

1 [Approving California Enterprise Development Authority Revenue Obligations and TEFRA  
2 Hearing for Presidio Knolls School, Inc. - Not to Exceed \$33,000,000]

3 **Resolution approving for purposes of Internal Revenue Code of 1986, as amended,**  
4 **Section 147(f) of the Issuance and Sale of Revenue Obligations by the California**  
5 **Enterprise Development Authority in an aggregate principal amount not to exceed**  
6 **\$33,000,000 to finance, refinance and/or reimburse the cost of acquisition,**  
7 **construction, installation, rehabilitation, equipping and furnishing of various capital**  
8 **facilities to be owned and operated by Presidio Knolls School, Inc., a California**  
9 **nonprofit public benefit corporation.**

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11 WHEREAS, The California Enterprise Development Authority (“Authority”) is authorized  
12 pursuant to the provisions of California Government Code, Section 6500 et seq. and the terms  
13 of a Joint Exercise of Powers Agreement, dated as of June 1, 2006, among certain public  
14 agencies throughout the State of California, to issue revenue bonds and other forms of  
15 indebtedness to assist nonprofit corporations to obtain tax-exempt financing for appropriate  
16 projects and purposes; and

17 WHEREAS, Presidio Knolls School, Inc. (“Borrower”), a California nonprofit public  
18 benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue  
19 Code of 1986, as amended (“Code”), has requested that the Authority issue revenue  
20 obligations in an aggregate principal amount not to exceed \$33,000,000 (“Obligations”) to: (a)  
21 (i) refinance outstanding indebtedness incurred by the Borrower, the proceeds of which were  
22 used to finance and refinance the cost of the acquisition, demolition, construction, renovation,  
23 equipping and/or furnishing of pre-K through 8th grade educational and related and ancillary  
24 facilities located at 1415 Howard Street, San Francisco, California 94103, and 220, 230, 240,  
25 250 and 260 10th Street, San Francisco, California 94103 (collectively, the “Property”),

1 including, but not limited to, (A) the demolition of a one-story garage, a pre-K building, and an  
2 elementary school building; the renovation of an existing building and conversion thereof from  
3 use as a group home to educational facilities; (B) the construction of two, three-story buildings  
4 collectively measuring approximately 60,000 square feet for use as educational facilities and  
5 one one-story building measuring approximately 1,000 square feet for use as a music  
6 building; (C) the construction of one or more outdoor play areas and approximately 50 bicycle  
7 parking spaces, and (D) the acquisition, renovation, and construction of approximately 80,000  
8 square feet of additions and/or improvements to the Property consisting of 25 main  
9 classrooms, four flex classrooms, a library, art, music, science and maker classrooms, a  
10 multipurpose gymnasium and auditorium, a teaching kitchen and flexible dining area, multi-  
11 purpose rooms, and indoor and outdoor play areas; and (ii) finance and refinance the cost of  
12 exterior and interior improvements to buildings on the Property to enhance the auditorium and  
13 gymnasium, create additional classrooms and make additional improvements to the Property  
14 (collectively, the “Facilities”) and (b) pay certain costs of issuance of the Obligations; and

15 WHEREAS, The Facilities are located within the boundaries of the City and County of  
16 San Francisco (“City”), which is an associate member of the Authority; and

17 WHEREAS, Pursuant to Section 147(f) of the Code, and the Treasury Regulations  
18 promulgated thereunder, the issuance of the Obligations by the Authority may qualify for tax  
19 exemption under Section 103 of the Code only if the Obligations are approved by an  
20 “applicable elected representative” of both the governmental unit issuing the Obligations or on  
21 behalf of which the Obligations are to be issued, and a governmental unit having jurisdiction  
22 over the geographic area in which the Facilities are located, after a public hearing held  
23 following reasonable public notice; and

24 WHEREAS, The issuance and delivery of the Obligations shall be subject to the  
25 approval of and execution by the Authority; and

1           WHEREAS, The Authority has requested the Board of Supervisors of the City and  
2 County of San Francisco (“Board”) to approve the issuance and sale of the Obligations in  
3 order to satisfy the requirements of Section 147(f) of the Code, and the Treasury Regulations  
4 promulgated thereunder, the Board being an applicable elected representative having  
5 jurisdiction over the geographic area in which the Facilities are located within the meaning of  
6 Section 147(f) of the Code, and the Treasury Regulations promulgated thereunder; and

7           WHEREAS, On September 12, 2022, the City caused a notice to appear on its website  
8 stating that a public hearing with respect to the issuance of the Obligations would be held by  
9 the Office of Public Finance on September 21, 2022; and

10           WHEREAS, The Office of Public Finance of the City has held the public hearing  
11 described above on September 21, 2022, and an opportunity was provided for persons to  
12 comment on the issuance and sale of the Obligations and the plan of refinancing of the  
13 Facilities; and

14           WHEREAS, The Obligations will be limited obligations of the Authority, payable solely  
15 from and secured solely by amounts received from or on behalf of the Borrower, and will not  
16 constitute an indebtedness or obligation, or a pledge of the faith and credit of, the City or the  
17 Authority, except to the limited extent described herein; and

18           WHEREAS, It is intended that this Resolution shall constitute approval of the issuance  
19 of the Obligations for purposes of Section 147(f) of the Code, and the Treasury Regulations  
20 promulgated thereunder; now, therefore, be it

21           RESOLVED, That this Board finds that all of the recitals set forth above are true and  
22 correct; and, be it

23           FURTHER RESOLVED, That the Board, as an applicable elected representative of the  
24 governmental unit on behalf of which the Obligations will be issued and having jurisdiction  
25 over the geographic area in which the Facilities are or will be located, hereby approves the

1 issuance of the Obligations by the Authority; it is the purpose and intent of the Board that this  
2 Resolution constitute both “issuer” approval and “host” approval of the issuance of the  
3 Obligations by the City for purposes of Section 147(f) of the Code, and the Treasury  
4 Regulations promulgated thereunder; and, be it

5 FURTHER RESOLVED, That the Obligations shall not constitute a debt or obligation in  
6 any respect of the City, and the payment of the principal, prepayment premium, if any, and  
7 interest on the Bonds shall be solely the responsibility of the Borrower; and, be it

8 FURTHER RESOLVED, That the approval by the Board of the issuance and sale of the  
9 Obligations is neither an approval of the underlying credit issues of the Facilities nor an  
10 approval of the financial structure of the Obligations, and that the adoption of this Resolution  
11 shall not obligate (i) the City to provide refinancing to the Borrower for the acquisition,  
12 construction, installation, rehabilitation, equipping and/or furnishing of the Facilities, or to issue  
13 the Obligations for purposes of such financing or (ii) the City, or any department of the City, to  
14 approve any application or request for, or take any other action in connection with any  
15 environmental, General Plan, zoning or any other permit or other action necessary for the  
16 acquisition, construction, installation, rehabilitation, equipping and/or furnishing of the  
17 Facilities; and, be it

18 FURTHER RESOLVED, That the Controller and the Director of the Office of Public  
19 Finance and any other proper officers of the City are hereby authorized and directed to  
20 execute such other agreements, documents and certificates, and to perform such other acts  
21 as may be necessary or advisable to affect the purposes of this Resolution, and, be it

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1           FURTHER RESOLVED, That this Resolution shall take effect from and after its  
2 adoption and approval.

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4 APPROVED AS TO FORM:  
5 David Chiu, City Attorney

6 By: /s/MARK D. BLAKE  
7       Mark D. Blake  
8       Deputy City Attorney

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