

1 [Issuance and Sale of Revenue Obligations - California Enterprise Development Authority -
2 San Francisco University High School - Not to Exceed \$49,000,000]

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 \$49,000,000 to finance the**
6 **cost of demolition, construction, installation, equipping and/or furnishing of**
7 **educational and related facilities to be owned and operated by San Francisco**
8 **University High School, a California nonprofit public benefit corporation, located at**
9 **3150 California Street.**

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 terms
13 of a Joint Powers Agreement, dated as of June 1, 2006 (“Agreement”), among certain public
14 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, San Francisco University High School (“Borrower”), a California nonprofit
18 public benefit corporation and an organization described in Section 501(c)(3) of the Internal
19 Revenue Code of 1986 (“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 \$49,000,000 (“Obligations”) (i) to finance the cost of demolition, construction, installation,
22 equipping and/or furnishing of the Borrower’s educational and related facilities located at 3150
23 California Street, San Francisco, California 94115, including a new approximately 48,000
24 square-foot three-story building, which is expected to include, among other things,
25 classrooms, a student center, faculty and staff offices, food service, and a gymnasium (which

1 may also be used as a school gathering space) (“Project”), all of which is and will be owned
2 and operated by, and used in an integrated operation of, the Borrower (or a wholly-owned
3 limited liability company of the Borrower), and (ii) to pay various transaction costs and related
4 costs; and

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

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

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

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

23 WHEREAS, On July 18, 2022, the City caused a notice to appear on its website,
24 stating that a telephonic public hearing with respect to the issuance of the Obligations would
25 be held by the Office of Public Finance on July 25, 2022; and

1 WHEREAS, The Office of Public Finance of the City has held the public hearing
2 described above on July 25, 2022, and an opportunity was provided for persons to comment
3 on the issuance and sale of the Obligations and the plan of financing of the Project; and

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

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

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

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

20 FURTHER RESOLVED, That the approval by the Board of the issuance and sale of the
21 Obligations is neither an approval of the underlying credit issues of the Project nor an
22 approval of the financial structure of the Obligations, and that the adoption of this Resolution
23 shall not obligate (i) the City to provide financing to the Borrower for the demolition,
24 construction, installation, equipping and/or furnishing of the Project or to issue the Obligations
25 for purposes of such financing, or (ii) the City, or any department of the City, to approve any

1 application or request for, or take any other action in connection with any environmental,
2 General Plan, zoning or any other permit or other action necessary for the demolition,
3 construction, installation, equipping and/or furnishing of the Project; and, be it

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

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7 APPROVED AS TO FORM:
8 DAVID CHIU, City Attorney

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9 By: /s/MARK D. BLAKE
10 MARK D. BLAKE
Deputy City Attorney

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