

1 [Approving Issuance of Bonds - California Statewide Communities Development Authority -
2 San Francisco Museum of Modern Art - Not to Exceed \$30,000,000]

3 **Resolution approving in accordance with Section 147(f) of the Internal Revenue Code**
4 **of 1986, as amended, the issuance of tax-exempt obligations by the California**
5 **Statewide Communities Development Authority in an aggregate principal amount not to**
6 **exceed \$30,000,000 for the financing or refinancing of various capital facilities owned**
7 **or to be owned by San Francisco Museum of Modern Art.**

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9 WHEREAS, The California Statewide Communities Development Authority, is a joint
10 exercise of powers agency established pursuant to the laws of the State of California (the
11 "Authority") and that certain Amended and Restated Joint Exercise of Powers Agreement,
12 dated as of June 1, 1988, among certain local agencies, including the City (the "Agreement");
13 and

14 WHEREAS, San Francisco Museum of Modern Art (SFMOMA), a California nonprofit
15 corporation (the "Corporation"), has requested that Authority to issue obligations (the
16 "Obligations") in an aggregate principal amount not expected to exceed \$30,000,000, for the
17 purpose of making a loan to the Corporation to finance or refinance various capital facilities as
18 more fully described below; and

19 WHEREAS, Proceeds of the Obligations will be loaned to the Corporation, pursuant to
20 a Loan Agreement or a Master Loan Agreement (each, a "Loan Agreement"), and the
21 Corporation will use the proceeds of the Obligations as follows: (1) the acquisition of fee title
22 ownership of a parking garage (including an existing rooftop café area and sculpture garden
23 area therein) located at 147 Minna Street, San Francisco, California (the "Parking Garage");
24 (2) capital improvements, equipment acquisition, capital maintenance and other related
25 improvements to the Parking Garage and the Corporation's existing facilities located at 151

1 Third Street, San Francisco, California (the "Museum"); (3) the acquisition and installation of
2 artworks for the Museum (collectively, the "Projects"); and (4) pay various costs of issuance
3 and other related costs with respect to the Obligations; and

4 WHEREAS, The Projects are or will be owned and operated by the Corporation, and
5 the Museum and the Projects are located within the geographic boundaries of the City and
6 County of San Francisco (the "City"); and

7 WHEREAS, The City is a member of the Authority; and

8 WHEREAS, The issuance and delivery of the Obligations shall be subject to the
9 approval of and execution by the Authority of all financing documents relating thereto to which
10 the Authority is a party and subject to the issuance of the Obligations by the Authority; and

11 WHEREAS, Interest on the Obligations may qualify for tax exemption under Section
12 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Obligations
13 are approved in accordance with Section 147(f) of the Code; and

14 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative
15 body of the City and is one of the applicable elected representatives required to approve the
16 issue within the meaning of Section 147(f) of the Code and Section 9 of Agreement; and

17 WHEREAS, The Authority has requested the Board to approve the issuance and sale
18 of the Obligations in order to satisfy the public approval requirements of Section 147(f) of the
19 Code and the requirements of Section 9 of the Agreement; and

20 WHEREAS, On August 28, 2017, the City caused a notice to appear in the *San*
21 *Francisco Chronicle*, which is a newspaper of general circulation in the City, stating that a
22 public hearing with respect to the issuance of the Obligations and the Projects would be held
23 by the Controller's Office of Public Finance on September 11, 2017; and

24 WHEREAS, The Controller's Office of Public Finance held the public hearing described
25 above on September 11, 2017, and an opportunity was provided for persons to comment on

1 the issuance of the Obligations and the plan of financing for the Projects, and such written
2 comments received on or prior to the date of such hearing have been forwarded to this Board;
3 now, therefore be it

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

6 FURTHER RESOLVED, That this Board hereby approves the issuance of the
7 Obligations by the Authority; and be it

8 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
9 Resolution constitute approval of the issuance of the Obligations by the applicable elected
10 representative of the governmental unit having jurisdiction over the area in which the Projects
11 are located for the purposes of and in accordance with Section 147(f) of the Code and Section
12 9 of the Agreement; and, be it

13 FURTHER RESOLVED, That the approval of the issuance of the Obligations by the
14 Authority is neither an approval of the underlying credit supporting the Projects nor an
15 approval of the financial structure of the Obligations; and be it

16 FURTHER RESOLVED, That the Obligations shall not constitute a debt or obligation of
17 the City and neither the full faith and credit or taxing power of the City shall be available to the
18 payment of the Obligations, the payment of the principal, prepayment premium, if any, and
19 purchase price of and interest on the Obligations shall be solely the responsibility of the
20 Corporation; and be it

21 FURTHER RESOLVED, The adoption of this Resolution shall not obligate (i) the City to
22 provide or pledge any of its revenues or assets to the Corporation for the acquisition,
23 rehabilitation and development of the Projects or to issue the Obligations for purposes of such
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1 financing; or (ii) the City, or any department of the City, to approve an application or request
2 for, or take any other action in connection with, environmental, General Plan consistency
3 determinations, zoning or any other permit or other regulatory action sought in connection with
4 the Projects; and be it

5 FURTHER RESOLVED, that this Resolution shall take effect immediately upon its
6 adoption.

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8 APPROVED AS TO FORM:
9 DENNIS J. HERRERA
10 CITY ATTORNEY

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By: _____
Mark D. Blake
Deputy City Attorney
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