

1 [Issuance of Revenue Bonds - On Lok Senior Health Services and On Lok Community  
2 Housing, Inc. - Not to Exceed \$30,000,000]

3 **Resolution approving the issuance of revenue bonds by the Association of Bay Area**  
4 **Governments Finance Authority for Nonprofit Corporations in an aggregate principal**  
5 **amount not to exceed \$30,000,000 to refinance various facilities owned and/or operated**  
6 **by On Lok Senior Health Services and On Lok Community Housing, Inc., in accordance**  
7 **with Internal Revenue Code, Section 147(f).**

8

9 WHEREAS, The Association of Bay Area Governments (ABAG) Finance Authority for  
10 Nonprofit Corporations (the "Authority") is authorized pursuant to the provisions of California  
11 Government Code, Section 6500 et seq. and the terms of an ABAG Finance Authority for  
12 Nonprofit Corporations Joint Powers Agreement, dated as of April 1, 1990, revised as of  
13 September 18, 1990, and June 9, 1992, (as so revised, the "Agreement"), among certain  
14 public 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 certain  
16 projects and purposes; and

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

19 WHEREAS, On Lok Senior Health Services and On Lok Community Housing, Inc.,  
20 both of which are California nonprofit public benefit corporations (collectively, the "Borrower"),  
21 and organizations described in Section 501(c)(3) of the Internal Revenue Code ("Code"), have  
22 requested that the Authority issue revenue bonds in a maximum aggregate principal amount  
23 of \$30,000,000 (the "Bonds") and loan the proceeds of the Bonds to the Borrower (the "Loan")  
24 to: (i) refinance the costs of the acquisition, construction, equipping and furnishing of facilities  
25 that provide housing for seniors and access to affordable health care and other support

1 services for low income and frail older adults, and (ii) pay certain expenses incurred in  
2 connection with the issuance of the Bonds (collectively, the “Project”); and

3 WHEREAS, A portion of the Project located at 1333 Bush Street (formerly 1145 Larkin  
4 Street), 1441 Powell Street, and 1000-1010 Montgomery Street, is located within the City; and

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

8 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section  
9 103 of the Internal Revenue Code of 1986, as amended (the “Code”) only if the Bonds are  
10 approved by an “applicable elected representative” of the City in accordance with Section  
11 147(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 therefore an “applicable elected representative” required to approve  
14 the Bonds within the meaning of Section 147(f) of the Code; and

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

17 WHEREAS, On May 13, 2014, the City caused a notice to appear in the San Francisco  
18 Chronicle, which is a newspaper of general circulation in the City, stating that a public hearing  
19 with respect to the issuance of the Bonds would be held by the Office of Public Finance on  
20 May 27, 2014; and

21 WHEREAS, The Office of Public Finance held the public hearing described above on  
22 May 27, 2014, and an opportunity was provided for persons to comment on the issuance and  
23 sale of the Bonds and the plan of financing and refinancing of the Project; and

24 WHEREAS, The Bonds will be limited obligations of the Authority, payable solely from  
25 and secured solely by amounts received from or on behalf of the Borrower, and will not

1 constitute an indebtedness or obligation, or a pledge of the faith and credit of, the City or the  
2 Authority; and

3 WHEREAS, It is intended that this Resolution shall constitute the approval of the  
4 issuance of the Bonds required by Section 147(f) of the Code; and

5 WHEREAS, The Director of Public Finance (the "Director") recommends approval of  
6 the issuance of the Bonds pursuant to Chapter 43, Article 9, Section 5 of the Administrative  
7 Code; now, therefore, be it

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

10 FURTHER RESOLVED, That this Board hereby approves the issuance of the Bonds  
11 by the Authority; and, be it

12 FURTHER RESOLVED, That it is the purpose and intent of this Board that this  
13 Resolution constitute approval of the issuance of the Bonds by the applicable elected  
14 representative of the governmental unit having jurisdiction over the area in which the Project  
15 is located, and on behalf of which the Bonds are being issued, for purposes of and in  
16 accordance with Section 147(f) of the Code; and, be it

17 FURTHER RESOLVED, That the approval by the City of the issuance of the Bonds by  
18 the Authority is neither an approval of the underlying credit of the Borrower or of the proposed  
19 Project nor an approval of the financial structure of the Bonds; and neither the City, nor any  
20 department thereof, shall have any responsibility or liability whatsoever with respect to the  
21 Bonds or the Project; and, be it

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

1 FURTHER RESOLVED, That the adoption of this Resolution shall not obligate the City  
2 or any department of the City to (i) provide financing to the Borrower for the repayment of the  
3 Loan or to issue the Bonds for purposes of such financing; (ii) make any contribution or  
4 advance any funds to the Authority; or (iii) approve any application or request for, or take any  
5 other action in connection with, any environmental, General Plan, zoning or any other permit  
6 or other regulatory action sought in connection with the Project; and, be it

7 FURTHER RESOLVED, That the Controller and the Director and any other proper  
8 officers of the City are hereby authorized and directed to execute such other agreements,  
9 documents and certificates, and to perform such other acts as may be necessary or advisable  
10 to effect the purposes of this Resolution; and, be it

11 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its  
12 adoption.

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14 APPROVED AS TO FORM:

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16 DENNIS J. HERRERA  
CITY ATTORNEY

17  
18 By: KENNETH DAVID ROUX  
Deputy City Attorney

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