Resolution approving (a) in accordance with Internal Revenue Code, Section 147(f) the issuance of revenue bonds or a tax-exempt loan by the California Municipal Finance Authority (the “Authority”) in an aggregate issue price not to exceed $7,000,000 (the “Tax-Exempt Bonds”) to (i) refinance all or a portion of certain outstanding debt obligations that originally financed and refinanced the acquisition, construction, equipping and furnishing of facilities, within the City and County of San Francisco (the “City”), owned and managed by San Francisco Art Institute, a California nonprofit public benefit corporation (the “Borrower”), in connection with the provision of educational and other services in the City, including the instruction of students enrolled in its undergraduate and graduate fine arts degree programs, (ii) finance additional improvements to such facilities, (iii) pay capitalized interest on the Tax-Exempt Bonds, and (iv) pay certain expenses incurred in connection with the issuance of the Tax-Exempt Bonds; and (b) in accordance with the Joint Exercise of Powers Agreement, dated as of January 1, 2004, among the Authority and certain local agencies, including the City, as amended from time to time, the issuance of revenue bonds or a loan by the Authority in an aggregate issue price not to exceed $13,000,000 (the “Taxable Bonds” and, together with the Tax-Exempt Bonds, the “Bonds”) to (i) refinance all or a portion of certain outstanding debt obligations that originally financed and refinanced the construction, equipping and furnishing of facilities, within the City, leased and occupied by the Borrower, in connection with the provision of educational and other services in the City, including the instruction of students enrolled in its undergraduate and graduate fine arts degree programs, (ii) finance additional improvements to such facilities, (iii) pay capitalized interest on the Taxable
Bonds, and (iv) pay certain expenses incurred in connection with the issuance of the Bonds.

WHEREAS, The California Municipal Finance Authority (the “Authority”) is authorized pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California, and a Joint Exercise of Powers Agreement, dated as of January 1, 2004, among the Authority and certain local agencies, including the City, as amended from time to time (as so amended, the “Agreement”), to issue revenue bonds and other forms of indebtedness to assist nonprofit corporations to obtain financing, including tax-exempt financing, for certain projects and purposes; and

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

WHEREAS, San Francisco Art Institute, a California nonprofit public benefit corporation (the “Borrower”), and an organization described in Internal Revenue Code, Section 501(c)(3) (“Code”), has requested that the Authority issue revenue bonds or a tax-exempt loan, in one or more series, in an aggregate issue price not to exceed $7,000,000 (the “Tax-Exempt Bonds”) and loan the proceeds of the Tax-Exempt Bonds to the Borrower (the “Tax-Exempt Loan”) to: (i) refinance all or a portion of certain outstanding debt obligations that originally financed and refinanced the acquisition, construction, equipping and furnishing of facilities, within the City, owned and managed by the Borrower, in connection with the provision of educational and other services in the City, including the instruction of students enrolled in its undergraduate and graduate fine arts degree programs, (ii) finance additional improvements to such facilities, (iii) pay capitalized interest on the Bonds and (iv) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the “Tax-Exempt Project”); and

Supervisor Farrell
BOARD OF SUPERVISORS
WHEREAS, The Tax-Exempt Project, located at 800 Chestnut Street, San Francisco, California 94133, is located within the territorial limits of the City; and

WHEREAS, The issuance of the Tax-Exempt 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, Interest on the Tax-Exempt Bonds may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Tax-Exempt Bonds are approved by an "applicable elected representative" of the City in accordance with Section 147(f) of the Code; and

WHEREAS, The Borrower has also requested that the Authority issue revenue bonds or a loan, in one or more series, in an aggregate issue price not to exceed $13,000,000 (the "Taxable Bonds" and, together with the Tax-Exempt Bonds, the "Bonds") and loan the proceeds of the Taxable Bonds to the Borrower (the "Taxable Loan" and, together with the Tax-Exempt Loan, the "Loan") to: (i) refinance all or a portion of certain outstanding debt obligations that originally financed and refinanced the construction, equipping and furnishing of facilities, within the City, leased and occupied by the Borrower, in connection with the provision of educational and other services in the City, including the instruction of students enrolled in its undergraduate and graduate fine arts degree programs, (ii) finance additional improvements to such facilities, (iii) pay capitalized interest on the Taxable Bonds and (iv) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the "Taxable Project" and, together with the Tax-Exempt Project, the "Project"); and

WHEREAS, The Taxable Project, located at Herbst Pavilion, 2 Marina Boulevard, San Francisco, California 94123, is located within the territorial limits of the City; and
WHEREAS, The issuance of the Taxable 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, Taxable Bonds issued for the Taxable Project are to be approved by the “governing body” of the City in accordance with Section 4 of the Agreement; 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 Tax-Exempt Bonds within the meaning of Code Section 147(f) and is the “governing body” of the City required to approve the Taxable Bonds in accordance with Section 4 of the Agreement; and

WHEREAS, The Authority has requested the Board to approve the issuance of the Bonds by the Authority for the purposes of financing the Project in order to satisfy the public approval requirements of Code Section 147(f) as applicable to the Tax-Exempt Bonds and the requirements of Section 4 of the Agreement; and

WHEREAS, The Authority is also requesting that the Board approve the issuance of any refunding bonds hereafter issued by the Authority for the purpose of refinancing the Bonds which financed the Project (the “Refunding Bonds”), but only in such cases where federal tax laws would not require additional consideration or approval by the Board; and

WHEREAS, On August 11, 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 Tax-Exempt Bonds would be held by the Office of Public Finance on August 25, 2017; and

WHEREAS, The Office of Public Finance held the public hearing described above on August 25, 2017, and an opportunity was provided for persons to comment on the issuance and sale of the Tax-Exempt Bonds and the plan of financing of the Tax-Exempt Project, and
the Office of Public Finance has forwarded any comments received by such date to this
Board; 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 Tax-Exempt Bonds required by Code Section 147(f) and the approval of the
Bonds and the Project required by Section 4 of the Agreement; 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 for the purpose of financing the Project; 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 Authority and of the
financing of the Project, as the applicable elected representative of the governmental unit
having jurisdiction over the area in which the Project is located, for purposes of and in
accordance with (a) Code Section 147(f) as applicable to the Tax-Exempt Bonds and
(b) Section 4 of the Agreement; 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 faith and credit of the City is not pledged to the repayment of the
Bonds, 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

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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 (a) in accordance with Internal Revenue Code, Section 147(f) the issuance of revenue bonds or a tax-exempt loan by the California Municipal Finance Authority (the "Authority") in an aggregate issue price not to exceed $7,000,000 (the "Tax-Exempt Bonds") to (i) refinance all or a portion of certain outstanding debt obligations that originally financed and refinanced the acquisition, construction, equipping and furnishing of facilities, within the City and County of San Francisco (the "City"), owned and managed by San Francisco Art Institute, a California nonprofit public benefit corporation (the "Borrower"), in connection with the provision of educational and other services in the City, including the instruction of students enrolled in its undergraduate and graduate fine arts degree programs, (ii) finance additional improvements to such facilities, (iii) pay capitalized interest on the Tax-Exempt Bonds, and (iv) pay certain expenses incurred in connection with the issuance of the Tax-Exempt Bonds; and (b) in accordance with the Joint Exercise of Powers Agreement, dated as of January 1, 2004, among the Authority and certain local agencies, including the City, as amended from time to time, the issuance of revenue bonds or a loan by the Authority in an aggregate issue price not to exceed $13,000,000 (the "Taxable Bonds" and, together with the Tax-Exempt Bonds, the "Bonds") to (i) refinance all or a portion of certain outstanding debt obligations that originally financed and refinanced the construction, equipping and furnishing of facilities, within the City, leased and occupied by the Borrower, in connection with the provision of educational and other services in the City, including the instruction of students enrolled in its undergraduate and graduate fine arts degree programs, (ii) finance additional improvements to such facilities, (iii) pay capitalized interest on the Taxable Bonds, and (iv) pay certain expenses incurred in connection with the issuance of the Bonds.
I hereby certify that the foregoing Resolution was ADOPTED on 9/26/2017 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved

10/15/2017