

1 [Issuance of Bonds - California College of the Arts - Not to Exceed \$40,000,000]

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3 **Resolution approving in accordance with Section 147(f) of the Internal Revenue Code,**
4 **the issuance of tax-exempt obligations by the California Statewide Communities**
5 **Development Authority in an aggregate principal amount not to exceed \$40,000,000 to**
6 **finance and/or refinance various capital facilities to be owned and/or operated by**
7 **California College of the Arts.**

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9 WHEREAS, California College of the Arts, a California nonprofit corporation
10 (“Corporation”), has requested that the California Statewide Communities Development
11 Authority, a joint exercise of powers agency established pursuant to the laws of the State of
12 California, or other conduit issuer (“Authority”), issue from time to time tax-exempt obligations
13 (“Obligation”), in an aggregate principal amount not expected to exceed \$40,000,000 for the
14 purpose of making one or more loans (collectively, the “Loan”) to the Corporation, pursuant to
15 a plan of financing for various capital facilities as more fully described below; and

16 WHEREAS, The City and County of San Francisco (“City”) is a member of the Authority
17 and has entered into that certain Amended and Restated Joint Exercise of Powers Agreement
18 relating to the Authority, dated as of June 1, 1988 (“Agreement”), among certain local
19 agencies, including the City; and

20 WHEREAS, The Corporation expects to use the proceeds of the Loan to: (1) finance or
21 refinance the construction, acquisition, improvement, capital maintenance, equipment
22 acquisition and other related capital expenditures at the Corporation’s facilities located at
23 1111 Eighth Street, San Francisco, California; and (2) pay various costs of issuance and other
24 costs related to the Obligation (collectively, the “Project”); and

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1 WHEREAS, The issuance of the Obligation shall be subject to the approval of and
2 execution by the Authority of all financing documents relating thereto to which the Authority is
3 a party and subject to the issuance of the Obligation by the Authority; and

4 WHEREAS, All or a portion of the Project is and will be located within the City; and

5 WHEREAS, The interest on the Obligation may qualify for tax exemption under Section
6 103 of the Internal Revenue Code of 1986, as amended (“Code”) only if the Obligation is
7 approved in accordance with Section 147(f) of the Code; and

8 WHEREAS, The Board of Supervisors of the City (“Board”) is the elected legislative
9 body of the City and is the applicable elected representative required to approve the issuance
10 of the Obligation within the meaning of Section 147(f) of the Code; and

11 WHEREAS, The Authority has requested the Board to approve the issuance of the
12 Obligation in order to satisfy the public approval requirements of Section 147(f) of the Code,
13 and the requirements of Section 9 of the Agreement; and

14 WHEREAS, For seven consecutive days commencing May 31, 2022, the City caused a
15 notice to appear on its web site stating that a public hearing with respect to the issuance of
16 the Obligation would be held by the City’s Office of Public Finance on June 9, 2022; and

17 WHEREAS, The Office of Public Finance held the public hearing described above on
18 June 9, 2022, and an opportunity was provided for persons to comment on the issuance of the
19 Obligation and the financing and refinancing of the Project; now, therefore be it

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

22 FURTHER RESOLVED, That this Board hereby approves the issuance of the
23 Obligation by the Authority; and, be it

24 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
25 Resolution constitutes (a) approval of the issuance of the Obligation by the applicable elected

1 representative of the governmental unit having jurisdiction over the area in which the Project
2 is located for the purposes of and in accordance with Section 147(f) of the Code, and (b)
3 approval of the Obligation for purposes of Section 9 of the Agreement; and, be it

4 FURTHER RESOLVED, That the approval of the issuance of the Obligation by the City
5 is neither an approval of the underlying credit issues of the proposed Project nor an approval
6 of the financial structure of the Obligation; and, be it

7 FURTHER RESOLVED, That the Obligation shall not constitute a debt or obligation of
8 the City and the payment of the principal, prepayment premium, if any, and purchase price of
9 and interest on the Obligation shall be solely the responsibility of the Corporation; and, be it

10 FURTHER RESOLVED, That adoption of this Resolution shall not obligate (i) the City
11 to provide financing to the Corporation for the acquisition, rehabilitation and development of
12 the Project or to issue the Obligation for purposes of such financing; or (ii) the City, or any
13 department of the City, to approve any application or request for, or take any other action in
14 connection with, any environmental, General Plan, zoning or any other permit or other
15 regulatory action sought in connection with the Project; and, be it

16 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
17 adoption.

18 APPROVED AS TO FORM:
19 DAVID CHIU, City Attorney

20 By: /s/MARK D. BLAKE
21 MARK D. BLAKE
22 Deputy City Attorney

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