

1 [Issuance and Sale of Tax-Exempt Bonds – Hamlin 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 **\$20,000,000 to finance various capital facilities owned by The Hamlin School or an**
6 **affiliate.**

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8 WHEREAS, The Hamlin School, a California nonprofit corporation (the "Corporation")
9 has requested that the ABAG Finance Authority for Nonprofit Corporations, a joint exercise of
10 powers agency established pursuant to the laws of the State of California (the "Authority")
11 issue and sell its revenue bonds (the "Bonds") in an aggregate principal amount not to exceed
12 \$20,000,000, for the purpose of making a loan (the "Loan") to the Corporation which will
13 finance various capital facilities as more fully described below; and,

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

16 WHEREAS, The Corporation plans to use the proceeds of the Loan to finance the
17 following: (1) the refunding of the ABAG Finance Authority for Nonprofit Corporations
18 Revenue Bonds (The Hamlin School) Series 2002, currently outstanding in the aggregate
19 principal amount of \$7,875,000, which financed the construction of educational facilities
20 located at 2120 Broadway, San Francisco, California (2) refinancing of an existing
21 indebtedness of the Corporation consisting of a bank loan in the amount of approximately
22 \$10,140,000, which bank loan financed the purchase and acquisition by the Corporation of a
23 site located at 2124 Broadway, San Francisco, California (Block 565, Lot 26) (together with
24 the property at 2120 Broadway, San Francisco, California, the "Facilities"), (3) miscellaneous
25 construction, renovation, improvements, capital maintenance, equipment acquisition and

1 installation thereof at the Facilities, and (4) various costs of issuance, a debt service reserve
2 fund, capitalized interest, working capital and credit enhancement fees (collectively, the
3 "Project"), all to be owned and operated by the Corporation or an affiliated entity and used for
4 the educational purposes thereof; and,

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

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

9 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
10 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Bonds are
11 approved in accordance with Section 147(f) of the Code; and,

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

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

18 WHEREAS, On April 25, 2007, the City caused a notice to appear in the *San Francisco*
19 *Examiner*, which is a newspaper of general circulation in the City, stating that a public hearing
20 with respect to the issuance of the Bonds would be held by the City's Office of Public Finance
21 on May 14, 2007; and,

22 WHEREAS, The Office of Public Finance held the public hearing described above on
23 May 14, 2007, and an opportunity was provided for persons to comment on the issuance and
24 sale of the Bonds and plan of financing the Project; and,

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

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

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

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

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

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

19 FURTHER RESOLVED, The adoption of this Resolution shall not obligate (i) the City to
20 provide financing to the Corporation for the acquisition, rehabilitation and development of the
21 Project or to issue the Bonds for purposes of such financing; or (ii) the City, or any department
22 of the City, to approve any application or request for, or take any other action in connection
23 with, any environmental, General Plan, zoning or any other permit or other regulatory action
24 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 MICHAEL J. MARTIN
 Deputy City Attorney

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