

1 [Execution of Tax-Exempt Loan - California Municipal Finance Authority - Pacific Primary
2 School - Not to Exceed \$3,700,000]

3 **Resolution approving, in accordance with Section 147(f) of the Internal Revenue Code**
4 **of 1986, as amended (“Code”), the execution of a tax-exempt loan or loans by the**
5 **California Municipal Finance Authority (“Authority”) in one or more series pursuant to**
6 **a plan of financing and in an aggregate principal amount not to exceed \$3,700,000**
7 **(“Authority Loan”), the proceeds of which will be loaned by the Authority (“Borrower**
8 **Loan”) to Pacific Primary School, a California nonprofit public benefit corporation and**
9 **an organization described in, and exempt from tax under, Section 501(c)(3) of the**
10 **Code (“Borrower”), to (i) prepay and refinance in full all of the outstanding principal**
11 **amount of ABAG Finance Authority for Nonprofit Corporations 2013 Tax-Exempt Loan**
12 **(Pacific Primary), originally issued in the principal amount of \$4,100,000 the proceeds**
13 **of which were used to redeem in full all of the then outstanding principal amount of**
14 **ABAG Finance Authority for Nonprofit Corporations Variable Rate Demand Revenue**
15 **Bonds (Pacific Primary) Series 2008, originally issued in the principal amount of**
16 **\$4,550,000 the proceeds of which were used for the construction, acquisition,**
17 **improvement, capital maintenance, equipment acquisition and other related capital**
18 **expenditures at the Borrower’s facilities located at 1500 and 1501 Grove Street, San**
19 **Francisco, California and (ii) pay certain expenses incurred in connection with the**
20 **delivery of the Borrower Loan (collectively, the “Project”).**

21
22 WHEREAS, The California Municipal Finance Authority (“Authority”) is authorized
23 pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and
24 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government
25

1 Code of the State of California, and a Joint Exercise of Powers Agreement, dated as of
2 January 1, 2004, among the Authority and certain local agencies, including the City and
3 County of San Francisco (“City”), as amended from time to time (as so amended, the
4 “Agreement”), to issue revenue bonds and other forms of indebtedness to assist nonprofit
5 corporations to obtain financing, including tax-exempt financing, for certain projects and
6 purposes; and

7 WHEREAS, The City is a member of the Authority; and

8 WHEREAS, Pacific Primary School, a California nonprofit public benefit corporation
9 (“Borrower”), and an organization described in, and exempt from tax under, Internal Revenue
10 Code Section 501(c)(3), as amended (“Code”), has requested that the Authority obtain a loan
11 or loans, in one or more series pursuant to a plan of financing and in an aggregate principal
12 amount not to exceed \$3,700,000 (“Authority Loan”) and loan the proceeds of the Authority
13 Loan to the Borrower (“Borrower Loan”) to (i) prepay and refinance in full all of the outstanding
14 principal amount of ABAG Finance Authority for Nonprofit Corporations 2013 Tax-Exempt
15 Loan (Pacific Primary), originally issued in the principal amount of \$4,100,000 the proceeds of
16 which were used to redeem in full all of the then outstanding principal amount of ABAG
17 Finance Authority for Nonprofit Corporations Variable Rate Demand Revenue Bonds (Pacific
18 Primary) Series 2008, originally issued in the principal amount of \$4,550,000 the proceeds of
19 which were used for the construction, acquisition, improvement, capital maintenance,
20 equipment acquisition and other related capital expenditures at the Borrower’s facilities
21 located at 1500 and 1501 Grove Street, San Francisco, California and (ii) pay certain
22 expenses incurred in connection with the delivery of the Borrower Loan (collectively, the
23 “Project”); and

24 WHEREAS, The Project is located within the territorial limits of the City and concerns
25 the refinancing of facilities of the Borrower at its Campus, located at 1500 and 1501 Grove

1 Street, San Francisco, California; and

2 WHEREAS, The execution of the Authority Loan shall be subject to the approval of and
3 execution by the Authority of all financing documents relating thereto to which the Authority is
4 a party; and

5 WHEREAS, Interest on the Authority Loan relating to the Project may qualify for tax
6 exemption under Section 103 of the Code only if the Authority Loan relating to the Project is
7 approved by an “applicable elected representative” of the City in accordance with Section
8 147(f) of the Code; and

9 WHEREAS, The Board of Supervisors of the City (the “Board”) is the elected legislative
10 body of the City and is therefore an “applicable elected representative” required to approve
11 the Authority Loan relating to the Project within the meaning of Section 147(f) of the Code and
12 is the “governing body” of the City required to approve the Authority Loan and the Project in
13 accordance with Section 4 of the Agreement; and

14 WHEREAS, The Authority has requested the Board to approve the execution of the
15 Authority Loan by the Authority for the purposes of financing the Project in order to satisfy the
16 public approval requirements of Section 147(f) of the Code as applicable to the Authority Loan
17 and the requirements of Section 4 of the Agreement; and

18 WHEREAS, On September 14, 2020, the City caused a public notice to appear on its
19 website, stating that a public hearing with respect to the execution of the Authority Loan and
20 the Project would be held by telephone at a toll-free number on September 21, 2020; and

21 WHEREAS, The Office of Public Finance held the public hearing described above on
22 September 21, 2020, and an opportunity was provided for persons to comment on the
23 execution of the Authority Loan in one or more series and the plan of financing for the Project,
24 and the Office of Public Finance has forwarded any comments received by such date to this
25 Board; and

1 WHEREAS, The Authority Loan will be a limited obligation of the Authority, payable
2 solely from and secured solely by amounts received from or on behalf of the Borrower, and
3 will not constitute an indebtedness or obligation, or a pledge of the faith and credit of, or the
4 taxing power, if any, of, the City or the Authority; and

5 WHEREAS, It is intended that this resolution shall constitute the approval of the
6 execution of the Authority Loan relating to the Project as a tax-exempt obligation required by
7 Section 147(f) of the Code and the approval of the Authority Loan and the Project required by
8 Section 4 of the Agreement; and

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

11 FURTHER RESOLVED, That this Board hereby approves the execution of the
12 Authority Loan by the Authority for the purpose of financing the Project; and, be it

13 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
14 Resolution constitute approval of the execution of the Authority Loan by the Authority in one or
15 more series and of the plan of financing of the Project, as the applicable elected
16 representative of the governmental unit having jurisdiction over the area in which the Project
17 is located, for purposes of and in accordance with (a) Section 147(f) of the Code as applicable
18 to the execution of the Authority Loan relating to the Project as a tax-exempt obligation and
19 (b) Section 4 of the Agreement; and, be it

20 FURTHER RESOLVED, That the approval by the City of the execution of the Authority
21 Loan by the Authority relating to the Project is neither an approval of the underlying credit of
22 the Borrower or of the proposed Project nor an approval of the financial structure of the
23 Authority Loan; and neither the City nor any department, official or officer thereof shall have
24 any responsibility or liability whatsoever with respect to the Authority Loan or the Project; and,
25 be it

1 FURTHER RESOLVED, That neither the Authority Loan nor the Borrower Loan shall
2 constitute a debt or obligation in any respect of the City, and the faith and credit of the City is
3 not pledged to the repayment of the Authority Loan or the Borrower Loan, and the payment of
4 the principal, prepayment premium, if any, and interest on the Authority Loan or the Borrower
5 Loan shall be solely the responsibility of the Authority or the Borrower, respectively; and, be it

6 FURTHER RESOLVED, That the adoption of this Resolution shall not obligate the City
7 or any department of the City to (i) provide financing to the Authority or the Borrower for the
8 repayment of the Authority Loan or the Borrower Loan or to make any loan to or for the benefit
9 of the Authority or the Borrower for purposes of such financing; (ii) make any contribution or
10 advance any funds to the Authority or the Borrower; or (iii) approve any application or request
11 for, or take any other action in connection with, any environmental, General Plan, zoning or
12 any other permit or other regulatory action sought in connection with the Project; and, be it

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

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

19 APPROVED AS TO FORM:
20 DENNIS J. HERRERA
21 CITY ATTORNEY

22 By: /s/ Mark D. Blake
23 Mark D. Blake
24 Deputy City Attorney

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