

1 [Issuance and Sale of Tax-Exempt Bonds – San Francisco Friends School.]

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3 **Resolution approving the issuance and sale of tax-exempt bonds by the ABAG Finance**  
4 **Authority for Nonprofit Corporations in an aggregate principal amount not to exceed**  
5 **\$27,100,000 to finance various capital facilities owned by San Francisco Friends School**  
6 **or an affiliate.**

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8 WHEREAS, San Francisco Friends School, a California nonprofit corporation (the  
9 "Corporation") has requested that the ABAG Finance Authority for Nonprofit Corporations, a  
10 joint exercise of powers agency established pursuant to the laws of the State of California (the  
11 "Authority") issue and sell its revenue bonds (the "Bonds") in an aggregate principal amount  
12 not expected to exceed \$27,100,000, for the purpose of making a loan (the "Loan") to the  
13 Corporation to finance various capital facilities as more fully described below; and,

14 WHEREAS, The Corporation plans to use the proceeds of the Loan to finance the  
15 following: 1) acquisition, rehabilitation, renovation, construction and equipping of an industrial  
16 building located at 250 Valencia Street to be converted to be used as the Corporation's  
17 educational facilities (the "Facilities") within the City and County of San Francisco, California  
18 (the "City") including furniture, fixtures and equipment and design, architectural, engineering,  
19 project management, project consultants and other similar expenses relating thereto, (2)  
20 miscellaneous construction, renovation, improvements, capital maintenance, equipment  
21 acquisition and installation thereof at the Facilities, and (3) various costs of issuance, a debt  
22 service reserve fund, capitalized interest, working capital and credit enhancement fees  
23 (collectively, the "Project"), all to be owned and operated by the Corporation or an affiliated  
24 entity and used for the educational purposes thereof; and,

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

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

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

8           WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative  
9 body of the City and is one of the applicable elected representatives required to approve the  
10 issue within the meaning of Section 147(f) of the Code; and,

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

14           WHEREAS, On July 2, 2007, the City caused a notice to appear in the *San Francisco*  
15 *Examiner*, which is a newspaper of general circulation in the City, stating that a public hearing  
16 with respect to the issuance of the Bonds would be held by the City's Office of Public Finance  
17 on July 16, 2007; and,

18           WHEREAS, The Office of Public Finance held the public hearing described above on  
19 July 16, 2007, and an opportunity was provided for persons to comment on the issuance and  
20 sale of the Bonds and plan of financing the Project; and,

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

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

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

5 FURTHER RESOLVED, That it is the purpose and intent of this Board that this  
6 Resolution constitute approval of the issuance of the Bonds by the applicable elected  
7 representative of the governmental unit having jurisdiction over the area in which the Project  
8 is located for the purposes of and in accordance with Section 147(f) of the; and, be it

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

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

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

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1           FURTHER RESOLVED, That this Resolution shall take effect immediately upon its  
2 adoption.

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4 APPROVED AS TO FORM:

5 DENNIS J. HERRERA  
6 City Attorney

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8 By: \_\_\_\_\_  
9       KENNETH DAVID ROUX  
      Deputy City Attorney

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