

File No. 130592

Committee Item No. 2
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date: June 27, 2013

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
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<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Andrea Ausberry Date June 21, 2013
Completed by: _____ Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

1 [Issuance of Tax-Exempt Obligations - Town School for Boys - Not to Exceed \$19,000,000]

2
3 **Resolution approving, in accordance with Section 147(f) of the Internal Revenue Code,**
4 **the issuance of one or more tax-exempt revenue obligations by the California**
5 **Statewide Communities Development Authority in an aggregate principal amount not to**
6 **exceed \$19,000,000 to finance various capital facilities owned or operated by the Town**
7 **School for Boys as heard on May 30, 2013, at the Office of Public Finance.**

8
9 WHEREAS, Town School for Boys, a California nonprofit public benefit corporation (the
10 "School"), has requested that the California Statewide Communities Development Authority, a
11 joint exercise of powers agency established pursuant to the laws of the State of California (the
12 "Authority"), issue its tax-exempt revenue obligations (the "Obligations"), in an aggregate
13 principal amount not to exceed \$19,000,000, for the purpose of making one or more loans to
14 the School pursuant to a plan of financing for various capital facilities as more fully described
15 below; and,

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

18 WHEREAS, The School expects to use the proceeds of the Obligations for: (1)
19 financing the construction, improvement and equipping of certain of the School's educational
20 facilities located at 2750 Jackson Street, San Francisco, California 94115 (including the
21 campus expansion at such location) and 3601 Lyon Street, San Francisco, California 94123
22 (collectively, the "Facilities"), and (2) paying costs of issuance related to the Obligations and
23 other related costs (collectively, the "Project"); and,

1 WHEREAS, The owner and/or operator of all capital improvements, including
2 equipment and other costs to be financed with proceeds of the Obligations will be the School;
3 and,

4 WHEREAS, The issuance of the Obligations shall be subject to the approval of and
5 execution by the Authority of all financing documents relating thereto to which the Authority is
6 a party; and,

7 WHEREAS, The Project is located wholly within the City; and,

8 WHEREAS, The interest on the Obligations may qualify for tax exemption under
9 Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the
10 Obligations are approved by an "applicable elected representative" of the City in accordance
11 with Section 147(f) of the Code; and,

12 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative
13 body of the City and is therefore an "applicable elected representative" required to approve
14 the issue within the meaning of Section 147(f) of the Code and Section 9 of the Amended and
15 Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"),
16 among the Authority and certain agencies, including the City; and,

17 WHEREAS, The Authority has requested the Board to approve the issuance of the
18 Obligations in order to satisfy the public approval requirements of Section 147(f) of the Code
19 and Section 9 of the Agreement; and,

20 WHEREAS, On May 15, 2013, the City caused a notice to appear in the San Francisco
21 Chronicle, which is a newspaper of general circulation in the City, stating that a public hearing
22 with respect to the issuance of the Obligations would be held by the City's Office of Public
23 Finance on May 30, 2013; and,

1 WHEREAS, The City's Office of Public Finance held the public hearing described
2 above on May 30, 2013, and an opportunity was provided for persons to comment on the
3 issuance of the Obligations and plan of financing the Project; and,

4 WHEREAS, The Director of Public Finance recommends approval of the issuance of
5 the Obligations pursuant to Chapter 43, Article 9, Section 5 of the Administrative Code; now,
6 therefore, be it

7 RESOLVED, That this Board hereby finds and declares the above recitals are true and
8 correct; and, be it

9 FURTHER RESOLVED, That this Board hereby approves the issuance of the
10 Obligations by the Authority; and, be it

11 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
12 Resolution constitutes approval of the issuance of the Obligations by the applicable elected
13 representative of the governmental unit having jurisdiction over the area in which the Project
14 is located, and on behalf of which the Obligations are being issued, for purposes of and in
15 accordance with Section 147(f) of the Code and Section 9 of the Agreement; and, be it

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

21 FURTHER RESOLVED, That the Obligations shall not constitute a debt or obligation in
22 any respect of the City, and the payment of the principal, prepayment premium, if any, and
23 interest on the Obligations shall be solely the responsibility of the School; and, be it

24 FURTHER RESOLVED, That the adoption of this Resolution shall not obligate the City
25 or any department of the City to (i) provide financing to the School for the construction,

1 improvement and equipping of the Facilities or the campus expansion at 2750 Jackson Street,
2 San Francisco, California 94115, or to issue the Obligations for purposes of such financing; (ii)
3 make any contribution or advance any funds to the Authority; or (iii) approve any application
4 or request for, or take any other action in connection with, any environmental, General Plan,
5 zoning or any other permit or other regulatory action sought in connection with the Project;
6 and, be it

7 FURTHER RESOLVED, That the Controller and the Director of the Office of Public
8 Finance and any other proper officers of the City are hereby authorized and directed to
9 execute such other agreements, documents and certificates, and to perform such other acts
10 as may be necessary or advisable to effect the purposes of this Resolution; and, be it

11 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
12 adoption.

13
14 APPROVED AS TO FORM:
15 DENNIS J. HERRERA, City Attorney

16 By: Kenneth David Roux
17 KENNETH DAVID ROUX
18 Deputy City Attorney

19 n:\spclproj\kroux\housing deals\tefras\town school for boys reso.doc
20
21
22
23
24
25



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

Nadia Sesay
Director
Office of Public Finance

May 30, 2013

Supervisor Mark Farrell
City Hall, Room 244
City and County of San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco CA 94102

Dear Supervisor Farrell:

Thank you for agreeing to introduce the Board of Supervisors resolution approving, for the purposes of the Internal Revenue Code, the issuance of tax exempt obligations (the "Obligations") by the California Statewide Communities Development Authority (the "Authority") on behalf of the Town School for Boys (the "Corporation" or the "School"), a California nonprofit public benefit corporation described in section 501(c)(3) of the Internal Revenue Code, to finance and refinance various projects owned by the Corporation or an affiliate. I respectfully request introduction of the resolution at the meeting of the Board of Supervisors on Tuesday, June 4, 2013.

Pursuant to the Tax Equity and Fiscal Responsibility Act (TEFRA), to facilitate the tax exemption of interest on the Obligations the City is required to conduct a public hearing and to approve the financing by the Authority. The Office of Public Finance held such hearing on Thursday, May 30, 2013, notice of which was published in the *San Francisco Chronicle* on May 15, 2013. The action by the Board acknowledges that the hearing was duly held and that the financing is proceeding.

The Obligations will be issued in an aggregate principal amount not to exceed \$19.0 million. I have performed a limited due diligence review of information pertaining to the project and proposed financing that I have summarized below.

The Borrower

Founded in 1939, the Town School for Boys is an independent, all boys' day school for kindergarten through eighth grade with approximately 400 students. The School is currently located at 2750 Jackson Street, San Francisco, California 94115.

The Project

The proceeds of the Obligations will be loaned to the School to finance various capital improvements made with respect to certain educational facilities located at 2750 Jackson Street, San Francisco, California 94115 and 3601 Lyon Street, San Francisco, California 94123, including the construction, improvement and equipping of such facilities, equipment acquisition and related costs, all located at the above locations; the campus expansion at 2750 Jackson Street, San Francisco, California 94115; and to pay costs of issuance related to the Obligations and other related costs (collectively, the "Projects").

Financing Information

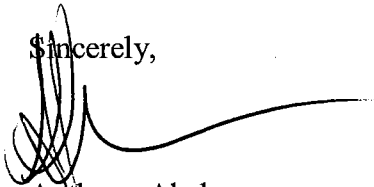
Assuming all required approvals are obtained, the Authority expects to issue tax-exempt obligations in an amount not to exceed \$19.0 million. Bond Counsel on the transaction is Sidley Austin LLP.

Public Approval Process

The City and County of San Francisco is a participating member of the Authority, a joint powers authority. The Authority is authorized to issue bonds, notes, certificates of participation, or other forms of indebtedness, including refunding previously issued debt. As noted above, federal tax law requires that the governing body of the jurisdiction in which the project is located approve the financing and the project after providing the opportunity for a duly-noticed public hearing before the Obligations may be issued on a tax-exempt basis.

Your assistance with this matter is greatly appreciated. Please contact me at (415) 554-6902, if you any questions or require additional information. Thank you.

Sincerely,



Anthony Ababon
Bond Associate

Cc: Margaux Kelly, Office of Supervisor Mark Farrell
Kenneth Roux, Deputy City Attorney

Attachments

TEFRA SCRIPT
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
ISSUANCE OF TAX-EXEMPT OBLIGATIONS FOR TOWN SCHOOL FOR BOYS
FINANCING AND REFINANCING FACILITIES IN SAN FRANCISCO,
CALIFORNIA

To be read by the Office of Public Finance:

"This is a public hearing to consider the proposed issuance of tax-exempt obligations (the "Obligations") by the California Statewide Communities Development Authority (the "Authority") in an aggregate principal amount not to exceed nineteen million dollars. Proceeds of the Obligations will be loaned to Town School for Boys, 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") (or any affiliate thereof or successor thereto) (the "School"), pursuant to a master loan agreement (the "Master Loan Agreement"). The School plans to use the proceeds of the Obligations to finance various capital improvements made with respect to certain educational facilities located at 2750 Jackson Street, San Francisco, California 94115 and 3601 Lyon Street, San Francisco, California 94123, including the construction, improvement and equipping of such facilities, equipment acquisition and related costs, all located at the above locations, and the campus expansion at 2750 Jackson Street, San Francisco, California 94115 (collectively, the "Projects"). The owner and operator of all capital improvements, including equipment and other costs to be financed with proceeds of the Obligations will be the Borrower.

"Today's hearing is part of a larger process and no decision or approval will be made here today. Your comments will be heard and provided to the Board of Supervisors. The Board of Supervisors will then have the discretion to consider legislation approving the issuance of the Obligations to finance and refinance the Projects."

"The public hearing is now open. We will now hear from any person who wishes to speak about the proposed financing. Does anyone wish to speak about the financing?"

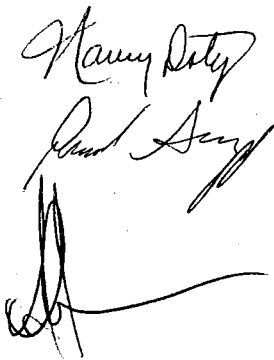
[WAIT TO SEE IF ANY MEMBER OF THE AUDIENCE WISHES TO SPEAK AND, IF SO, GIVE EACH OF THEM THE OPPORTUNITY TO DO SO, WITHIN THE USUAL TIME LIMITS ALLOWED.]

"Were any written comments on the proposed tax-exempt Obligation or the Projects received by the Clerk or the Board of Supervisors or the Office of Public Finance prior to this hearing?"

[IDENTIFY ANY SUCH WRITTEN COMMENTS OR STATE THAT NONE WERE RECEIVED.]

"The public hearing is now closed"

Date: Thursday, May 30, 2013.



10:05 AM



Working Together to Improve the Quality of Life in California's Communities

501(c)(3) Nonprofit Bond Application

APPLICANT INFORMATION

Application Number: **2013050**
Name of Borrower: **Town School for Boys**
Primary Contact: **Nancy Doty**
Title: **Director of Finance & Operations**
Street Address: **2750 Jackson Street Suite: _____**
City: **San Francisco** State: **CA** Zip Code: **94115**
Telephone Number: **(415) 746-1113**
Fax Number: **(415) 674-8640**
E-mail: **doty@townschool.com**
Type of Entity: For-profit Corporation Non-profit Corporation
 Municipality Partnership
 Other (specify): _____
Date Organized: **1939**

PROJECT INFORMATION

Type of Project: Small Issue Public Benefit Project
Health Care: Continuing Care Clinic Hospital Assisted Living
 Skilled Nursing Other (specify): _____
Education: K-12 Colleges/Universities
Other: Museum/Cultural Other (specify): _____

Project/Facility Name: **Town School for Boys**
Street Address: **2750 Jackson Street**
City: **San Francisco** State: **CA** Zip Code: **94115**
County: **San Francisco**

Is Project located in unincorporated part of the County? **No**

Has the city or county in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

Contact Name: **Catherine Stefani**
Title: **Legislative Aide to Supervisor Mark Farrell**
Phone Number: **(415) 554-7752**
Fax Number: **(415) 554-7843**
E-mail: **catherine.stefani@sfgov.org**



Division of Community Development and Economic Development

501(c)(3) Nonprofit Bond Application

FINANCING INFORMATION

Principal Amount:	\$19,000,000
Tax-exempt Amount:	\$19,000,000
Taxable Amount:	\$0
Proposed Closing Date: 06/01/2013	
Maturity: 22 Years	Interest Rate Mode: <input type="checkbox"/> Fixed <input checked="" type="checkbox"/> Variable
Type of Offering: <input checked="" type="checkbox"/> Public Offering	<input type="checkbox"/> Private Placement
Denominations: no idea	
Type of Financing: <input type="checkbox"/> Acquisition of Existing Facility	<input checked="" type="checkbox"/> New Construction
<input type="checkbox"/> Refunding	
Credit Enhancement: <input checked="" type="checkbox"/> None	<input type="checkbox"/> Letter of Credit
<input type="checkbox"/> FNMA(Fannie Mae)	<input type="checkbox"/> Freddie Mac
<input type="checkbox"/> Bond Insurance	<input type="checkbox"/> Other (specify): _____
Name of Credit Enhancement Provider or Private Placement Purchaser: N/A	
Expected Rating: <input checked="" type="checkbox"/> Unrated	<input type="checkbox"/> S & P _____
<input type="checkbox"/> Moody's _____	<input type="checkbox"/> Fitch _____

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT	BOND COUNSEL
Firm: First Republic Bank	Firm: Sidley Austin L.L.P.
Contact: Jeff Winkel	Contact: Gerald McGovern
Address: 101 Pine Street San Francisco, CA 94111	Address: 555 California Street San Francisco, CA 94104
Telephone: (415) 262-4126	Telephone: (415) 772-7427
Fax: (415) 296-5708	Fax: (415) 772-7427
E-mail: jwinkel@firstrepublic.com	E-mail: gmcgovern@sidley.com



California Communities - Advancing Local Communities

501(c)(3) Nonprofit Bond Application

PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR		REBATE ANALYST	
Firm:	N/A	Firm:	TBD
Contact:		Contact:	
Address:		Address:	
Telephone:		Telephone:	
Fax:		Fax:	
E-mail:		E-mail:	

ADDITIONAL INFORMATION REQUIRED

Please provide the following information as additional attachments:

<u>Attachment</u>	<u>Description of Information</u>
A	\$5,000 non-refundable* issuance fee deposit payable to "California Communities."
B	Detailed Applicant History.
C	Description of project or each facility to be financed or refinanced.
D	Address of each facility to be financed or refinanced.
E	Evidence of credit enhancement or intent to purchase bonds.
F	List of outstanding tax-exempt debt.
G	Financial statements for last complete fiscal year.
H	Project Costs (Sources and Uses of Proceeds).
I	Interested Parties List.

*Refundable only if financing not approved. Small Issue Program issuance fee deposit is \$2,500.

MAILING ADDRESS

California Communities®
 2999 Oak Road, Suite 710
 Walnut Creek, CA 94597



501(c)(3) Nonprofit Bond Application Attachment D

Application: **2013050 - Town School for Boys**
 Borrower: **Town School for Boys**
 Facility #1: **Town School for Boys**

PUBLIC BENEFITS

FOR HEALTH CARE FACILITY ONLY

New Beds: Accute: 0 Emergency: 0 Other: 0

SB 1953(Hospital Facilities Seismic Safety Act) Compliance? No

Non-Reimbursed Community Benefits:

Traditional Charity Care:	\$0
Unpaid Costs of Medicare:	\$0
Unpaid Costs of Medi-Cal:	\$0
Non-billed Community Outreach:	\$0
Other:	\$0

FOR PRIVATE SCHOOL FACILITY ONLY

Use of Bond Proceeds

No. of Classrooms:	19
No. of Libraries:	1
No. of Athletic Fields:	1
No. of Administrative Facilities:	17
Locker Room/Restrooms	9

	K-8	9-12
Tuition Assistance:		
Current Tuition:	26160	0
Total Tuition Assistance Provided:	1244800	0
% of students receiving at least 50% tuition assistance:	14	0

ENVIRONMENT

Energy

Does the facility exceed Title 24 Standards? Yes No N/A
 If Yes, by what percent? %

Does the facility have solar(PV) panels? Yes No N/A
 If Yes, what is the size in kWh?

Does the facility purchase carbon credits? Yes No N/A
 If Yes, what is the annual consumption?

Water

Does the facility provide any of the following:

Efficient Toilets?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Water-saving showerheads?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Drought tolerant landscaping?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Other, specify:

Transportation

Does the entity provide carpooling or mass-transit subsidies? Yes No N/A
 Does the entity maintain a fuel efficient fleet? Yes No N/A

Waste

Does the project provide recycling facilities? Yes No N/A

Application Number: 2013050 - Town School for Boys
Name of Borrower: Town School for Boys
Facility/Project #1: Town School for Boys

PUBLIC BENEFITS (continued)

WORKFORCE

Employment Creation

Job Type/Description

None

During
Construction

0

Post
Construction

0

GOVERNMENTAL INFORMATION

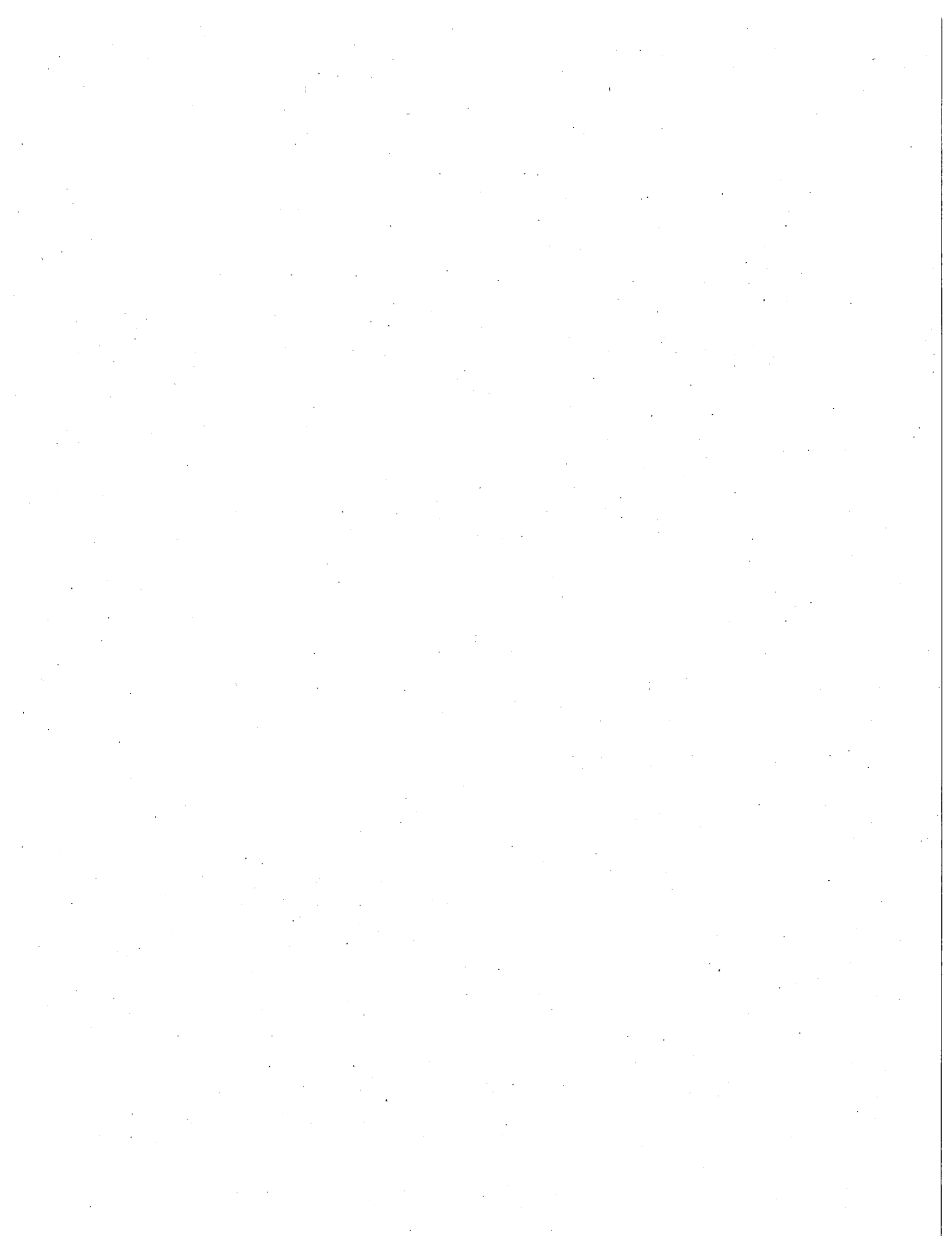
Congressional District #

State Senate District #

3

State Assembly District #

13



Bud Clerk
GAO Clerk
Leg. Dep
COS

President, District 3
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-7450
Fax No. 554-7454
TDD/TTY No. 544-5227

DAVID CHIU
邱信福
市參事會主席

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2013 JUN 10
PH 4:25
AK

PRESIDENTIAL ACTION

Date: 6/10/2013
To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)
File No. _____

Transferring (Board Rule No. 3.3)
File No. 130592
From: Budget & Finance Committee
To: Government Audit & Oversight Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)
Supervisor _____
Replacing Supervisor _____
For: _____ Meeting
(Date) (Committee)

David Chiu, President
Board of Supervisors

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee.
An ordinance, resolution, motion, or charter amendment.
- 2. Request for next printed agenda without reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Request for Closed Session (attach written motion).
- 10. Board to Sit as A Committee of the Whole.
- 11. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative.

Sponsor(s):

Supervisor Mark Farrell

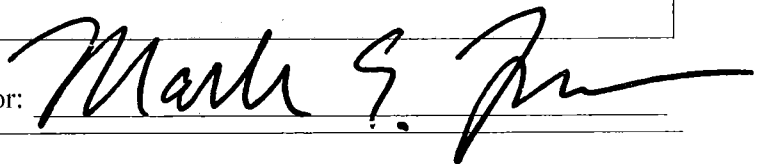
Subject:

Issuance of Tax-Exempt Obligations - Town School for Boys

The text is listed below or attached:

See attached.

Signature of Sponsoring Supervisor:



For Clerk's Use Only:

130597