

1 [Issuance of Tax Exempt Obligation - San Francisco Friends School - Not to Exceed  
2 \$32,000,000]

3 **Resolution approving the issuance of a tax exempt obligation by the ABAG Finance**  
4 **Authority for Nonprofit Corporations in an aggregate principal amount not to exceed**  
5 **\$32,000,000 to finance and refinance various capital facilities owned by San Francisco**  
6 **Friends School.**

7  
8 WHEREAS, San Francisco Friends School, a California nonprofit corporation (the  
9 "School") has requested that the ABAG Finance Authority for Nonprofit Corporations, a joint  
10 exercise of powers agency established pursuant to the laws of the State of California (the  
11 "Authority") issue its tax-exempt obligations (the "Obligation"), in an aggregate principal  
12 amount not expected to exceed \$32,000,000, for the purpose of making one or more loans to  
13 the School pursuant to a plan of financing for various capital facilities as more fully described  
14 below; and

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

17 WHEREAS, The School expects to use the proceeds of the Obligation for: (1)  
18 refunding the \$24,000,000 ABAG Finance Authority for Nonprofit Corporations Variable Rate  
19 Demand Revenue Bonds (San Francisco Friends School) Series 2007 (the "Series 2007  
20 Bonds") the proceeds of which were used by the School for the purpose of (a) the acquisition,  
21 rehabilitation, renovation, construction and equipping of an industrial building located at 250  
22 Valencia Street to be converted for use as the School's educational facilities within the City  
23 and County of San Francisco, California (the "Facilities") including furniture, fixtures and  
24 equipment and design, architectural, engineering, project management, project consultants  
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1 and other similar expenses relating thereto, (b) miscellaneous construction, renovation,  
2 improvements, capital maintenance, equipment acquisition and installation thereof at the  
3 Facilities, and (c) various costs of issuance, a debt service reserve fund, capitalized interest,  
4 working capital and credit enhancement fees; (2) the acquisition, construction, improvement,  
5 capital maintenance, equipment acquisition and other related capital expenditures of the  
6 property located at the Facilities; and (3) payment of costs of issuance related to the  
7 Obligation and other related costs, including but not limited to the termination payment with  
8 respect to an interest rate swap related to the Series 2007 Bonds (collectively, the  
9 "Projects"), all to be owned and operated by the School and used for the educational  
10 purposes thereof; and

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

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

15 WHEREAS, The interest on the Obligation may qualify for tax exemption under Section  
16 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Obligation is  
17 approved in accordance with Section 147(f) of the Code; and

18 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative  
19 body of the City and is the applicable elected representative required to approve the issue  
20 within the meaning of Section 147(f) of the Code; and

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

24 WHEREAS, On October 29, 2012, the City caused a notice to appear in the San  
25 Francisco Chronicle, which is a newspaper of general circulation in the City, stating that a

1 public hearing with respect to the issuance of the Obligation would be held by the City's Office  
2 of Public Finance on November 12, 2012; and

3 WHEREAS, The Office of Public Finance held the public hearing described above on  
4 November 12, 2012, and an opportunity was provided for persons to comment on the  
5 issuance of the Obligation and plan of financing the Projects; and

6 WHEREAS, The Director of Public Finance recommends approval of the issuance of  
7 the Obligation pursuant to Chapter 43, Article 9, Section 5 of the Administrative Code; now,  
8 therefore be it

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

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

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

17 FURTHER RESOLVED, That the approval of the issuance of the Obligation by the City  
18 is neither an approval of the underlying credit of the School or of the proposed Projects nor an  
19 approval of the financial structure of the Obligation; and the City, nor any department thereof,  
20 shall have no responsibility or liability whatsoever with respect to the Obligation or the  
21 Projects; and be it

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

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1           FURTHER RESOLVED, That adoption of this Resolution shall not obligate the City or  
2 any department of the City to (i) provide financing to the School for the acquisition,  
3 rehabilitation and development of the Projects or to issue the Obligation for purposes of such  
4 financing; (ii) make any contribution or advance any funds to the Authority; or (iii) approve any  
5 application or request for, or take any other action in connection with, any environmental,  
6 General Plan, zoning or any other permit or other regulatory action sought in connection with  
7 the Projects; and be it

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

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11 APPROVED AS TO FORM:

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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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