

1 [California Statewide Communities Development Authority Issuance of Tax-Exempt Bonds -  
2 California College of the Arts or an Affiliate - Not to Exceed \$16,000,000]

3 **Resolution approving in accordance with Internal Revenue Code, Section 147(f), the**  
4 **issuance of tax-exempt obligations by the California Statewide Communities**  
5 **Development Authority in an aggregate principal amount not to exceed \$16,000,000 to**  
6 **finance and refinance various capital facilities to be owned and/or operated by**  
7 **California College of the Arts or an affiliate.**

8  
9 WHEREAS, California College of the Arts, a California nonprofit corporation, has  
10 requested that the California Statewide Communities Development Authority, a joint exercise  
11 of powers agency established pursuant to the laws of the State of California, or other conduit  
12 issuer (the "Authority"), issue from time to time tax-exempt obligations (the "Obligation"), in an  
13 aggregate principal amount not expected to exceed \$16,000,000 for the purpose of making  
14 one or more loans (collectively, the "Loan") to the California College of the Arts or any affiliate  
15 or related entity thereof, including but not limited to CCA MTM, or successor thereto (the  
16 "Corporation"), pursuant to a plan of financing for various capital facilities as more fully  
17 described below; and

18 WHEREAS, The City and County of San Francisco (the "City") is a member of the  
19 Authority and has entered into that certain Amended and Restated Joint Exercise of Powers  
20 Agreement relating to the Authority, dated as of June 1, 1988 (the "Agreement") among  
21 certain local agencies, including the City; and

22 WHEREAS, The Corporation expects to use the proceeds of the Loan for the following  
23 purposes: (1) pay and/or reimburse the Corporation for miscellaneous capital expenditures  
24 related to the construction, development, improvement, equipping, long-term lease and  
25 acquisition of that certain property located at 150 Hooper Street, San Francisco, California; (2)

1 finance or refinance the construction, acquisition, improvement, capital maintenance,  
2 equipment acquisition and other related capital expenditures at the Corporation's facilities  
3 located at 1111 Eighth Street, San Francisco, California; 450 Irwin Street, San Francisco,  
4 California; 480 Irwin Street, San Francisco, California; 1100 7th Street, San Francisco,  
5 California; and 80 Carolina Street, San Francisco, California; and (3) pay various costs of  
6 issuance and other related costs (collectively, the "Project"); and

7 WHEREAS, The issuance of the Obligation shall be subject to the approval of and  
8 execution by the Authority of all financing documents relating thereto to which the Authority is  
9 a party and subject to the issuance of the Obligation by the Authority; and

10 WHEREAS, All or a portion of the Project is and will be located within the City; and

11 WHEREAS, The interest on the Obligation may qualify for tax exemption under Section  
12 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Obligation is  
13 approved in accordance with Section 147(f) of the Code; and

14 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative  
15 body of the City and is the applicable elected representative required to approve the issuance  
16 of the Obligation within the meaning of Section 147(f) of the Code; and

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

20 WHEREAS, On January 27, 2016, the City caused a notice to appear in the San  
21 Francisco Chronicle, which is a newspaper of general circulation in the City, stating that a  
22 public hearing with respect to the issuance of the Obligation would be held by the City's Office  
23 of Public Finance on February 10, 2016; and

1           WHEREAS, The Office of Public Finance held the public hearing described above on  
2 February 10, 2016, and an opportunity was provided for persons to comment on the issuance  
3 of the Obligation and the financing and refinancing of the Project; now, therefore, be it

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

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

8           FURTHER RESOLVED, That it is the purpose and intent of this Board that this  
9 Resolution constitutes (a) approval of the issuance of the Obligation by the applicable elected  
10 representative of the governmental unit having jurisdiction over the area in which the Project  
11 is located for the purposes of and in accordance with Section 147(f) of the Code, and (b)  
12 approval of the Obligation for purposes of Section 9 of the Agreement; and, be it

13           FURTHER RESOLVED, That the approval of the issuance of the Obligation by the City  
14 is neither an approval of the underlying credit issues of the proposed Project nor an approval  
15 of the financial structure of the Obligation; and, be it

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

19           FURTHER RESOLVED, That adoption of this Resolution shall not obligate (i) the City  
20 to provide financing to the Corporation for the acquisition, rehabilitation and development of  
21 the Project or to issue the Obligation for purposes of such financing; or (ii) the City, or any  
22 department of the City, to approve any application or request for, or take any other action in  
23 connection with, any environmental, General Plan, zoning or any other permit or other  
24 regulatory action sought in connection with the Project; and, be it

1           FURTHER RESOLVED, That this Resolution shall take effect immediately upon its  
2 adoption.

3 APPROVED AS TO FORM:  
4 DENNIS J. HERRERA  
5 CITY ATTORNEY

6 BY: \_\_\_\_\_  
7       Mark D. Blake  
8       Deputy City Attorney  
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