Resolution approving the issuance of revenue bonds by the Association of Bay Area Governments Finance Authority for Nonprofit Corporations in an aggregate principal amount not to exceed $30,000,000 to refinance various facilities owned and/or operated by On Lok Senior Health Services and On Lok Community Housing, Inc., in accordance with Internal Revenue Code, Section 147(f).

WHEREAS, The Association of Bay Area Governments (ABAG) Finance Authority for Nonprofit Corporations (the "Authority") is authorized pursuant to the provisions of California Government Code, Section 6500 et seq. and the terms of an ABAG Finance Authority for Nonprofit Corporations Joint Powers Agreement, dated as of April 1, 1990, revised as of September 18, 1990, and June 9, 1992, (as so revised, the "Agreement"), among certain public agencies throughout the State of California, to issue revenue bonds and other forms of indebtedness to assist nonprofit corporations to obtain tax-exempt financing for certain projects and purposes; and

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

WHEREAS, On Lok Senior Health Services and On Lok Community Housing, Inc., both of which are California nonprofit public benefit corporations (collectively, the "Borrower"), and organizations described in Section 501(c)(3) of the Internal Revenue Code ("Code"), have requested that the Authority issue revenue bonds in a maximum aggregate principal amount of $30,000,000 (the "Bonds") and loan the proceeds of the Bonds to the Borrower (the "Loan") to: (i) refinance the costs of the acquisition, construction, equipping and furnishing of facilities that provide housing for seniors and access to affordable health care and other support
services for low income and frail older adults, and (ii) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the “Project”); and

WHEREAS, A portion of the Project located at 1333 Bush Street (formerly 1145 Larkin Street), 1441 Powell Street, and 1000-1010 Montgomery Street, is located within the City; and

WHEREAS, The issuance of the Bonds 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 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 by an “applicable elected representative” of the City 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 therefore an “applicable elected representative” required to approve the Bonds within the meaning of Section 147(f) of the Code; and

WHEREAS, The Authority has requested 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

WHEREAS, On May 13, 2014, 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 Bonds would be held by the Office of Public Finance on May 27, 2014; and

WHEREAS, The Office of Public Finance held the public hearing described above on May 27, 2014, and an opportunity was provided for persons to comment on the issuance and sale of the Bonds and the plan of financing and refinancing of the Project; and

WHEREAS, The Bonds will be limited obligations of the Authority, payable solely from and secured solely by amounts received from or on behalf of the Borrower, and will not
constitute an indebtedness or obligation, or a pledge of the faith and credit of, the City or the
Authority; and

WHEREAS, It is intended that this Resolution shall constitute the approval of the
issuance of the Bonds required by Section 147(f) of the Code; and

WHEREAS, The Director of Public Finance (the “Director”) recommends approval of
the issuance of the Bonds 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 Bonds
by the Authority; and, be it

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

FURTHER RESOLVED, That the approval by the City of the issuance of the Bonds by
the Authority is neither an approval of the underlying credit of the Borrower or of the proposed
Project nor an approval of the financial structure of the Bonds; and neither the City, nor any
department thereof, shall have any responsibility or liability whatsoever with respect to the
Bonds or the Project; and, be it

FURTHER RESOLVED, That the Bonds shall not constitute a debt or obligation in any
respect of the City, and the payment of the principal, prepayment premium, if any, and interest
on the Bonds shall be solely the responsibility of the Borrower; and, be it
FURTHER RESOLVED, That the adoption of this Resolution shall not obligate the City or any department of the City to (i) provide financing to the Borrower for the repayment of the Loan or to issue the Bonds for purposes of such financing; (ii) make any contribution or advance any funds to the Authority; or (iii) 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 Project; and, be it

FURTHER RESOLVED, That the Controller and the Director and any other proper officers of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts as may be necessary or advisable to effect the purposes of this Resolution, 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: KENNETH DAVID ROUX
Deputy City Attorney
Resolution approving the issuance of revenue bonds by the Association of Bay Area Governments Finance Authority for Nonprofit Corporations in an aggregate principal amount not to exceed $30,000,000 to refinance various facilities owned and/or operated by On Lok Senior Health Services and On Lok Community Housing, Inc., in accordance with Internal Revenue Code, Section 147(f).

July 09, 2014 Budget and Finance Sub-Committee - RECOMMENDED

July 15, 2014 Board of Supervisors - ADOPTED
   Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140561

I hereby certify that the foregoing Resolution was ADOPTED on 7/15/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

Date Approved