Resolution approving, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, the issuance of tax-exempt obligations by the California Statewide Communities Development Authority in an aggregate principal amount not to exceed $53,000,000 for the financing and refinancing of various capital facilities owned by The California School of Mechanical Arts (Lick-Wilmerding High School).

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

WHEREAS, The California School of Mechanical Arts (Lick-Wilmerding High School), a California nonprofit corporation (the "Corporation") has requested that Authority to issue obligations (the "Obligation") in an aggregate principal amount not expected to exceed $53,000,000, for the purpose of making a loan (the "Loan") to the Corporation which will refinance various capital facilities as more fully described below; and

WHEREAS, Proceeds of the Obligation are to be loaned to the Corporation, pursuant to a Master Loan Agreement (the "Loan Agreement"), and the Corporation will use the proceeds of the Obligation as follows: (1) (a) finance the demolition of a classroom building and construction of a new building planned to be three stories and include approximately 45,000 square feet of interior space to be used primarily for classroom and office space, (b) remodeling of an existing science and auditorium building to provide for reconfigured and
expanded science labs, and (c) miscellaneous construction, renovation and acquisition of other capital improvements (collectively, the "2017 Project") on the Corporation's campus, located at 755 Ocean Avenue, San Francisco, California 94112 (the "Campus"); (2) refinance certain tax-exempt obligations issued by the Authority which refinanced the ABAG Finance Authority for Nonprofit Corporations Revenue Bonds (The California School of Mechanical Arts – Lick-Wilmerding High School) Series 2002 that financed improvements to the Campus (the "2002 Project" and together with the 2017 Project, the "Projects"); and (3) pay various costs of issuance and other related costs with respect to the Obligation; and

WHEREAS, The Projects are or will be owned and operated by the Corporation and the Campus and the Projects are located within the geographic boundaries of the City; and

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

WHEREAS, The issuance and delivery of the Obligation 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 subject to the issuance of the Obligation by the Authority; and

WHEREAS, Interest on the Obligation may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Obligation is 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 one of the applicable elected representatives required to approve the issue within the meaning of Section 147(f) of the Code and Section 9 of Agreement; and

WHEREAS, The Authority has requested the Board to approve the issuance and sale of the Obligation in order to satisfy the public approval requirements of Section 147(f) of the Code and the requirements of Section 9 of the Agreement; and
WHEREAS, On April 23, 2017, 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 Obligation and the Projects would be held by the City’s Office of Public Finance on May 8, 2017; and

WHEREAS, The Controller’s Office of Public Finance held the public hearing described above on May 8, 2017, and an opportunity was provided for persons to comment on the issuance of the Obligation and the plan of financing for the Projects, and such written comments received on or prior to the date of such hearing have been forwarded to this Board; 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 Obligation 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 Obligation by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Projects are located for the purposes of and in accordance with Section 147(f) of the Code and Section 9 of the Agreement; and, be it

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

FURTHER RESOLVED, That the Obligation 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 Obligation shall be solely the responsibility of the Corporation; and be it
FURTHER RESOLVED, The adoption of this Resolution shall not obligate (i) the City to provide or pledge any of its revenues or assets to the Corporation for the acquisition, rehabilitation and development of the Projects or to issue the Obligation for purposes of such financing; or (ii) the City, or any department of the City, to approve an application or request for, or take any other action in connection with, environmental, General Plan consistency determinations, zoning or any other permit or other regulatory action sought in connection with the Projects; 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
Resolution approving, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, the issuance of tax-exempt obligations by the California Statewide Communities Development Authority in an aggregate principal amount not to exceed $53,000,000 for the financing and refinancing of various capital facilities owned by The California School of Mechanical Arts (Lick-Wilmerding High School).

May 25, 2017 Budget and Finance Sub-Committee - AMENDED

May 25, 2017 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

June 06, 2017 Board of Supervisors - ADOPTED
    Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

File No. 170612

I hereby certify that the foregoing Resolution was ADOPTED on 6/6/2017 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

Date Approved

6/13/17