

1 [California Enterprise Development Authority Revenue Obligations Issuance - Live Oak -
2 Learning Center for Children - Not to Exceed \$10,000,000]

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 \$10,000,000 to finance or**
6 **refinance the acquisition, construction, improvement, and/or equipping of K-8**
7 **educational facilities to be owned and operated by, or leased and operated by, Live**
8 **Oak, a Learning Center for Children, a California nonprofit public benefit corporation.**
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10 WHEREAS, The California Enterprise Development Authority (the "Authority") is
11 authorized pursuant to the provisions of California Government Code, Section 6500 et seq.
12 and the terms of a Joint Powers Agreement, dated as of June 1, 2006 (the "Agreement"),
13 among certain public agencies throughout the State of California, to issue revenue bonds and
14 other forms of indebtedness to assist nonprofit corporations to obtain tax-exempt financing for
15 appropriate projects and purposes; and

16 WHEREAS, Live Oak, a Learning Center for Children, a California nonprofit public
17 benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue
18 Code of 1986, as amended (the "Code"), or an affiliate thereof or successor thereto
19 (collectively, the "Borrower"), has requested that the Authority issue revenue obligations in an
20 aggregate principal amount not to exceed \$10,000,000 (the "Obligations") to: (i) prepay in full
21 the Authority's 2012 Tax-Exempt Loan (Live Oak School), issued in the original principal
22 amount of \$5,750,000, the proceeds of which financed and refinanced the acquisition,
23 construction, improvement and equipping of educational facilities located at 1555 Mariposa
24 Street, San Francisco, California 94107 ("1555 Mariposa"), all owned and operated by the
25 Borrower, and used for educational purposes, (ii) finance, and/or reimburse the Borrower for

1 capital expenditures, including construction, improvement and equipping of facilities at
2 (a) 1555 Mariposa, and (b) the parcel of real estate leased by the Borrower from KRMR, LLC,
3 a California limited liability company, located at 1501 Mariposa Street, San Francisco,
4 California 94107 ("1501 Mariposa"), including the completion of the campus renovation and
5 expansion at 1555 Mariposa and 1501 Mariposa (such improvements financed and/or
6 refinanced with the Obligations are collectively referred to as the "Project") and (iii) pay
7 various transaction costs, prepayment costs, if applicable, and other related costs; and

8 WHEREAS, The Project is located within the City and County of San Francisco (the
9 "City"), a member of the Authority; and

10 WHEREAS, Pursuant to Internal Revenue Code, Section 147(f), the issuance of the
11 Obligations by the Authority may qualify for tax exemption under Internal Revenue Code,
12 Section 103 only if the Obligations are approved by the "applicable elected representative" of
13 both the governmental unit issuing the Obligations and a governmental unit having jurisdiction
14 over the area in which the Project is located after a public hearing held following reasonable
15 public notice; and

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

18 WHEREAS, The Authority has requested the Board of Supervisors of the City and
19 County of San Francisco (the "Board") to approve the issuance and sale of the Obligations in
20 order to satisfy the requirements of Internal Revenue Code, Section 147(f), the Board being
21 the applicable elected representative of the governmental unit issuing the Obligations and
22 having jurisdiction over the area in which the Project is located within the meaning of Internal
23 Revenue Code, Section 147(f); and

24 WHEREAS, On April 21, 2015, the City caused a notice to appear in the *San Francisco*
25 *Chronicle*, which is a newspaper of general circulation in the City, stating that a public hearing

1 with respect to the issuance of the Obligations would be held by the Office of Public Finance
2 on May 6, 2015; and

3 WHEREAS, The Office of Public Finance held the public hearing described above on
4 May 6, 2015, and an opportunity was provided for persons to comment on the issuance and
5 sale of the Obligations and the plan of financing of the Project; and

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

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

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

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

18 FURTHER RESOLVED, That the approval by the Board of the issuance and sale of the
19 Obligations is neither an approval of the underlying credit issues of the Project nor an
20 approval of the financial structure of the Obligations, and that the adoption of this Resolution
21 shall not obligate (i) the City to provide financing to the Borrower for the acquisition,
22 construction, improvement and/or equipping of the Project or to issue the Obligations for
23 purposes of such financing or (ii) the City, or any department of the City, to approve any
24 application or request for, or take any other action in connection with any environmental,
25 General Plan, zoning or any other permit or other action necessary for the acquisition,

1 construction, equipping or furnishing of the Project; 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 Dennis J. Herrera,
6 City Attorney

7 By: _____
8 Mark D. Blake
9 Deputy City Attorney

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