

1 [Issuance of Tax-Exempt Revenue Obligations - Presidio Hill School - Not to Exceed
2 \$9,350,000]

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3 **Resolution approving the issuance of tax-exempt revenue obligations by the California**
4 **Statewide Communities Development Authority for the Presidio Hill School in an**
5 **aggregate principal amount not to exceed \$9,350,000 to refinance various capital**
6 **facilities owned and operated by Presidio Hill School, a California non-profit public**
7 **benefit corporation, in accordance with Internal Revenue Code, Section 147(f).**

8

9 WHEREAS, Presidio Hill School, a California nonprofit public benefit corporation (the
10 "School"), has requested that the California Statewide Communities Development Authority, a
11 joint exercise of powers agency established pursuant to the laws of the State of California (the
12 "Authority"), issue its tax-exempt revenue obligations (the "Obligations"), in an aggregate
13 principal amount not to exceed \$9,350,000 for the purpose of making a loan to the School
14 pursuant to a plan of refinancing for various capital facilities as more fully described below;
15 and

16 WHEREAS, The City and County of San Francisco (the "City") is a member of the
17 Authority; and

18 WHEREAS, The School expects to apply the proceeds of the Obligations to (i)
19 refinance the 2011 tax-exempt loan (the "Prior Loan"), issued pursuant to a Master Loan
20 Agreement, among the Authority, First Republic Bank and the School, which Prior Loan
21 refinanced the California Statewide Communities Development Authority Revenue Bonds
22 (Presidio Hill School), Series 2002 (the "2002 Bonds"), which financed the School's
23 construction, renovation, expansion and equipping of the School's educational facilities
24 located at 3839 Washington Street, San Francisco, California 94118 (the "Educational
25 Facilities"), with all such work having been completed in 2003; (ii) refinance the acquisition of

1 a certain parcel of real property, and the improvements thereon (the “School Parcel”), located
2 at 233 Maple Street, San Francisco, California 94118, which property was purchased in May
3 2012 by Arguello Partners, LLC, a limited liability company (the “LLC”), of which the School is
4 the sole member (the School Parcel and together with the Educational Facilities, the
5 “Facilities” herein), and (iii) paying costs of issuance related to the Obligations and other
6 related costs (collectively, the “Project”); and

7 WHEREAS, The owner and/or operator of all capital improvements (including
8 equipment and other costs), to be refinanced with proceeds of the Obligation, has been and
9 will be the School or the LLC; and

10 WHEREAS, The issuance of the Obligations shall be subject to the approval of and
11 execution by the Authority of all financing documents relating thereto to which the Authority is
12 a party; and

13 WHEREAS, The Project is located wholly within the geographic boundaries of the City;
14 and

15 WHEREAS, The interest on the Obligation may qualify for tax exemption under Section
16 103 of the Internal Revenue Code of 1986, as amended (the “Code”) only if the Obligation is
17 approved by an “applicable elected representative” of the City in accordance with the Code,
18 Section 147(f); and

19 WHEREAS, The Board of Supervisors of the City (the “Board”) is the elected legislative
20 body of the City and is therefore an “applicable elected representative” required to approve
21 the issue within the meaning of the Code, Section 147(f); and

22 WHEREAS, The Authority has requested the Board to approve the issuance of the
23 Obligation to satisfy the public approval requirements of the Code, Section 147(f); and

24 WHEREAS, On April 28, 2014, the City caused a notice to appear in the San Francisco
25 Chronicle, which is a newspaper of general circulation in the City, stating that a public hearing

1 with respect to the issuance of the Obligations would be held by the City's Office of Public
2 Finance on May 12, 2014, said declaration of publication is on file with the Office of the Clerk
3 of the Board in File No. 140570; and

4 WHEREAS, The City's Office of Public Finance held said public hearing on May 12,
5 2014, and an opportunity was provided for the public to comment on the issuance of the
6 Obligations and plan of financing the Project; and

7 WHEREAS, The Director of Public Finance recommends approval of the issuance of
8 the Obligations pursuant to the Administrative Code, Chapter 43, Article 9, Section 5, thereof;
9 now, therefore be it

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

12 FURTHER RESOLVED, That this Board hereby approves the issuance of the
13 Obligations by the Authority; and, be it

14 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
15 Resolution constitute approval of the issuance of the Obligations by the applicable elected
16 representative of the governmental unit having jurisdiction over the area in which the Project
17 is located, and on behalf of which the Obligations is being issued, for purposes of and in
18 accordance with the Code, Section 147(f); and, be it

19 FURTHER RESOLVED, That the approval by the City of the issuance of the
20 Obligations by the Authority is neither an approval of the underlying credit of the School or of
21 the proposed Project nor an approval of the financial structure of the Obligations; and neither
22 the City, nor any department thereof, shall have any responsibility or liability whatsoever with
23 respect to the Obligations or the Project; and, be it

24 FURTHER RESOLVED, That the Obligations shall not constitute a debt or liability in
25 any respect of the City, no funds of the City shall be available in any respect for the

1 repayment of the Obligations, the payment of the principal, prepayment premium, if any, and
2 interest on the Obligations being solely the responsibility of the School; and, be it

3 FURTHER RESOLVED, That the adoption of this Resolution shall not obligate the City
4 or any department of the City to (i) provide financing to the School for the repayment of the
5 Prior Loan or to issue the Obligations for purposes of such financing; (ii) make any
6 contribution or advance any funds to the Authority; or (iii) approve any application or request
7 for, or take any other action in connection with, any environmental, General Plan, zoning or
8 any other permit or other regulatory action sought in connection with the Project; and, be it

9 FURTHER RESOLVED, That the Controller and the Director of the Office of Public
10 Finance and any other proper officers of the City are hereby authorized and directed, upon
11 consultation with the City Attorney, to execute such other agreements, documents and
12 certificates, and to perform such other acts as may be necessary or advisable to effect the
13 purposes of this Resolution; and, be it

14 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
15 adoption.

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17 APPROVED AS TO FORM:
18 DENNIS J. HERRERA
19 CITY ATTORNEY

20 BY: _____
21 MARK D. BLAKE
22 Deputy City Attorney

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