[TEFRA Public Hearing Approval]

Resolution authorizing the issuance and sale of revenue bonds by the California Statewide Communities Development Authority in an aggregate principal amount not to exceed $10,000,000 for the San Francisco Art Institute.

WHEREAS, The California Statewide Communities Development Authority, a joint exercise of powers agency established pursuant to the laws of the State of California ("CSCDA"), has proposed to issue and sell revenue bonds ("Bonds") in an aggregate principal amount not to exceed $10,000,000 for the purpose of making a loan to the San Francisco Art Institute (the "Institute"), a nonprofit public benefit corporation; and

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

WHEREAS, The project to be financed and refinanced by the Bonds consists of the acquisition, construction, improvement and equipping of various educational facilities located at 701, 760-762 and 800 Chestnut Street, San Francisco, California (the "Project"), all to be owned and operated by the Institute; and,

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

WHEREAS, CSCDA has requested the Board of Supervisors of the City (the "Board") to approve the issuance of the Bonds in order to satisfy the public approval requirements of Section 147(f) of the Code and the requirements of Section 9 of the Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"), among certain local agencies, including the City; and,
WHEREAS, CSCDA has reviewed the financial structure of the Bonds and has heretofore approved the issuance of the Bonds; and,

WHEREAS, The project is located wholly within the City and County of San Francisco, California; and,

WHEREAS, On May 14, 2002, the City caused a notice stating that a public hearing with respect to the issuance of the Bonds would be held by the Mayor's Office of Public Finance on May 28, 2002, to appear in The Independent, which is a newspaper of general circulation in the City; and,

WHEREAS, The Mayor's Office of Public Finance has held the public hearing described above on May 28, 2002, and an opportunity was provided for persons to comment on the issuance of the Bonds and the Project; and,

WHEREAS, This Board is the elected legislative body of the City and is the applicable elected representative required to approve the issue within the meaning of Section 147(f) of the Code and Section 9 of the Agreement; now, therefore, be it

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

FURTHER RESOLVED, That this Board hereby approves the issuance of the Bonds by CSCDA. It is the purpose and intent of this Board that this Resolution constitute approval of the Bonds by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located in accordance with Section 147(f) of the Code and Section 9 of the Agreement; and, be it

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Supervisor Peskin
BOARD OF SUPERVISORS
FURTHER RESOLVED, That the approval of the issuance of the Bonds by the City is neither an approval of the underlying credit issues of the proposed Project nor an approval of the financial structure of the Bonds.

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: Michael Martin
Deputy City Attorney
Resolution authorizing the issuance and sale of revenue bonds by the California Statewide Communities Development Authority in an aggregate principal amount not to exceed $10,000,000 for the San Francisco Art Institute.

June 3, 2002 Board of Supervisors — ADOPTED
Ayes: 10 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Newsom, Peskin, Sandoval
Absent: 1 - Yee

File No. 020923

I hereby certify that the foregoing Resolution was ADOPTED on June 3, 2002 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Mayor Willie L. Brown Jr.