

File No. 110237

Committee Item No. 6

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance SUB-Committee Date: March 23, 2011

Board of Supervisors Meeting Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input 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 Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Ethics Form 126 |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input type="checkbox"/> | <input 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"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |

OTHER (Use back side if additional space is needed)

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Completed by: Victor Young

Date: March 18, 2011

Completed by: Victor Young

Date: _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Approval of TEFRA Hearing for Issuance of Tax-Exempt Revenue Bonds - Episcopal Senior
2 Communities - Not to Exceed \$120,000,000]

3
4 **Resolution approving the issuance of tax-exempt revenue bonds, by the ABAG Finance**
5 **Authority for Nonprofit Corporations for purposes of Section 147(f) of the Internal**
6 **Revenue Code in an aggregate principal amount not to exceed \$120,000,000 to finance**
7 **and refinance various capital facilities owned by Episcopal Senior Communities.**

8
9 WHEREAS, Episcopal Senior Communities, a nonprofit corporation duly organized and
10 existing under the laws of the State of California (the "Borrower"), has requested that the ABAG
11 Finance Authority for Nonprofit Corporations, a joint exercise of powers agency established
12 pursuant to the laws of the State of California (the "Authority"), issue its revenue bonds in one
13 or more series (the "Bonds") in an aggregate principal amount not expected to exceed
14 \$120,000,000; and,

15 WHEREAS, The proceeds of the Bonds will be loaned to the Borrower and used,
16 together with other available funds, to (a) refund ABAG Finance Authority for Nonprofit
17 Corporations Refunding Revenue Certificates of Participation (Episcopal Homes Foundation),
18 Series 1998 (the "Series 1998 COPs") and, if deemed necessary or advisable by the Authority
19 or the Borrower, ABAG Finance Authority for Nonprofit Corporations Variable Rate
20 Certificates of Participation (Episcopal Homes Foundation), Series 2000 (the "Series 2000
21 COPs"), (b) finance or reimburse the cost of the acquisition, construction, expansion,
22 remodeling, renovation, furnishing and equipping of continuing care facilities to be owned and
23 operated by the Borrower in San Francisco, Santa Rosa, Oakland, Los Gatos, Pacific Grove,
24 and Walnut Creek, California (the "Facilities"), (c) fund a debt service reserve fund, if deemed
25 necessary or advisable by the Authority or the Borrower, (d) pay a portion of the interest on

1 the Bonds, if deemed necessary or advisable by the Authority or the Borrower, (e) provide
2 working capital to the Borrower, if deemed necessary or advisable by the Authority or the
3 Borrower, and (f) pay certain costs of issuing the Bonds (such purposes collectively, the
4 "Project"); and,

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

7 WHEREAS, The issuance of the Bonds 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,

10 WHEREAS, In the City, Bonds in an amount not to exceed \$120,000,000 will be used,
11 together with other available funds, to finance a continuing care facility known as San
12 Francisco Towers located at 1661 Pine Street, San Francisco, CA 94109-0401; and,

13 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
14 103 of the Internal Revenue Code of 1986, as amended (the "Code"), only if the Bonds are
15 approved both by the "applicable elected representative" of the governmental unit issuing
16 such bonds and by a governmental unit having jurisdiction over the entire area in which any
17 facility financed by the Bonds is to be located, including the City, after a public hearing held
18 following reasonable public notice; 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 issuance of the Bonds within the meaning of Section 147(f) of the Code and the Joint Powers
22 Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with
23 Section 6500) of the Government Code of the State of California (the "Act"); and,

1 WHEREAS, The Authority has requested the Board to approve the issuance of the
2 Bonds in order to satisfy the public approval requirements of Section 147(f) of the Code and
3 the Act; and,

4 WHEREAS, On February 7, 2011, the City caused a notice to appear in *The San*
5 *Francisco Chronicle*, which is a newspaper of general circulation in the City, stating that a
6 public hearing with respect to the issuance of the Bonds would be held by the City's Office of
7 Public Finance on February 22, 2011; and,

8 WHEREAS, The Office of Public Finance held the public hearing described above on
9 February 22, 2011, and an opportunity was provided for persons to comment on the issuance
10 of the Bonds and the plan of finance for the Project; and

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

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

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

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

22 FURTHER RESOLVED, That the approval by the City of the issuance of the Bonds by
23 the Authority is neither an approval of the underlying credit issues of the proposed Project nor
24 an approval of the financial structure of the Bonds; and none of the City, its officers, officials or
25

1 any 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 of the
4 City and the payment of the principal, prepayment premium, if any, and purchase price of and
5 interest on the Bonds shall be solely the responsibility of the Borrower; and, be it

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

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

16 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
17 adoption.

18
19 APPROVED AS TO FORM:

20 DENNIS J. HERRERA
21 City Attorney

22
23 By: _____

24 Mark D. Blake
25 Deputy City Attorney

