

1 [Issuance and Sale of Revenue Obligations - Association of Bay Area Governments - Presidio  
2 Knolls School Project - Not to Exceed \$30,000,000]

3 **Resolution approving for purposes of Section 147(f) of the Internal Revenue Code of**  
4 **1986, as amended, the issuance and sale of revenue obligations by the Association of**  
5 **Bay Area Governments Finance Authority for Nonprofit Corporations in an aggregate**  
6 **principal amount not to exceed \$30,000,000 to finance or refinance the costs of the**  
7 **acquisition, demolition, construction, renovation, equipping and/or furnishing of preK-**  
8 **8 educational facilities to be owned and operated by Presidio Knolls School.**

9  
10 WHEREAS, The Association of Bay Area Governments (ABAG) Finance Authority for  
11 Nonprofit Corporations (the "Authority") is authorized pursuant to the provisions of California  
12 Government Code Section 6500 *et seq.* and the terms of an ABAG Finance Authority for  
13 Nonprofit Corporations Joint Powers Agreement, dated as of April 1, 1990, revised as of  
14 September 18, 1990, and further revised as of June 9, 1992 (collectively, the "Agreement"),  
15 among certain public agencies throughout the State of California, to issue revenue bonds and  
16 other forms of indebtedness to assist nonprofit corporations to obtain tax-exempt financing for  
17 appropriate projects and purposes; and

18 WHEREAS, Presidio Knolls School, Inc. (the "Borrower"), a California nonprofit public  
19 benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue  
20 Code of 1986, as amended (the "Code"), has requested that the Authority issue revenue  
21 obligations in an aggregate principal amount not to exceed \$30,000,000 (the "Bonds") to: (i)  
22 finance or refinance the costs of the acquisition, demolition, construction, renovation,  
23 equipping and/or furnishing of preK-8 educational and related and ancillary facilities located at  
24 1415 Howard Street and 220, 230, 240, 250 and 260 10th Street, San Francisco, California  
25 94103 (the "Campus"), owned and operated by the Borrower; and

1           WHEREAS, The Borrower proposes to pay for the following costs from proceeds of the  
2 Bonds, including but not limited to the demolition of a one-story garage, a pre-K building, and  
3 an elementary school building; the renovation of an existing building and conversion thereof  
4 from use as a group home to educational facilities; the construction of two three-story  
5 buildings collectively measuring approximately 60,000 square feet for use as educational  
6 facilities and one one-story building measuring approximately 1,000 square feet for use as a  
7 music building; and the construction of one or more outdoor play areas and approximately 50  
8 bicycle parking spaces, all located or to be located on the Campus (the "Project"), (ii)  
9 refinance certain indebtedness of the Borrower incurred in connection with the acquisition of  
10 the Project, and (iii) pay certain costs of issuance of the Bonds; and

11           WHEREAS, The Project is located within the City and County of San Francisco (the  
12 "City"), a member of the Authority; and

13           WHEREAS, Pursuant to Section 147(f) of the Code, the issuance of the Bonds by the  
14 Authority may qualify for tax exemption under Section 103 of the Code only if the Bonds are  
15 approved both by the "applicable elected representative" of the governmental unit issuing the  
16 Bonds and by a governmental unit having jurisdiction over the area in which the Project is  
17 located after a public hearing held following reasonable public notice; and

18           WHEREAS, The issuance and delivery of the Bonds shall be subject to the further  
19 approval of and execution by the Authority; and

20           WHEREAS, The Authority has requested the Board of Supervisors of the City and  
21 County of San Francisco (the "Board") to approve the issuance and sale of the Bonds in order  
22 to satisfy the requirements of Section 147(f) of the Code, the Board being the applicable  
23 elected representatives having jurisdiction over the area in which the Project is located within  
24 the meaning of Section 147(f) of the Code; and

25

1           WHEREAS, On August 29, 2016, the City caused a notice to appear in the *San*  
2 *Francisco Chronicle*, which is a newspaper of general circulation in the City, stating that a  
3 public hearing with respect to the issuance of the Bonds would be held by the Office of Public  
4 Finance on September 12, 2016; and

5           WHEREAS, The Office of Public Finance held the public hearing described above on  
6 September 12, 2016, and an opportunity was provided for persons to comment on the  
7 issuance and sale of the Bonds and the plan of financing or refinancing of the Project; and

8           WHEREAS, The Bonds will be limited obligations of the Authority, payable solely from  
9 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, the City or the  
11 Authority; and

12           WHEREAS, It is intended that this Resolution shall constitute approval of the issuance  
13 of the Bonds for purposes of Section 147(f) of the Code; now, therefore, be it

14           RESOLVED, That all of the recitals set forth above are true and correct; and, be it

15           FURTHER RESOLVED, That the Board hereby approves the issuance of the Bonds by  
16 the Authority, it is the purpose and intent of the Board that this Resolution constitutes approval  
17 of the issuance of the Bonds by the applicable elected representatives of the City for purposes  
18 of Section 147(f) of the Code; and, be it

19           FURTHER RESOLVED, That the approval by the Board of the issuance and sale of the  
20 Bonds is neither an approval of the underlying credit issues of the Project nor an approval of  
21 the financial structure of the Bonds, and that the adoption of this Resolution shall not obligate  
22 (i) the City to provide financing or refinancing to the Borrower for the acquisition, demolition,  
23 construction, renovation, equipping and/or furnishing of the Project or to issue the Bonds for  
24 purposes of such financing or refinancing or (ii) the City, or any department of the City, to  
25 approve any application or request for, or take any other action in connection with any

1 environmental, General Plan, zoning or any other permit or other action necessary for the  
2 acquisition, demolition, construction, renovation, equipping and/or furnishing of the Project;  
3 and, be it

4 FURTHER RESOLVED, That this Resolution shall take effect upon its enactment.  
5 Enactment occurs when the Mayor signs the resolution, the Mayor returns the resolution  
6 unsigned or does not sign the resolution within ten days of receiving it, or the Board of  
7 Supervisors overrides the Mayor's veto of the resolution.

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9 APPROVED AS TO FORM:  
10 DENNIS J. HERRERA  
11 City Attorney

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14 By: \_\_\_\_\_  
15 Mark D. Blake  
16 Deputy City Attorney  
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