

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

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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.**

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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,

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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  
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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.

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19 APPROVED AS TO FORM:

20 DENNIS J. HERRERA  
21 City Attorney

22 By: \_\_\_\_\_  
23 Mark D. Blake  
24 Deputy City Attorney

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