Honorable Board of Trustees of the
San Francisco Community College District

Subject: Resolution No. 970918-B8
Resolution of the Board of Trustees of the San Francisco Community College District authorizing the issuance of 1997 Revenue anticipation notes for said District and requesting the Board of Supervisors of the City and County of San Francisco to issue said notes.

The following resolution was drafted by the District’s bond counsel, Brown and Wood. If the City and County of San Francisco do not go to market with a bond sale within the next 60 days, it may be necessary for the District to go directly to market to continue projects that are to be funded with bond funds. This effort would generate bond anticipation notes that would make funds available for bond projects. These notes would then be paid off with the proceeds from the actual sale of general obligation bonds later this fiscal year. It is critical that the City and County of San Francisco commits itself to selling the District’s bonds during fiscal year 1997-98 to make this arrangement work. This resolution provides the authority needed to sell bond anticipation notes, and to request a commitment from the City and County of San Francisco to sell the District’s bonds this fiscal year.

WHEREAS, a duly called election was held in the San Francisco Community College District (the “District”), City and County of San Francisco (the “City”), State of California, on June 3, 1997 and thereafter canvassed pursuant to law; and

WHEREAS, at such election there was submitted to and approved by the requisite two-thirds vote of the qualified electors of the City a question as to the issuance and sale of general obligation bonds of the City for the benefits of the District and the San Francisco Unified School District as set forth in the ballot submitted to the voters, in the maximum principal amount of $140,000,000 payable from the levy of an ad valorem tax against the taxable property in the City (the “Authorization”); and

WHEREAS, this Board of Trustees (the “Board”), being the governing board of the District, will request the City Board of Supervisors (the “Board of Supervisors”) to issue 1998 General Obligation Bonds, representing a portion of the Authorization, by June 1, 1998 in a principal amount not to exceed $20,000,000 (the “1998 Bonds”); and

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WHEREAS, the District desires to improve its educational facilities for the benefit of the citizens of the City by building a Chinatown Campus and a Mission Campus; and

WHEREAS, the District has entered into a contract to purchase certain real property (the “Real Property Contract”) for the purpose of improving its educational facilities (the “Real Property”) and the Real Property Contract was conditioned on a successful election for the approval of bonds, as described above; and

WHEREAS, the proceeds from the 1998 Bonds will not be available to the District to purchase the Real Property until approximately June 1, 1998; and

WHEREAS, the terms of the Real Property Contract require that the Real Property be purchased prior to such date; and

WHEREAS, for the purpose of purchasing the Real Property pursuant to the Real Property Contract and advancing moneys for additional authorized capital expenditures in anticipation of the 1998 Bonds proceeds, the District desires to undertake interim financing; and

WHEREAS, pursuant to Sections 53850 et seq. of the Government Code of the State of California (the “Act”) contained in Article 7.6 thereof, entitled “Temporary Borrowing,” on or after the first day of any fiscal year (being July 1), the District may temporarily borrow money by issuing notes for any purpose for which the District is authorized to expend moneys, including but not limited to current expenses, capital expenditures (such as the purchase of the Real Property), and the discharge of any obligation or indebtedness of the District; and

WHEREAS, Section 53853 of the Act provides that such notes must be issued in the name of a District by the board of supervisors of the county, the county superintendent of which has jurisdiction over said District, as soon as possible following the receipt of a resolution of the governing board of the district requesting the borrowing; and

WHEREAS, this Board hereby requests the borrowing of not to exceed Twenty Million Dollars ($20,000,000] at an interest rate not to exceed Seven percent (7%) per annum through the issuance by the Board of Supervisors of 1997 Revenue Anticipation Notes (the “Notes”) in the name of the District; and

WHEREAS, as permitted by Section 53854 of the Act, such Notes shall be payable not later than June 30,1998 from revenues received or accrued during fiscal year 1997-98; and

WHEREAS, Pursuant to Section 53856 of the Act, the District may pledge any taxes, income, revenue, cash receipts or other moneys deposited in inactive or
term deposits (but excepting certain moneys encumbered for a special purpose); and this Resolution specifies that the proceeds that the District expects to receive from the issuance of the 1998 Bonds and attributable to fiscal year 1997-98 are pledged for the payment of the Notes; and

WHEREAS, the Notes shall be a general obligation of the District and, to the extent not paid from the Pledged Revenues (as defined below), shall be paid with interest therein from any other moneys of the District lawfully available therefore, as required by Section 53857 of the Act; and

WHEREAS, The Notes shall be denominations of $5,000, or integral multiples thereof, as permitted by Section 53854 of the Act; shall be issued on the date as proved in the Contract of Purchase (hereinafter referred to ) therefore, as permitted by Section 53853 of the Act; and shall be in the for and executed in the manner prescribed in this Resolution, as required by Section 53853 of the Act; and

WHEREAS, the Board has found and determined that said $20,000,000 maximum principal amount of Notes to be issued by the Board of Supervisors in fiscal year 1997-1998, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue (including but not limited to revenue from state and federal governments), cash receipts and other moneys of the District which will be available for the payment of the notes and interest thereon, as required by Section 53858 of the Act;

NOW, THEREFORE, the Board of Trustees of the San Francisco Community College District hereby resolves as follows:

Section 1. Authorization of Issuance of Notes; Terms Thereof, Paying Agent. The board hereby requests the Board of Supervisors to issue in the name of the District, an amount not to exceed [$20,000,000] principal amount of Notes under Sections 53850 et seq. of the Act, designated “San Francisco Community College District, City and County of San Francisco, State of California, 1997 Revenue Anticipation Notes” (the Notes”); to be numbered from 1 consecutively upward in order of issuance (if more than one Note is registered); to be in denominations of $5,000, or integral multiples thereof, as determined by the Underwriter (as referred to herein); to be dated the date of delivery thereof; to mature (without option of prior redemption) on June 30, 1998; and to bear interest, payable at maturity and computed on a 30-day month/360-day basis, at the rate or rates determined at the time of sale thereof, but not in excess of Seven percent (7%) per annum. Both the principal of and interest on the Notes shall be payable, only upon surrender thereof, in lawful money of the United States of America at the principal office of the City Treasurer-Tax Collector (the “Treasurer-Tax Collector”) which is hereby designated to be the paying agent on the Notes (in such capacity, the “Paying Agent”) or such other paying agent as
the City may designate. This Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable.

Section 2. Form of Notes. The Notes shall be issued in registered form and shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures. The Notes shall be initially registered in the name of “Cede & Co.” as nominee of the Depository Trust Company, and shall be evidenced by one note in the full principal amount of the Notes. The Depository Trust Company, New York, New York, is hereby appointed depository for the Notes. Registered ownership may not thereafter be transferred except as set forth in Section 4 hereof. There shall be printed on the reverse of each Note, the legal opinion of Brown & Wood LLP respecting the validity of said notes and, immediately preceding such legal opinion, a certificate executed with the facsimile signature of the President of the Board of Supervisors (the “President”), said certificate to be in substantially the following form:

I HEREBY CERTIFY that the following is a true and correct copy of the legal opinion regarding the Notes therein described that was manually signed by Brown & Wood LLP, and was dated as of the date of delivery of and payment for said Notes.

Recommended for Adoption by

Del M. Anderson

Originator:
Peter Goldstein