

1 [Approving the Issuance of Tax-Exempt Revenue Obligations - The Urban School of San
2 Francisco - Not to Exceed \$8,000,000]

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4 **Resolution approving the issuance of tax-exempt revenue obligations by the California**
5 **Enterprise Development Authority in an aggregate principal amount not to exceed**
6 **\$8,000,000 among other things, to refinance various capital facilities owned by The**
7 **Urban School of San Francisco and to determine other matters related thereto.**

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9 WHEREAS, The Urban School of San Francisco, a nonprofit corporation, duly
10 organized and existing under the laws of the State of California (the "Borrower") has requested
11 that the California Enterprise Development Authority, a joint exercise of powers agency
12 established pursuant to the laws of the State of California (the "Authority"), issue its revenue
13 obligations (the "Obligations") in an aggregate principal amount not to exceed \$8,000,000, for
14 the purpose of making a loan (the "Loan") to the Borrower pursuant to a loan agreement (the
15 "Loan Agreement") to refinance various capital facilities as more fully described below; and,

16 WHEREAS, The Borrower plans to use the proceeds of the Loan to (i) refinance the
17 outstanding ABAG Finance Authority For Nonprofit Corporations Variable Rate Demand
18 Revenue Bonds (The Urban School of San Francisco), Series 2004 (the "Prior Bonds"), the
19 proceeds of which were used to finance and refinance the cost incurred to acquire, construct,
20 install, rehabilitate, equip and furnish educational facilities located at 1563 Page Street, San
21 Francisco, California 94117, all owned and operated by the Borrower and used for the
22 educational purposes, (ii) pay the cost of terminating an interest rate hedge agreement entered
23 into in connection with the Prior Bonds, and (iii) pay certain costs of issuance in connection with
24 the financing (collectively, the "Project"); and,

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1 WHEREAS, The City and County of San Francisco (the "City") is an associate member
2 of the Authority; and,

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

6 WHEREAS, The Project is located wholly within the City; and,

7 WHEREAS, The interest on the Obligations will qualify for tax exemption under Section
8 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if, among other
9 things, the Obligations are approved in accordance with Section 147(f) of the Code; and,

10 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative
11 body of the City and is one of the applicable elected representatives required to approve the
12 issuance of the Obligations within the meaning of Section 147(f) of the Code and the Joint
13 Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1
14 (commencing with Section 6500) of the Government Code of the State of California (the
15 "Act"); and,

16 WHEREAS, The Authority has requested the Board to approve the issuance of the
17 Obligations in order to satisfy the public approval requirements of Section 147(f) of the Code
18 and the Act; and,

19 WHEREAS, On June 30, 2010, the City caused a notice to appear in *The Examiner*,
20 which is a newspaper of general circulation in the City, stating that a public hearing with
21 respect to the issuance of the Obligations would be held by the City's Office of Public Finance
22 on July 14, 2010; and,

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1 WHEREAS, The Office of Public Finance held the public hearing described above on
2 July 14, 2010, and an opportunity was provided for persons to comment on the issuance of
3 the Obligations and the plan of finance for the Project; and,

4 WHEREAS, the Director of the Office of Public Finance recommends approval of the
5 issuance of the Obligations pursuant to Chapter 43, Article 9, Section 5 of the Administrative
6 Code; now, therefore be it

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

9 FURTHER RESOLVED, That this Board hereby approves the issuance, from time to
10 time, pursuant to a plan of finance, of the Obligations by the Authority; and, be it

11 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
12 Resolution constitute approval by the applicable elected representative of the governmental
13 unit having jurisdiction over the area in which the Project is located for the purposes of and in
14 accordance with Section 147(f) of the Code and the Act; and, be it

15 FURTHER RESOLVED, That the approval by the City of the issuance of the
16 Obligations by the Authority is neither an approval of the underlying credit issues of the
17 proposed Project nor an approval of the financial structure of the Obligations; and none of the
18 City or any department thereof, shall have any responsibility or liability whatsoever with
19 respect to the Obligations or the Project; and, be it

20 FURTHER RESOLVED, That the Obligations shall not constitute a debt or obligation of
21 the City and the payment of the principal, prepayment premium, if any, and purchase price of
22 and interest on the Obligations shall be solely the responsibility of the Borrower; and, be it

23 FURTHER RESOLVED, The adoption of this Resolution shall not obligate (i) the City to
24 provide financing to the Borrower for the Project or to issue the Obligations for purposes of
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1 such financing; (ii) make any contribution or advance any funds to the Authority; (iii) the City
2 or any department of the City to approve any application or request for, or take any other
3 action in connection with, any environmental, General Plan, zoning or any other permit or
4 other regulatory action sought in connection with the Project; and

5 FURTHER RESOLVED, That the Controller and the Director of the Office of Public
6 Finance and any other proper officers of the City are hereby authorized and directed to
7 execute such other agreements, documents and certificates, and to perform such other acts
8 as may be necessary or advisable to effect the purposes of this Resolution, and, be it

9 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
10 adoption.

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12 APPROVED AS TO FORM:

13 DENNIS J. HERRERA
14 City Attorney

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16 By: _____
17 KENNETH DAVID ROUX
18 Deputy City Attorney

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