

1 [Issuance and Sale of Tax-Exempt Bonds - Children's Day School, Inc. - Not to Exceed
2 \$11,000,000]

3 **Resolution approving, in accordance with Section 147(f) of the Internal Revenue Code,**
4 **the issuance and sale of tax-exempt bonds by the California Municipal Finance**
5 **Authority in an aggregate principal amount not to exceed \$11,000,000 to finance**
6 **various capital facilities owned or leased by Children's Day School.**

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8 WHEREAS, Children's Day School, Inc., a California nonprofit corporation (the
9 "Corporation") has requested that the California Municipal Finance Authority, a joint exercise
10 of powers agency established pursuant to the laws of the State of California (the "Authority")
11 issue and sell from time to time its revenue bonds (the "Bonds"), in one or more series over
12 the next three years, in an aggregate principal amount not expected to exceed \$11,000,000,
13 for the purpose of making one or more loans (collectively, the "Loan") to the Corporation
14 pursuant to a plan of financing for various capital facilities as more fully described below; and,

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

17 WHEREAS, The Corporation expects to use the proceeds of the Loan to finance: (1)
18 the acquisition, construction, improvement, capital maintenance, equipment acquisition and
19 other related capital expenditures of the property located at 601-605 Dolores Street, San
20 Francisco, California (the "Dolores Street Facilities"), and (2) to pay costs of issuance, fund a
21 debt service reserve, capitalized interest and credit enhancement fees (collectively, the
22 "Projects"). The Dolores Street Facilities will be owned or leased and operated by the
23 Corporation and used for the educational purposes thereof; and,

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

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

5 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
6 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Bonds are
7 approved in accordance with Section 147(f) of the Code; and,

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

11 WHEREAS, The Authority has requested the Board to approve the issuance and sale
12 of the Bonds in order to satisfy the public approval requirements of Section 147(f) of the Code
13 and the requirements of Section 4 of the Joint Exercise of Powers Agreement Relating to the
14 California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement"), among
15 certain local agencies, including the City; and,

16 WHEREAS, On July 4, 2011, the City caused a notice to appear in the San Francisco
17 Chronicle, which is a newspaper of general circulation in the City, stating that a public hearing
18 with respect to the issuance of the Bonds would be held by the City's Office of Public Finance
19 on July 18, 2011; and,

20 WHEREAS, The Office of Public Finance held the public hearing described above on
21 July 18, 2011, and an opportunity was provided for persons to comment on the issuance and
22 sale of the Bonds and plan of financing the Project; and,

23 WHEREAS, The Director of Public Finance recommends approval of the issuance and
24 sale of the Bonds pursuant to Chapter 43, Article 9, Section 5 of the Administrative Code;
25 now, therefore be it

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

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

5 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
6 Resolution constitutes approval of the issuance of the Bonds by the applicable elected
7 representative of the governmental unit having jurisdiction over the area in which the Project
8 is located for the purposes of and in accordance with (a) Section 147(f) of the Code and (b)
9 Section 4 of the Agreement; and, be it

10 FURTHER RESOLVED, That the approval of the issuance and sale of the Bonds by
11 the City is neither an approval of the underlying credit of the Corporation or the proposed
12 Project nor an approval of the financial structure of the Bonds; and the City, nor any
13 department thereof, shall have no responsibility or liability whatsoever with respect to the
14 Bonds or the Project; and be it

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

18 FURTHER RESOLVED, That adoption of this Resolution shall not obligate (i) the City
19 to provide financing to the Corporation for the acquisition, rehabilitation and development of
20 the Project or to issue the Bonds for purposes of such financing; (ii) make any contribution or
21 advance any funds to the Authority; or (iii) the City, or any department of the City, to approve
22 any application or request for, or take any other action in connection with, any environmental,
23 General Plan, zoning or any other permit or other regulatory action sought in connection with
24 the Project; and be it

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1 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
2 adoption.

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APPROVED AS TO FORM:

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DENNIS J. HERRERA
City Attorney

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BY: _____
Mark D. Blake
Deputy City Attorney

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