

1 [TEFRA Public Hearing Approval]

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3 **Resolution authorizing the issuance and sale of revenue bonds by the California**
4 **Statewide Communities Development Authority in an aggregate principal amount not to**
5 **exceed \$10,000,000 for the San Francisco Art Institute.**

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7 WHEREAS, The California Statewide Communities Development Authority, a joint
8 exercise of powers agency established pursuant to the laws of the State of California
9 ("CSCDA"), has proposed to issue and sell revenue bonds ("Bonds") in an aggregate principal
10 amount not to exceed \$10,000,000 for the purpose of making a loan to the San Francisco Art
11 Institute (the "Institute"), a nonprofit public benefit corporation; and

12 WHEREAS, The City and County of San Francisco (the "City") is a member of CSCDA;
13 and,

14 WHEREAS, The project to be financed and refinanced by the Bonds consists of the
15 acquisition, construction, improvement and equipping of various educational facilities located
16 at 701, 760-762 and 800 Chestnut Street, San Francisco, California (the "Project"), all to be
17 owned and operated by the Institute; and,

18 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
19 103 of the Internal Revenue Code of 1986, as amended (the "Code"), only if the Bonds are
20 approved in accordance with Section 147(f) of the Code; and,

21 WHEREAS, CSCDA has requested the Board of Supervisors of the City (the "Board")
22 to approve the issuance of the Bonds in order to satisfy the public approval requirements of
23 Section 147(f) of the Code and the requirements of Section 9 of the Amended and Restated
24 Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among
25 certain local agencies, including the City; and,

1 WHEREAS, CSCDA has reviewed the financial structure of the Bonds and has
2 heretofore approved the issuance of the Bonds; and,

3 WHEREAS, The project is located wholly within the City and County of San Francisco,
4 California; and,

5 WHEREAS, On May 14, 2002, the City caused a notice stating that a public hearing
6 with respect to the issuance of the Bonds would be held by the Mayor's Office of Public
7 Finance on May 28, 2002, to appear in *The Independent*, which is a newspaper of general
8 circulation in the City; and,

9 WHEREAS, The Mayor's Office of Public Finance has held the public hearing
10 described above on May 28, 2002, and an opportunity was provided for persons to comment
11 on the issuance of the Bonds and the Project; and,

12 WHEREAS, This Board is the elected legislative body of the City and is the applicable
13 elected representative required to approve the issue within the meaning of Section 147(f) of
14 the Code and Section 9 of the Agreement; now, therefore, be it

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

17 FURTHER RESOLVED, That this Board hereby approves the issuance of the Bonds
18 by CSCDA. It is the purpose and intent of this Board that this Resolution constitute approval
19 of the Bonds by the applicable elected representative of the governmental unit having
20 jurisdiction over the area in which the Project is located in accordance with Section 147(f) of
21 the Code and Section 9 of the Agreement; and, be it

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1 FURTHER RESOLVED, That the approval of the issuance of the Bonds by the City is
2 neither an approval of the underlying credit issues of the proposed Project nor an approval of
3 the financial structure of the Bonds.

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5 APPROVED AS TO FORM:
6 DENNIS J. HERRERA
7 CITY ATTORNEY

8 By: _____
9 Michael Martin
10 Deputy City Attorney

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