Resolution approving the issuance of tax-exempt obligations by the California Enterprise Development Authority in an aggregate principal amount not to exceed $9,000,000 to finance and refinance various capital facilities owned by Progress Foundation.

WHEREAS, Progress Foundation, a California nonprofit corporation (the "Borrower") has requested that the California Enterprise Development Authority, a joint exercise of powers agency established pursuant to the laws of the State of California (the "Authority") issue its tax-exempt obligations (the "Obligations"), in an aggregate principal amount not expected to exceed $9,000,000, for the purpose of making from time to time one or more loans to the Borrower pursuant to a plan of financing for various capital facilities as more fully described below; and

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

WHEREAS, The Borrower expects to use the proceeds of the Obligations to: (i) refinance outstanding indebtedness incurred by the Borrower, the proceeds of which were used to finance and refinance the cost of the acquisition, construction, installation, rehabilitation, equipping and furnishing of mental health treatment and rehabilitation facilities located at 368 Fell Street, San Francisco, California 94102, 25 Beulah Street, San Francisco, California 94117, 212 Ashbury Street, San Francisco, California 94117, 2210 Clay Street, San Francisco, California 94115, 1443 7th Avenue, San Francisco, California 94122, 405 Baker Street, San Francisco, California 94117 and 50-54 Dore Street, San Francisco, California
WHEREAS, The Facilities will be owned and operated by the Borrower and used in connection with the Borrower’s tax-exempt mission of providing community-based residential treatment and supported housing programs as alternatives to institutional treatment for individuals with mental disabilities and for the management and administration of such programs; and

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

WHEREAS, The Facilities are located wholly within the City; and

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

WHEREAS, The Board of Supervisors of the City (the "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

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

WHEREAS, On February 28, 2013, the City caused a notice to appear in the San Francisco Chronicle, which is a newspaper of general circulation in the City, stating that a public hearing with respect to the issuance of the Obligations would be held by the City’s Office of Public Finance on March 14, 2013; and
WHEREAS, The Office of Public Finance held the public hearing described above on March 14, 2013, and an opportunity was provided for persons to comment on the issuance of the Obligations and plan of financing; and

WHEREAS, The Director of Public Finance recommends approval of the issuance of the Obligations pursuant to Chapter 43, Article 9, Section 5 of the Administrative Code; 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 Obligations by the Authority; and, be it

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

FURTHER RESOLVED, That the approval of the issuance of the Obligations by the City is neither an approval of the underlying credit of the Borrower or the Facilities nor an approval of the financial structure of the Obligations; and neither the City, nor any department thereof, shall have no responsibility or liability whatsoever with respect to the Obligations or the Facilities; and, be it

FURTHER RESOLVED, That the Obligations shall not constitute a debt or obligation of the City and the payment of the principal, prepayment premium, if any, and purchase price of and interest on the Obligations shall be solely the responsibility of the Borrower; and be it

FURTHER RESOLVED, That adoption of this Resolution shall not obligate (i) the City to provide financing to the Borrower for the acquisition, rehabilitation and development of the Facilities or to issue the Obligations for purposes of such financing; (ii) make any contribution
or advance any funds to the Authority; or (iii) the City, or any department of the City, to
approve any application or request for, or take any other action in connection with, any
environmental, General Plan, zoning or any other permit or other regulatory action sought in
connection with the Facilities; and be it

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

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By,
Mark D. Blake
Deputy City Attorney

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Resolution approving the issuance of tax-exempt obligations by the California Enterprise Development Authority in an aggregate principal amount not to exceed $9,000,000 to finance and refinance various capital facilities owned by Progress Foundation.

April 10, 2013 Budget and Finance Sub-Committee - RECOMMENDED

April 16, 2013 Board of Supervisors - ADOPTED
   Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 4/16/2013 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

Date Approved

4/23/13