

1 [Issuance and Sale of Tax-Exempt Bonds – Drew School.]

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3 **Resolution approving the issuance and sale of tax-exempt bonds by the California**
4 **Statewide Communities Development Authority in an aggregate principal amount not to**
5 **exceed \$11,000,000 to finance and/or refinance various capital facilities owned by Drew**
6 **School or an affiliate.**

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8 WHEREAS, Drew School, a California nonprofit corporation (the "Corporation") has
9 requested that the California Statewide Communities Development Authority, a joint exercise
10 of powers agency established pursuant to the laws of the State of California (the "Authority")
11 issue and sell its revenue bonds (the "Bonds") in an aggregate principal amount not expected
12 to exceed \$11,000,000, for the purpose of making a loan (the "Loan") to the Corporation
13 which will finance and/or refinance various capital facilities as more fully described below;
14 and,

15 WHEREAS, The City and County of San Francisco (the "City") is a member of the
16 Authority; and,

17 WHEREAS, The Corporation plans to use the proceeds of the Loan for the following
18 purposes: (1) the refunding of the California Statewide Communities Development Authority
19 Series 2000 Revenue Bonds (Drew College Preparatory School), currently outstanding in the
20 aggregate principal amount of \$7,880,000, which financed the construction of educational
21 facilities located at 2901 California Street, San Francisco, California, (2) the refinancing of an
22 existing indebtedness of the Corporation consisting of a bank loan in the amount of
23 approximately \$1,218,750, which bank loan financed the purchase and acquisition by the
24 Corporation of a building and the site thereof located at 1831-35 Broderick Street,
25 San Francisco, California, which the Corporation intends to use for additional classrooms and

1 school assembly space (together with the property at 2901 California Street, San Francisco,
2 California, the "Facilities"), (3) miscellaneous construction, renovation, improvements, capital
3 maintenance, equipment acquisition and installation thereof at the Facilities, (4) miscellaneous
4 purchases, installation and restoration of capital equipment, systems and software, and
5 (5) various costs of issuance, debt service reserve, capitalized interest and credit
6 enhancement fees (collectively, the "Project"), all to be owned and operated by the
7 Corporation or an affiliated entity and used for the educational purposes thereof; and,

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

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

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

15 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative
16 body of the City and is one of the applicable elected representatives required to approve the
17 issue within the meaning of Section 147(f) of the Code and Section 9 of the Amended and
18 Restated Joint Exercise of Powers Agreement of the Authority, dated as of June 1, 1988,
19 among certain local agencies, including the City (the "Agreement"); and,

20 WHEREAS, The Authority has requested the Board to approve the issuance and sale
21 of the Bonds in order to satisfy the public approval requirements of Section 147(f) of the Code
22 and the requirements of Section 9 of the Agreement; and,

23 WHEREAS, On March 12, 2007, the City caused a notice to appear in the
24 *San Francisco Examiner*, which is a newspaper of general circulation in the City, stating that a
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1 public hearing with respect to the issuance of the Bonds would be held by the City's Office of
2 Public Finance on March 26, 2007; and,

3 WHEREAS, The Office of Public Finance held the public hearing described above on
4 March 26, 2007, and an opportunity was provided for persons to comment on the issuance
5 and sale of the Bonds and plan of financing the Project; and,

6 WHEREAS, The Office of Public Finance has satisfied the requirements of the City's
7 Bond TEFRA Approval Policy set forth in San Francisco Administrative Code Section 43.9.5
8 and the Director of Public Finance recommends adoption of this Resolution; now, therefore be
9 it

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

12 FURTHER RESOLVED, That this Board hereby approves the issuance and sale of the
13 Bonds by the Authority; and be it

14 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
15 Resolution constitute approval of the issuance of the Bonds by the applicable elected
16 representative of the governmental unit having jurisdiction over the area in which the Project
17 is located for the purposes of and in accordance with Section 147(f) of the Code and
18 Section 9 of the Agreement; and, be it

19 FURTHER RESOLVED, That the approval of the issuance and sale of the Bonds by
20 the Authority is neither an approval of the underlying credit issues of the proposed Project nor
21 an approval of the financial structure of the Bonds; and be it

22 FURTHER RESOLVED, That the Bonds shall not constitute a debt or obligation of the
23 City and the payment of the principal, prepayment premium, if any, and purchase price of and
24 interest on the Bonds shall be solely the responsibility of the Corporation; and be it

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1 FURTHER RESOLVED, The adoption of this Resolution shall not obligate (i) the City to
2 provide financing to the Corporation for the acquisition, rehabilitation and development of the
3 Project or to issue the Bonds for purposes of such financing; or (ii) the City, or any department
4 of the City, to approve any application or request for, or take any other action in connection
5 with, any environmental, General Plan, zoning or any other permit or other regulatory action
6 sought in connection with the Project; and be it

7 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
8 adoption.

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10 APPROVED AS TO FORM:

11 DENNIS J. HERRERA
12 City Attorney

13 By: _____
14 MICHAEL J. MARTIN
15 Deputy City Attorney

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