

1 [Issuance of Bonds - California Municipal Finance Authority - California Institute of Integral
2 Studies - Not to Exceed \$21,000,000]

3 **Resolution approving in accordance with Internal Revenue Code, Section 147(f), the**
4 **issuance of revenue bonds or a loan by the California Municipal Finance Authority (the**
5 **“Authority”) in one or more series pursuant to a plan of financing and in an aggregate**
6 **issue price not to exceed \$21,000,000 (the “Bonds”) to refinance all or a portion of**
7 **certain outstanding debt obligations that originally financed and refinanced the**
8 **acquisition, construction, improvement, equipping and furnishing of educational**
9 **facilities located at 1453 Mission Street, within the City and County of San Francisco**
10 **(the “City”), owned and managed by the California Institute of Integral Studies, a**
11 **California nonprofit public benefit corporation (the “Borrower”), in connection with the**
12 **provision of educational and other services in the City, including the instruction of**
13 **students enrolled in its undergraduate and graduate degree programs; finance**
14 **additional improvements to and equipping and maintenance of such facilities,**
15 **including, but not limited to, building waterproofing, seismic upgrades and other**
16 **campus improvements and maintenance; finance improvements to and equipping and**
17 **maintenance of certain other facilities leased, occupied and operated by the Borrower**
18 **for the provision of counseling services to residents of the City, which facilities are**
19 **located at 312 Sutter Street; pay capitalized interest on the Bonds, and pay certain**
20 **expenses incurred in connection with the issuance of the Bonds.**

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22 WHEREAS, The California Municipal Finance Authority (the “Authority”) is authorized
23 pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and
24 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government
25 Code of the State of California, and a Joint Exercise of Powers Agreement, dated as of

1 January 1, 2004, among the Authority and certain local agencies, including the City, as
2 amended from time to time (as so amended, the "Agreement"), to issue revenue bonds and
3 other forms of indebtedness to assist nonprofit corporations to obtain financing, including tax-
4 exempt financing, for certain projects and purposes; and

5 WHEREAS, The City is a member of the Authority; and

6 WHEREAS, California Institute of Integral Studies, a California nonprofit public benefit
7 corporation (the "Borrower"), and an organization described in Internal Revenue Code Section
8 501(c)(3), has requested that the Authority issue revenue bonds or a loan, in one or more
9 series pursuant to a plan of financing and in an aggregate issue price not to exceed
10 \$21,000,000 (the "Bonds") and loan the proceeds of the Bonds to the Borrower (the "Loan")
11 to: (i) refinance all or a portion of certain outstanding debt obligations that originally financed
12 and refinanced the acquisition, construction, improvement, equipping and furnishing of
13 educational facilities located at 1453 Mission Street, within the City, owned and managed by
14 the Borrower, in connection with the provision of educational and other services in the City,
15 including the instruction of students enrolled in its undergraduate and graduate degree
16 programs, (ii) finance additional improvements to and equipping and maintenance of such
17 facilities, including but not limited to building waterproofing, seismic upgrades and other
18 campus improvements and maintenance, (iii) finance improvements to and equipping and
19 maintenance of certain other facilities leased, occupied and operated by the Borrower for the
20 provision of counseling services to residents of the City, which facilities are located at 312
21 Sutter Street, San Francisco California 94108, (iv) pay capitalized interest on the Bonds, and
22 (v) pay certain expenses incurred in connection with the issuance of the Bonds (collectively,
23 the "Project"); and

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1 WHEREAS, The Project, located at 1453 Mission Street, San Francisco, California
2 94103, and at 312 Sutter Street, San Francisco California 94108, is located within the
3 territorial limits of the City; and

4 WHEREAS, The issuance of the Bonds shall be subject to the approval of and
5 execution by the Authority of all financing documents relating thereto to which the Authority is
6 a party; and

7 WHEREAS, Interest on the Bonds may qualify for tax exemption under Section 103 of
8 the Internal Revenue Code of 1986, as amended (the "Code") only if the Bonds are approved
9 by an "applicable elected representative" of the City in accordance with Section 147(f) of the
10 Code; and

11 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative
12 body of the City and is therefore an "applicable elected representative" required to approve
13 the Bonds within the meaning of Code Section 147(f) and is the "governing body" of the City
14 required to approve the Bonds in accordance with Section 4 of the Agreement; and

15 WHEREAS, The Authority has requested the Board to approve the issuance of the
16 Bonds by the Authority for the purposes of financing the Project in order to satisfy the public
17 approval requirements of Code Section 147(f) as applicable to the Bonds and the
18 requirements of Section 4 of the Agreement; and

19 WHEREAS, On September 14, 2018, the City caused a notice to appear in the *San*
20 *Francisco Chronicle*, which is a newspaper of general circulation in the City, stating that a
21 public hearing with respect to the issuance of the Bonds would be held by the City's Office of
22 Public Finance on September 28, 2018; and

23 WHEREAS, The Office of Public Finance held the public hearing described above on
24 September 28, 2018, and an opportunity was provided for persons to comment on the
25 issuance and sale of the Bonds in one or more series and the plan of financing of the Project,

1 and the Office of Public Finance has forwarded any comments received by such date to this
2 Board; and

3 WHEREAS, The Bonds will be limited obligations of the Authority, payable solely from
4 and secured solely by amounts received from or on behalf of the Borrower, and will not
5 constitute an indebtedness or obligation, or a pledge of the faith and credit of, the City or the
6 Authority, and

7 WHEREAS, It is intended that this resolution shall constitute the approval of the
8 issuance of the Bonds issued as tax-exempt obligations required by Code Section 147(f) and
9 the approval of the Bonds and the Project required by Section 4 of the Agreement; and

10 WHEREAS, The Director of Public Finance (the "Director") recommends approval of
11 the issuance of the Bonds pursuant to Chapter 43, Article 9, Section 5 of the Administrative
12 Code; now, therefore, be it

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

15 FURTHER RESOLVED, That this Board hereby approves the issuance of the Bonds
16 by the Authority for the purpose of financing the Project; and, be it

17 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
18 Resolution constitute approval of the issuance of the Bonds by the Authority in one or more
19 series and of the plan of financing of the Project, as the applicable elected representative of
20 the governmental unit having jurisdiction over the area in which the Project is located, for
21 purposes of and in accordance with (a) Code Section 147(f) as applicable to the Bonds issued
22 as tax-exempt obligations and (b) Section 4 of the Agreement; and, be it

23 FURTHER RESOLVED, That the approval by the City of the issuance of the Bonds by
24 the Authority is neither an approval of the underlying credit of the Borrower or of the proposed
25 Project nor an approval of the financial structure of the Bonds; and neither the City, nor any

1 department thereof, shall have any responsibility or liability whatsoever with respect to the
2 Bonds or the Project; and, be it

3 FURTHER RESOLVED, That the Bonds shall not constitute a debt or obligation in any
4 respect of the City, and the faith and credit of the City is not pledged to the repayment of the
5 Bonds, and the payment of the principal, prepayment premium, if any, and interest on the
6 Bonds shall be solely the responsibility of the Borrower; and, be it

7 FURTHER RESOLVED, That the adoption of this Resolution shall not obligate the City
8 or any department of the City to (i) provide financing to the Borrower for the repayment of the
9 Loan or to issue the Bonds for purposes of such financing; (ii) make any contribution or
10 advance any funds to the Authority; or (iii) approve any application or request for, or take any
11 other action in connection with, any environmental, General Plan, zoning or any other permit
12 or other regulatory action sought in connection with the Project; and, be it

13 FURTHER RESOLVED, That the Controller and the Director and any other proper
14 officers of the City are hereby authorized and directed to execute such other agreements,
15 documents and certificates, and to perform such other acts as may be necessary or advisable
16 to effect the purposes of this Resolution; 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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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA
6 CITY ATTORNEY

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9 By: _____
10 Kenneth D. Roux
11 Deputy City Attorney

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