

1 [Issuance and Sale of Tax-Exempt Revenue 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 \$8,000,000 to finance and/or refinance various capital facilities owned by Drew**
6 **School.**

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

15 WHEREAS, proceeds of the Bonds are to be loaned to Drew School pursuant to a loan
16 agreement (the "Loan Agreement"); and

17 WHEREAS, The Corporation plans to use the proceeds of the Loan for the following
18 purposes: (1) financing and refinancing of the construction of educational facilities located at
19 2901 California Street and 1831-35 Broderick Street, San Francisco, California, which the
20 Corporation intends to use for additional classrooms and school assembly space (together
21 with the property at 2901 California Street, San Francisco, California, the "Facilities"), (2)
22 miscellaneous construction, renovation, improvements, capital maintenance, equipment
23 acquisition and installation thereof at the Facilities, and (3) various costs of issuance, debt
24 service reserve, capitalized interest and credit enhancement fees (collectively, the "Project"),

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1 all to be owned and operated by the Corporation and used for the educational purposes
2 thereof; and

3 WHEREAS, the City and County of San Francisco (the "City") is a member of the
4 Authority; and

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

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

9 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
10 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Bonds are
11 approved in accordance with Section 147(f) of the Code; and,

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

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

20 WHEREAS, On June 22nd, 2010, 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 Bonds would be held by the City's Office of
23 Public Finance on July 9th, 2010; and

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1 WHEREAS, The Office of Public Finance held the public hearing described above on
2 July 9th, 2010, and an opportunity was provided for persons to comment on the issuance and
3 sale of the Bonds 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 and sale of the Bonds pursuant to Chapter 43, Article 9, Section 5 of the
6 Administrative 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 and sale of the
10 Bonds 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 Agreement; and, be it

15 FURTHER RESOLVED, That the approval by the City of the issuance and sale of the
16 Bonds by the Authority is neither an approval of the underlying credit issues of the proposed
17 Project nor an approval of the financial structure of the Bonds; and the City, nor any
18 department thereof, shall have no responsibility or liability whatsoever with respect to the
19 Bonds or the Project; and, be it

20 FURTHER RESOLVED, That the Bonds shall not constitute a debt or obligation of the
21 City and the payment of the principal, prepayment premium, if any, and purchase price of and
22 interest on the Bonds 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 acquisition, rehabilitation and development of the
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1 Project or to issue the Bonds for purposes of such financing; (ii) make any contribution or
2 advance any funds to the Authority; (iii) the City, or any department of the City, to approve any
3 application or request for, or take any other action in connection with, any environmental,
4 General Plan, zoning or any other permit or other regulatory action sought in connection with
5 the Project; and

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

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

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13 APPROVED AS TO FORM:

14 DENNIS J. HERRERA
15 City Attorney

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

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