

1 [California Enterprise Development Authority Revenue Obligations Issuance - The Urban
2 School of San Francisco - Not to Exceed \$25,000,000]

3 **Resolution approving, for purposes of Internal Revenue Code, Section 147(f), the**
4 **Issuance and Sale of Revenue Obligations by the California Enterprise Development**
5 **Authority in an aggregate principal amount not to exceed \$25,000,000 to finance or**
6 **refinance the acquisition, construction, installation, rehabilitation, equipping, and/or**
7 **furnishing of K-12 educational facilities to be owned and operated by, or leased and**
8 **operated by, The Urban School of San Francisco, a California non-profit public benefit**
9 **corporation.**

10
11 WHEREAS, The California Enterprise Development Authority (the "Authority") is
12 authorized pursuant to the provisions of California Government Code, Section 6500 et seq.
13 and the terms of a Joint Powers Agreement, dated as of June 1, 2006 (the "Agreement"),
14 among certain public agencies throughout the State of California, to issue revenue bonds and
15 other forms of indebtedness to assist nonprofit corporations to obtain tax-exempt financing for
16 appropriate projects and purposes; and

17 WHEREAS, The Urban School of San Francisco (the "Borrower"), a California nonprofit
18 public benefit corporation and an organization described in Section 501(c)(3) of the Internal
19 Revenue Code of 1986, as amended (the "Code"), has requested that the Authority issue
20 revenue bonds in an aggregate principal amount not to exceed \$25,000,000 (the
21 "Obligations") to: (i) prepay in full all of a tax-exempt loan made in 2010 by First Republic
22 Bank to the Borrower, in the original principal amount of \$8,036,000, the proceeds of which
23 loan financed and refinanced obligations issued in 2004 by the ABAG Finance Authority for
24 Nonprofit Corporations (the "2004 Bonds") to finance and refinance the acquisition,
25 construction, installation, rehabilitation, equipping and furnishing of educational facilities

1 located at 1563 Page Street, San Francisco, California 94117 (the “Page Street Property”), all
2 owned or leased by the Borrower and operated by the Borrower and used for educational
3 purposes, and to pay the cost of terminating an interest rate hedge agreement entered into in
4 connection with the 2004 Bonds, (ii) finance, and/or reimburse the Borrower for capital
5 expenditures, including the construction, improvement and equipping of the parcel of real
6 estate at 1625-1639 Oak Street, San Francisco, California 94117 (the “Oak Street Property”),
7 including the relocation of an existing residential building, owned by The Archdiocese of San
8 Francisco Parish and School Juridic Persons Real Property Support Corporation (the
9 “Church”) and leased by the Church to the Borrower, currently located at 1637 Oak Street,
10 San Francisco, California 94117, approximately 75 feet to the east to 1625 Oak Street, San
11 Francisco, California 94117, and, in its place, the construction, improvement and equipping of
12 a new approximately 63,600-square-foot academic and athletic facility (collectively, the
13 “Project”), (iii) finance additional capital improvements to the Page Street Property and
14 (iv) pay various transaction costs, prepayment costs, if applicable, and other related costs;
15 and

16 WHEREAS, The Project is located within the City and County of San Francisco (the
17 “City”), a member of the Authority; and

18 WHEREAS, Pursuant to Internal Revenue Code, Section 147(f), the issuance of the
19 Obligations by the Authority may qualify for tax exemption under Internal Revenue Code
20 Section 103 only if the Obligations are approved both by the “applicable elected
21 representative” of the governmental unit issuing the Obligations and by a governmental unit
22 having jurisdiction over the area in which the Project is 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 (the “Board”) to approve the issuance and sale of the Obligations in
3 order to satisfy the requirements of Internal Revenue Code, Section 147(f), the Board being
4 the applicable elected representative having jurisdiction over the area in which the Project is
5 located within the meaning of Internal Revenue Code, Section 147(f); and

6 WHEREAS, On March 20, 2015, the City caused a notice to appear in the *San*
7 *Francisco Chronicle*, which is a newspaper of general circulation in the City, stating that a
8 public hearing with respect to the issuance of the Obligations would be held by the Office of
9 Public Finance on April 3, 2015; and

10 WHEREAS, The Office of Public Finance held the public hearing described above on
11 April 3, 2015, and an opportunity was provided for persons to comment on the issuance and
12 sale of the Obligations and the plan of financing of the Project; and

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

17 WHEREAS, It is intended that this Resolution shall constitute approval of the issuance
18 of the Obligations for purposes of Internal Revenue Code, Section 147(f); now, therefore, be it

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

21 FURTHER RESOLVED, That the Board hereby approves the issuance of the
22 Obligations by the Authority. It is the purpose and intent of the Board that this Resolution
23 constitutes approval of the issuance of the Obligations by the applicable elected
24 representatives of the City for purposes of Internal Revenue Code, Section 147(f); and, be it
25

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

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

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13 APPROVED AS TO FORM:
14 Dennis J. Herrera,
15 City Attorney

16 By: _____
17 Mark D. Blake
18 Deputy City Attorney
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