, The Facilities are located wholly within the City; and

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

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

18 WHEREAS, The Authority has requested the Board to approve the issuance of the
19 Obligations in order to satisfy the public approval requirements of Section 147(f) of the Code;
20 and

21 WHEREAS, On February 28, 2013, the City caused a notice to appear in the *San*
22 *Francisco Chronicle*, which is a newspaper of general circulation in the City, stating that a
23 public hearing with respect to the issuance of the Obligations would be held by the City's
24 Office of Public Finance on March 14, 2013; and

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1 WHEREAS, The Office of Public Finance held the public hearing described above on
2 March 14, 2013, and an opportunity was provided for persons to comment on the issuance of
3 the Obligations and plan of financing; and

4 WHEREAS, The Director of Public Finance recommends approval of the issuance of
5 the Obligations pursuant to Chapter 43, Article 9, Section 5 of the Administrative Code; now,
6 therefore be it

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

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

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

15 FURTHER RESOLVED, That the approval of the issuance of the Obligations by the
16 City is neither an approval of the underlying credit of the Borrower or the Facilities nor an
17 approval of the financial structure of the Obligations; and neither the City, nor any department
18 thereof, shall have no responsibility or liability whatsoever with respect to the Obligations or
19 the Facilities; and, be it

20 FURTHER RESOLVED, That the Obligations shall not constitute a debt or obligation of
21 the City and the payment of the principal, prepayment premium, if any, and purchase price of
22 and interest on the Obligations shall be solely the responsibility of the Borrower; and be it

23 FURTHER RESOLVED, That adoption of this Resolution shall not obligate (i) the City
24 to provide financing to the Borrower for the acquisition, rehabilitation and development of the
25 Facilities or to issue the Obligations for purposes of such financing; (ii) make any contribution

1 or advance any funds to the Authority; or (iii) the City, or any department of the City, to
2 approve any application or request for, or take any other action in connection with, any
3 environmental, General Plan, zoning or any other permit or other regulatory action sought in
4 connection with the Facilities; and be it

5 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
6 adoption.

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8 APPROVED AS TO FORM:
9 DENNIS J. HERRERA, City Attorney

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By: _____
Mark D. Blake
Deputy City Attorney
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