

1 [TEFRA Approval - Issuance and Sale of Limited Obligation Improvement Bonds - California
2 Statewide Communities Development Authority - Chinese Hospital Association - Not to
3 Exceed \$45,000,000]

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4 **Resolution approving for purposes of Internal Revenue Code, Section 147(f), the**
5 **Issuance and Sale of Limited Obligation Improvement Bonds by the California**
6 **Statewide Communities Development Authority in an aggregate principal amount not to**
7 **exceed \$45,000,000 to refinance the acquisition, construction and installation of**
8 **seismic strengthening improvements and other authorized improvements in certain**
9 **health care facilities owned and operated by Chinese Hospital Association, a California**
10 **nonprofit public benefit corporation.**

11

12 WHEREAS, The California Statewide Communities Development Authority (“Authority”) is
13 authorized pursuant to the provisions of Chapter 29 of Part 3 of Division 7 of the California
14 Streets and Highways Code (“Chapter 29”), the Improvement Bond Act of 1915 (California
15 Streets and Highways Code, Sections 8500 et seq.; “Bond Law”) and the terms of a Joint
16 Powers Agreement, dated as of June 1, 1988 (“Agreement”), among certain public agencies
17 throughout the State of California, to levy contractual assessments and issue improvement
18 bonds to finance and refinance certain distributed generation renewable energy sources,
19 energy efficiency improvements, water efficiency improvements, seismic strengthening
20 improvements, electric vehicle charging infrastructure, and such other work, infrastructure or
21 improvements as may be authorized by law from time to time that are permanently fixed to
22 real property; and

23 WHEREAS, Chinese Hospital Association (“Association”), a California nonprofit public
24 benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue
25 Code of 1986, as amended (“Code”), has requested that the Authority issue limited obligation

1 improvement bonds qualifying as “qualified 501(c)(3) bonds” in an aggregate principal amount
2 not to exceed \$45,000,000 (“Obligations”) to: (i) refinance certain limited obligation
3 improvement bonds previously issued by the Authority under the Bond Law for the benefit of
4 the Association that financed the acquisition, construction and installation of seismic
5 strengthening improvements and other authorized improvements in certain health care
6 facilities owned and operated by the Association located at 835-845 Jackson Street, San
7 Francisco, California 94133 (“Project”), which the Association operates as the Chinese
8 Hospital; and (ii) pay various transaction costs and other related costs; and

9 WHEREAS, The Project is located within the boundaries of the City and County of San
10 Francisco (“City”), which is a member of the Authority; and

11 WHEREAS, Pursuant to Section 147(f) of the Code, and the Treasury Regulations
12 promulgated thereunder, the issuance of the Obligations by the Authority may qualify for tax
13 exemption under Section 103 of the Code only if the Obligations are approved by an
14 “applicable elected representative” of both the governmental unit issuing the Obligations or on
15 behalf of which the Obligations are to be issued, and a governmental unit having jurisdiction
16 over the geographic area in which the Project is located, after a public hearing held following
17 reasonable public notice; and

18 WHEREAS, The issuance and delivery of the Obligations shall be subject to the
19 approval of and execution by the Authority; and

20 WHEREAS, The Authority has requested the Board of Supervisors of the City and
21 County of San Francisco (“Board”) approve the issuance and sale of the Obligations in order
22 to satisfy the requirements of Section 147(f) of the Code, and the Treasury Regulations
23 promulgated thereunder, the Board being an applicable elected representative having
24 jurisdiction over the geographic area in which the Project is located within the meaning of
25 Section 147(f) of the Code, and the Treasury Regulations promulgated thereunder; and

1 WHEREAS, Chinese Hospital is a facility that has been serving a vital health care role
2 in the community and has played an invaluable role in the City’s response to the ongoing
3 COVID-19 pandemic; and

4 WHEREAS, On November 16, 2021, the City caused a notice to appear on its website,
5 stating that a telephonic public hearing with respect to the issuance of the Obligations would
6 be held by the Controller’s Office of Public Finance on November 23, 2021; and

7 WHEREAS, The Controller’s Office of Public Finance of the City has held the public
8 hearing described above on November 23, 2021, and an opportunity was provided for
9 persons to comment on the issuance and sale of the Obligations and the plan of refinancing of
10 the Project; and

11 WHEREAS, The Obligations will be limited obligations of the Authority, payable solely
12 from and secured solely by amounts received from or on behalf of the Association, and will
13 not constitute an indebtedness or obligation, or a pledge of the faith and credit of, or the taxing
14 power, if any, of the City or the Authority, except to the limited extent described herein; and

15 WHEREAS, It is intended that this Resolution shall constitute approval of the issuance
16 of the Obligations for purposes of Section 147(f) of the Code, and the Treasury Regulations
17 promulgated thereunder; now, therefore, be it

18 RESOLVED, That this Board finds that all of the recitals set forth above are true and
19 correct; and, be it

20 FURTHER RESOLVED, That the Board, as an applicable elected representative of the
21 governmental unit on behalf of which the Obligations will be issued and having jurisdiction
22 over the geographic area in which the Project is located, hereby approves the issuance of the
23 Obligations by the Authority; it is the purpose and intent of the Board that this Resolution
24 constitute both “issuer” approval and “host” approval of the issuance of the Obligations by the

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1 City for purposes of Section 147(f) of the Code, and the Treasury Regulations promulgated
2 thereunder; and, be it

3 FURTHER RESOLVED, That the approval by the Board of the issuance and sale of the
4 Obligations is neither an approval of the underlying credit issues of the Project nor an
5 approval of the financial structure of the Obligations, and that the adoption of this Resolution
6 shall not obligate (i) the City to provide financing to the Association for the Project, or to issue
7 the Obligations for purposes of such financing or (ii) the City, or any department of the City, to
8 approve any application or request for, or take any other action in connection with any
9 environmental, General Plan, zoning or any other permit or other action necessary for the
10 construction, renovation, rehabilitation, improvement and/or equipping of the Project; and, be
11 it

12 FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.
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14 APPROVED AS TO FORM:
15 DAVID CHIU, City Attorney

16 By: /s/ MARK D. BLAKE
17 MARK D. BLAKE
18 Deputy City Attorney

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