

File No. 170612

Committee Item No. 19
Board Item No. 27

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee Date May 25, 2017

Board of Supervisors Meeting Date June 6, 2017

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong Date May 19, 2017
Completed by: Linda Wong Date May 30, 2017

AMENDED IN COMMITTEE

5/25/17

FILE NO. 170612

RESOLUTION NO.

1 [Issuance of Bonds - California Statewide Communities Development Authority - California
2 School of Mechanical Arts (Lick Wilmerding High School) - Not to Exceed \$53,000,000]

3 **Resolution approving, in accordance with Section 147(f) of the Internal Revenue Code**
4 **of 1986, as amended, the issuance of tax-exempt obligations by the California**
5 **Statewide Communities Development Authority in an aggregate principal amount not to**
6 **exceed \$53,000,000 for the financing and refinancing of various capital facilities owned**
7 **by The California School of Mechanical Arts (Lick-Wilmerding High School).**

8
9 WHEREAS, The California Statewide Communities Development Authority, is a joint
10 exercise of powers agency established pursuant to the laws of the State of California (the
11 "Authority") and that certain Amended and Restated Joint Exercise of Powers Agreement,
12 dated as of June 1, 1988, among certain local agencies, including the City (the "Agreement");
13 and

14 WHEREAS, The California School of Mechanical Arts (Lick-Wilmerding High School), a
15 California nonprofit corporation (the "Corporation") has requested that Authority to issue
16 obligations (the "Obligation") in an aggregate principal amount not expected to exceed
17 \$53,000,000, for the purpose of making a loan (the "Loan") to the Corporation which will
18 refinance various capital facilities as more fully described below; and

19 WHEREAS, Proceeds of the Obligation are to be loaned to the Corporation, pursuant
20 to a Master Loan Agreement (the "Loan Agreement"), and the Corporation will use the
21 proceeds of the Obligation as follows: (1) (a) finance the demolition of a classroom building
22 and construction of a new building planned to be three stories and include approximately
23 45,000 square feet of interior space to be used primarily for classroom and office space, (b)
24 remodeling of an existing science and auditorium building to provide for reconfigured and
25

1 expanded science labs, and (c) miscellaneous construction, renovation and acquisition of
2 other capital improvements (collectively, the "2017 Project") on the Corporation's campus,
3 located at 755 Ocean Avenue, San Francisco, California 94112 (the "Campus"); (2) refinance
4 certain tax-exempt obligations issued by the Authority which refinanced the ABAG Finance
5 Authority for Nonprofit Corporations Revenue Bonds (The California School of Mechanical
6 Arts – Lick-Wilmerding High School) Series 2002 that financed improvements to the Campus
7 (the "2002 Project" and together with the 2017 Project, the "Projects"); and (3) pay various
8 costs of issuance and other related costs with respect to the Obligation; and

9 WHEREAS, The Projects are or will be owned and operated by the Corporation and
10 the Campus and the Projects are located within the geographic boundaries of the City; and

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

13 WHEREAS, The issuance and delivery of the Obligation shall be subject to the
14 approval of and execution by the Authority of all financing documents relating thereto to which
15 the Authority is a party and subject to the issuance of the Obligation by the Authority; and

16 WHEREAS, Interest on the Obligation may qualify for tax exemption under Section 103
17 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Obligation is
18 approved in accordance with Section 147(f) of the Code; and

19 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative
20 body of the City and is one of the applicable elected representatives required to approve the
21 issue within the meaning of Section 147(f) of the Code and Section 9 of Agreement; and

22 WHEREAS, The Authority has requested the Board to approve the issuance and sale
23 of the Obligation in order to satisfy the public approval requirements of Section 147(f) of the
24 Code and the requirements of Section 9 of the Agreement; and

1 WHEREAS, On April 23, 2017, the City caused a notice to appear in the *San Francisco*
2 *Chronicle*, which is a newspaper of general circulation in the City, stating that a public hearing
3 with respect to the issuance of the Obligation and the Projects would be held by the City's
4 Office of Public Finance on May 8, 2017; and

5 WHEREAS, The Controller's Office of Public Finance held the public hearing described
6 above on May 8, 2017, and an opportunity was provided for persons to comment on the
7 issuance of the Obligation and the plan of financing for the Projects, and such written
8 comments received on or prior to the date of such hearing have been forwarded to this Board;
9 now, therefore be it

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

12 FURTHER RESOLVED, That this Board hereby approves the issuance of the
13 Obligation by the Authority; and be it

14 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
15 Resolution constitute approval of the issuance of the Obligation by the applicable elected
16 representative of the governmental unit having jurisdiction over the area in which the Projects
17 are located for the purposes of and in accordance with Section 147(f) of the Code and Section
18 9 of the Agreement; and, be it

19 FURTHER RESOLVED, That the approval of the issuance of the Obligation by the
20 Authority is neither an approval of the underlying credit supporting the Projects nor an
21 approval of the financial structure of the Obligation; and be it

22 FURTHER RESOLVED, That the Obligation shall not constitute a debt or obligation of
23 the City and the payment of the principal, prepayment premium, if any, and purchase price of
24 and interest on the Obligation shall be solely the responsibility of the Corporation; and be it
25

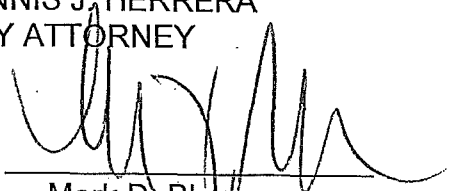
1 FURTHER RESOLVED, The adoption of this Resolution shall not obligate (i) the City to
2 provide or pledge any of its revenues or assets to the Corporation for the acquisition,
3 rehabilitation and development of the Projects or to issue the Obligation for purposes of such
4 financing; or (ii) the City, or any department of the City, to approve an application or request
5 for, or take any other action in connection with, environmental, General Plan consistency
6 determinations, zoning or any other permit or other regulatory action sought in connection with
7 the Projects; and be it

8 FURTHER RESOLVED, that this Resolution shall take effect immediately upon its
9 adoption.

10
11 APPROVED AS TO FORM:

12 DENNIS J. HERRERA
13 CITY ATTORNEY

14 By:



15 Mark D. Blake
16 Deputy City Attorney

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DECLARATION OF PUBLICATION OF SAN FRANCISCO CHRONICLE

NOTICE OF PUBLIC HEARING PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, FOR THE FINANCING AND REFINANCING OF CERTAIN PROJECTS FROM THE SALE OF TAX-EXEMPT OBLIGATIONS:

NOTICE IS HEREBY GIVEN that at 10:30 a.m. on May 8, 2017 in the Office of Public Finance, Room 336, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102, the City and County of San Francisco (the "City") will hold a public hearing (the "Public Hearing") at which time the City will hear and consider information concerning the proposed issuance of tax-exempt obligations (the "Obligations") by the California Statewide Communities Development Authority (the "Authority") in one or more series or tranches in an aggregate principal amount not to exceed fifty-three Million Dollars (\$53,000,000). Proceeds of the Obligations will be loaned by the Authority to The California School of Mechanical Arts (Lick-Wilmerding High School) (the "Corporation"), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), pursuant to certain Master Loan Agreements (the "Master Loan Agreements"). The Corporation will use the proceeds of the Obligation to pay the cost of: (1) (a) the demolition of a classroom building and construction of a new building planned to be three stories and include approximately 45,000 square feet of interior space to be used primarily for classroom and office space; (b) the remodeling of an existing science and auditorium building to provide for reconfigured and expanded science labs; and (c) miscellaneous construction, renovation and acquisition of other capital

improvements (collectively the "2017 Project") on the Corporation's campus, located at 755 Ocean Avenue, San Francisco, California 94112 (the "Campus"); (2) refinance certain tax-exempt obligations issued by the Authority which financed the ABAG Finance Authority for Nonprofit Corporations Revenue Bonds (The California School of Mechanical Arts - Lick-Wilmerding High School) Series 2002 that financed the cost of improvements to the Campus (the "2002 Project") and together with the 2017 Project, the "Projects"); and (3) pay various costs of issuance and other related costs with respect to the Obligations. The Projects are or will be owned and operated by the Corporation and the Campus and the Projects are located within the geographic boundaries of the City. The Obligations will be paid entirely from repayments by the Corporation under the Master Loan Agreements. Neither the full faith and credit nor the taxing power, if any, of the City, the Authority and its members, the State of California (the "State") or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal, premium, if any, or interest on the Obligations, nor shall the City, the Authority and its members, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal, premium, if any, or interest on the Obligations. The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Code. Those wishing to comment on the issuance of the Obligations or on the proposed nature and location of the Projects and the plan of financing and refinancing of the Projects may either appear in person at the time

Lori Gomez

Declares that:

The annexed advertisement has been regularly published
In the
SAN FRANCISCO CHRONICLE

Which is an was at all times herein mentioned
established as newspaper of general circulation in the
City and County of San Francisco, State of California, as
the term is defined by Section 6000 of the Government
Code

SAN FRANCISCO CHRONICLE

(Name of Newspaper)

901 Mission Street

San Francisco, CA 94103

From 4/23/17

To 4/23/17

Namely on 4/23/17

(Dates of Publication)

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 4/24/17

At San Francisco, California

[Handwritten Signature]

and place indicated above or submit written comments, which must be received prior to the Public Hearing, to the City, c/o Nadia Sesay, Director, Office of Public Finance, at the address indicated above. Notice is further given that the Corporation has filed an application with the Authority in connection with the proposed issuance of the Obligation to finance or refinance the Projects, and reference is hereby made to such application for further particulars.
Date: April 22, 2017
CITY AND COUNTY OF SAN FRANCISCO

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2017 MAY 16 PM 3:19

BY Bj Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Supervisor Yee

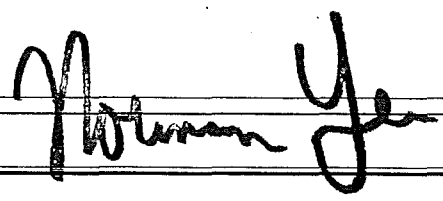
Subject:

Resolution Approving Issuance of Bonds by the California Statewide Communities Development Authority.—The California School of Performing Arts (Lick Wilmerding High School)—Not to Exceed \$53,000,000

The text is listed:

See attached.

Signature of Sponsoring Supervisor:



For Clerk's Use Only

