Resolution approving for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, the issuance and sale of revenue obligations by the Association of Bay Area Governments Finance Authority for Nonprofit Corporations in an aggregate principal amount not to exceed $30,000,000 to finance or refinance the costs of the acquisition, demolition, construction, renovation, equipping and/or furnishing of preK-8 educational facilities to be owned and operated by Presidio Knolls School

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 further revised as of June 9, 1992 (collectively, 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 appropriate projects and purposes; and

WHEREAS, Presidio Knolls School, Inc. (the “Borrower”), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), has requested that the Authority issue revenue obligations in an aggregate principal amount not to exceed $30,000,000 (the “Bonds”) to: (i) finance or refinance the costs of the acquisition, demolition, construction, renovation, equipping and/or furnishing of preK-8 educational and related and ancillary facilities located at 1415 Howard Street and 220, 230, 240, 250 and 260 10th Street, San Francisco, California 94103 (the “Campus”), owned and operated by the Borrower; and
WHEREAS, The Borrower proposes to pay for the following costs from proceeds of the Bonds, including but not limited to the demolition of a one-story garage, a preK building, and an elementary school building; the renovation of an existing building and conversion thereof from use as a group home to educational facilities; the construction of two three-story buildings collectively measuring approximately 60,000 square feet for use as educational facilities and one one-story building measuring approximately 1,000 square feet for use as a music building; and the construction of one or more outdoor play areas and approximately 50 bicycle parking spaces, all located or to be located on the Campus (the "Project"), (ii) refinance certain indebtedness of the Borrower incurred in connection with the acquisition of the Project, and (iii) pay certain costs of issuance of the Bonds; and

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

WHEREAS, Pursuant to Section 147(f) of the Code, the issuance of the Bonds by the Authority may qualify for tax exemption under Section 103 of the Code only if the Bonds are approved both by the "applicable elected representative" of the governmental unit issuing the Bonds and by a governmental unit having jurisdiction over the area in which the Project is located after a public hearing held following reasonable public notice; and

WHEREAS, The issuance and delivery of the Bonds shall be subject to the further approval of and execution by the Authority; and

WHEREAS, The Authority has requested the Board of Supervisors of the City and County of San Francisco (the "Board") to approve the issuance and sale of the Bonds in order to satisfy the requirements of Section 147(f) of the Code, the Board being the applicable elected representatives having jurisdiction over the area in which the Project is located within the meaning of Section 147(f) of the Code; and
WHEREAS, On August 29, 2016, 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 September 12, 2016; and

WHEREAS, The Office of Public Finance held the public hearing described above on September 12, 2016, and an opportunity was provided for persons to comment on the issuance and sale of the Bonds and the plan of financing or 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 approval of the issuance of the Bonds for purposes of Section 147(f) of the Code; now, therefore, be it

RESOLVED, That all of the recitals set forth above are true and correct; and, be it

FURTHER RESOLVED, That the Board hereby approves the issuance of the Bonds by the Authority, it is the purpose and intent of the Board that this Resolution constitutes approval of the issuance of the Bonds by the applicable elected representatives of the City for purposes of Section 147(f) of the Code; and, be it

FURTHER RESOLVED, That the approval by the Board of the issuance and sale of the Bonds is neither an approval of the underlying credit issues of the Project nor an approval of the financial structure of the Bonds, and that the adoption of this Resolution shall not obligate (i) the City to provide financing or refinancing to the Borrower for the acquisition, demolition, construction, renovation, equipping and/or furnishing of the Project or to issue the Bonds for purposes of such financing or refinancing or (ii) 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 action necessary for the
acquisition, demolition, construction, renovation, equipping and/or furnishing of the Project;
and, be it

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

Enactment occurs when the Mayor signs the resolution, the Mayor returns the resolution
unsigned or does not sign the resolution within ten days of receiving it, or the Board of
Supervisors overrides the Mayor's veto of the resolution.

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By:
Mark D. Blake
Deputy City Attorney

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City and County of San Francisco

Tails

Resolution

File Number: 161131          Date Passed: November 01, 2016

Resolution approving for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, the issuance and sale of revenue obligations by the Association of Bay Area Governments Finance Authority for Nonprofit Corporations in an aggregate principal amount not to exceed $30,000,000 to finance or refinance the costs of the acquisition, demolition, construction, renovation, equipping and/or furnishing of preK-8 educational facilities to be owned and operated by Presidio Knolls School.

October 26, 2016 Budget and Finance Committee - RECOMMENDED

November 01, 2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 11/1/2016 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved

11/4/2016