

1 [Public hearing approval.]

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3 **Resolution authorizing the issuance and sale of revenue bonds by ABAG Finance**
4 **Authority for Nonprofit Corporations in an aggregate principal amount not to exceed**
5 **\$20,000,000 for The California School of Mechanical Arts, or an affiliate.**

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7 WHEREAS, The ABAG Finance Authority for Nonprofit Corporations, a joint exercise of
8 powers agency established pursuant to the laws of the State of California (the "Authority"),
9 has proposed to issue and sell its revenue bonds (the "Bonds") in an aggregate principal
10 amount not expected to exceed \$20,000,000 for the purpose of making a loan to The
11 California School of Mechanical Arts, or an affiliate, a California nonprofit public benefit
12 corporation (the "Corporation"); and,

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

15 WHEREAS, The project to be financed with the proceeds of the Bonds includes:
16 (1) the construction of a technology and design center, the expansion of seating capacity at
17 the Corporation's auditorium, the remodeling of the school entrance, the construction of a new
18 cafeteria, a new music room and various other capital improvements for property located at
19 755 Ocean Avenue, San Francisco, California; (2) potential land acquisition located at
20 31 Howth Street, San Francisco, California; and (3) the payment of other related expenses
21 (collectively, the "Project"); and,

22 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
23 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Bonds are
24 approved in accordance with Section 147(f) of the Code; and,

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1 WHEREAS, The Authority has requested the Board of Supervisors of the City (the
2 “Board”) to approve the issuance and sale of the Bonds in order to satisfy the public approval
3 requirements of Section 147(f) of the Code; and,

4 WHEREAS, On October 16, 2001, the City caused a notice stating that a public
5 hearing with respect to the issuance of the Bonds would be held by the Mayor’s Office of
6 Public Finance on October 31, 2001, to appear in *The Examiner* which is a newspaper of
7 general circulation in the City; and,

8 WHEREAS, The Mayor’s Office of Public Finance has held the public hearing
9 described above on October 31, 2001, and an opportunity was provided for persons to
10 comment on the issuance and sale of the Bonds and the Project; and,

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

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

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

21 FURTHER RESOLVED, That the approval of the issuance and sale of the Bonds by
22 the City is neither an approval of the underlying credit issues of the proposed Project nor an
23 approval of the financial structure of the Bonds.

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1 APPROVED AS TO FORM:

2 LOUISE H. RENNE
3 CITY ATTORNEY

4 By: _____
5 Theresa Alvarez
6 Deputy City Attorney

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