

1 [Issuance and Sale of Tax-Exempt Bonds – Children's Day School, Inc. – Not to  
2 Exceed \$10,000,000]

3 **Resolution approving the issuance and sale of tax-exempt bonds by the California**  
4 **Municipal Finance Authority in an aggregate principal amount not to exceed**  
5 **\$10,000,000 to finance various capital facilities owned or leased by Children's Day**  
6 **School.**

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8 WHEREAS, Children's Day School, Inc., a California nonprofit corporation (the  
9 "Corporation") has requested that the California Municipal Finance Authority, a joint exercise of  
10 powers agency established pursuant to the laws of the State of California (the "Authority") issue  
11 and sell from time to time its revenue bonds (the "Bonds"), in one or more series over the next  
12 three years, in an aggregate principal amount not expected to exceed \$10,000,000, for the  
13 purpose of making one or more loans (collectively, the "Loan") to the Corporation pursuant to a  
14 plan of financing for various capital facilities as more fully described below; and

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

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19 WHEREAS, The Corporation expects to use the proceeds of the Loan over the next three  
20 years to finance the following: (1) construction, acquisition, improvement, capital maintenance,  
21 equipment acquisition and other related capital expenditures at the Corporation's facilities located  
22 at 333 Dolores Street, San Francisco, California 94110 and 3275-3279 16th Street, San  
23 Francisco, California 94103 (the "Facilities"); (2) acquisition and/or improvement of one or more  
24 properties located immediately adjacent to the Facilities in the area bounded by Dolores Street,  
25 16th Street, Guerrero Street and 17th Street in San Francisco, California; (3) refinance  
approximately \$7.2 million of loans with banks and certain individuals that financed construction,  
acquisition, improvement, capital maintenance, equipment acquisition and other related capital  
expenditures at the Facilities; and (4) costs of issuance, funding a debt service reserve,  
capitalized interest and credit enhancement fees (collectively, the "Projects"), all to be owned or  
leased and operated by the Corporation and used for the educational purposes thereof; and

1 WHEREAS, The issuance and delivery of the Bonds shall be subject to the approval of and  
2 execution by the Authority of all financing documents relating thereto to which the Authority is a  
3 party and shall also be 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 Section 103 of  
6 the Internal Revenue Code of 1986, as amended (the "Code") only if the Bonds are approved in  
7 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 the applicable elected representative required to approve the issue within  
10 the meaning of Section 147(f) of the Code; and

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

13 WHEREAS, On May 3, 2010, the City caused a notice to appear in the *San Francisco*  
14 *Chronicle*, which is a newspaper of general circulation in the City, stating that a public hearing with  
15 respect to the issuance of the Bonds would be held by the City's Office of Public Finance on May  
16 18th, 2010; and

17 WHEREAS, The Office of Public Finance held the public hearing described above on May  
18 18<sup>th</sup>, 2010, and an opportunity was provided for persons to comment on the issuance and sale of  
19 the Bonds and plan of financing the Project; and

20 WHEREAS, the Director of Public Finance recommends approval of the issuance and sale  
21 of the Bonds pursuant to Chapter 43, Article 9, Section 5 of the Administrative Code; now,  
22 therefore be it

23 RESOLVED, That this Board hereby finds and declares the above recitals are true and  
24 correct; and, be it  
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1 FURTHER RESOLVED, That this Board hereby approves the issuance and sale of the  
2 Bonds by the Authority; and be it

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

7 FURTHER RESOLVED, That the approval of the issuance and sale of the Bonds by the  
8 City is neither an approval of the underlying credit issues of the proposed Project nor an approval  
9 of the financial structure of the Bonds; and the City, nor any department thereof, shall have no  
10 responsibility or liability whatsoever with respect to the Bonds or the Project; and be it

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

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

21 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its  
22 adoption.  
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1 APPROVED AS TO FORM:

2 DENNIS J. HERRERA

3 CITY ATTORNEY

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5 BY: \_\_\_\_\_

6 Deputy City Attorney

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