

1 [Issuance by California Enterprise Development Authority Revenue Obligations - Presidio Hill
2 School - Not to Exceed \$9,000,000]

3 **Resolution approving for purposes of Internal Revenue Code, Section 147(f), the**
4 **Issuance and Sale of Revenue Obligations by the California Enterprise Development**
5 **Authority in an aggregate principal amount not to exceed \$9,000,000 to finance and**
6 **refinance the acquisition, construction, renovation, rehabilitation, improvement and/or**
7 **equipping of educational and related facilities to be owned and operated by Presidio**
8 **Hill School, a California nonprofit public benefit corporation, or its wholly-owned**
9 **limited liability company.**

10
11 WHEREAS, The California Enterprise Development Authority (“Authority”) is authorized
12 pursuant to the provisions of California Government Code, Section 6500 et seq., and the
13 terms of a Joint Powers Agreement, dated as of June 1, 2006 (“Agreement”), among certain
14 public agencies throughout the State of California, to issue revenue bonds and other forms of
15 indebtedness to assist nonprofit corporations to obtain tax-exempt financing for appropriate
16 projects and purposes; and

17 WHEREAS, Presidio Hill School (“Borrower”), a California nonprofit public benefit
18 corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code
19 of 1986, as amended (“Code”), has requested that the Authority issue revenue obligations
20 qualifying as “qualified 501(c)(3) bonds” in an aggregate principal amount not to exceed
21 \$9,000,000 (“Obligations”) (i) to refinance a 2014 tax-exempt loan which refinanced (A) the
22 costs of the Borrower’s construction, renovation, expansion and equipping of the Borrower’s
23 educational facilities located at 3839 Washington Street, San Francisco, California 94118, and
24 (B) the costs of the Borrower’s acquisition of a certain parcel of real property, and the
25 improvements thereon, located at 233 Maple Street, San Francisco, California 94118, which

1 property was purchased by Arguello Partners, LLC, a limited liability company (the “LLC”), of
2 which Borrower is the sole member, (ii) to finance the costs of the Borrower’s construction,
3 renovation, expansion and equipping of the Borrower’s educational facilities located at 3839
4 Washington Street, San Francisco, California 94118 (all such projects and acquisition being
5 collectively referred to herein as the “Project”), all of which is and will be owned and operated
6 by, and used in an integrated operation of, the Borrower (or a wholly-owned limited liability
7 company of the Borrower), and (iii) to pay various transaction costs and related costs; and

8 WHEREAS, The Project is located within the boundaries of the City and County of San
9 Francisco (“City”), which is a member of the Authority; and

10 WHEREAS, Pursuant to Section 147(f) of the Code and the Treasury Regulations
11 promulgated thereunder, the issuance of the Obligations by the Authority may qualify for tax
12 exemption under Section 103 of the Code only if the Obligations are approved by an
13 “applicable elected representative” of both the governmental unit issuing the Obligations or on
14 behalf of which the Obligations are to be issued, and a governmental unit having jurisdiction
15 over the geographic area in which the Project is located, after a public hearing held following
16 reasonable public notice; and

17 WHEREAS, The issuance and delivery of the Obligations shall be subject to the
18 approval of and execution by the Authority; and

19 WHEREAS, The Authority has requested that the Board of Supervisors of the City and
20 County of San Francisco (“Board”) approve the issuance and sale of the Obligations in order
21 to satisfy the requirements of Section 147(f) of the Code and the Treasury Regulations
22 promulgated thereunder, the Board being an applicable elected representative of the
23 governmental unit on behalf of which the Obligations are to be issued and having jurisdiction
24 over the geographic area in which the Project is located within the meaning of Section 147(f)
25 of the Code, and the Treasury Regulations promulgated thereunder; and

1 WHEREAS, On August 6, 2021, the City caused a notice to appear on its website,
2 stating that a telephonic public hearing with respect to the issuance of the Obligations would
3 be held by the Office of Public Finance on August 19, 2021; and

4 WHEREAS, The Office of Public Finance of the City has held the public hearing
5 described above on August 19, 2021, and an opportunity was provided for persons to
6 comment on the issuance and sale of the Obligations and the plan of financing of the Project;
7 and

8 WHEREAS, The Obligations will be limited obligations of the Authority, payable solely
9 from and secured solely by amounts received from or on behalf of the Borrower, and will not
10 constitute an indebtedness or obligation, or a pledge of the faith and credit of, or the taxing
11 power, if any, of the City or the Authority, except to the limited extent described herein; and

12 WHEREAS, It is intended that this Resolution shall constitute approval of the issuance
13 of the Obligations for purposes of Section 147(f) of the Code and the Treasury Regulations
14 promulgated thereunder; now, therefore, be it

15 RESOLVED, That this Board finds that all of the recitals set forth above are true and
16 correct; and, be it

17 FURTHER RESOLVED, That the Board, as an applicable elected representative of the
18 governmental unit on behalf of which the Obligations will be issued and having jurisdiction
19 over the geographic area in which the Project is or will be located, hereby approves the
20 issuance of the Obligations by the Authority. It is the purpose and intent of the Board that this
21 Resolution constitute both “issuer” approval and “host” approval of the issuance of the
22 Obligations by the City for purposes of Section 147(f) of the Code, and the Treasury
23 Regulations promulgated thereunder; and, be it

24 FURTHER RESOLVED, That the approval by the Board of the issuance and sale of the
25 Obligations is neither an approval of the underlying credit issues of the Project nor an

1 approval of the financial structure of the Obligations, and that the adoption of this Resolution
2 shall not obligate (i) the City to provide financing to the Borrower for the acquisition,
3 construction, renovation, rehabilitation, improvement and/or equipping of the Project, or to
4 issue the Obligations for purposes of such financing or (ii) the City, or any department of the
5 City, to approve any application or request for, or take any other action in connection with any
6 environmental, General Plan, zoning or any other permit or other action necessary for the
7 construction, renovation, rehabilitation, improvement and/or equipping of the Project; and, be
8 it

9 FURTHER RESOLVED, That this Resolution shall take effect from and after its
10 adoption and approval.

11 APPROVED AS TO FORM:
12 DENNIS J. HERRERA, City Attorney

13 By: /s/ MARK D. BLAKE
14 MARK D. BLAKE
15 Deputy City Attorney
16 n:\financlas2021\1300182\01552884.docx
17
18
19
20
21
22
23
24
25