



OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Anna Van Degna
Director of Public Finance

July 20, 2020

Supervisor Dean Preston
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 Preston:

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 "Bonds") by the California Enterprise Development Authority (the "Authority") on behalf of San Francisco Day School, a California nonprofit public benefit corporation (the "Borrower"), to finance and/or refinance certain capital facilities owned and operated by the Borrower as summarized below. I respectfully request introduction of the resolution at the meeting of the Board of Supervisors on Tuesday, July 21, 2020.

Pursuant to the Tax Equity and Fiscal Responsibility Act (TEFRA), to facilitate the tax exemption of interest on the Bonds 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, July 9, 2020, notice of which was published on the City's public notices page on July 2, 2020. No public comments were heard or received through the public hearing process. The action by the Board will acknowledge that the hearing was duly held and that the financing is proceeding. The Bonds will be issued in an aggregate principal amount not to exceed \$20 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

San Francisco Day School was opened in 1981 by a committed group of parents who felt that San Francisco needed and would benefit from a co-educational school that understood, recognized, and embraced the unique potential and character of every student. Since its inception, San Francisco Day School has grounded students in the foundational skills of literacy, complex communications, number sense, and the ability to compute and calculate. The school equally embraces artistic interpretation and expression - musically, visually, and theatrically. Movement, exercise, and athletics are essential elements of the overall educational experience at San Francisco Day School, as well as service learning, travel opportunities to diverse cultures, and experiences in the outdoors and nature. The school has an enrollment of approximately 400 students enrolled in Kindergarten through 8th grade.

The Project

The Borrower intends to use the proceeds of the Obligations for the following purposes: (i) to finance the construction, renovation, rehabilitation, improvement and/or equipping of (a) its educational facilities located at 350 Masonic Avenue, in San Francisco, California 94118, including the addition of 16,500 square feet of instructional space located at 2130 Golden Gate Avenue, in San Francisco, California 94118, and (b) faculty

housing located at 2120-2122 Golden Gate Avenue, in San Francisco, California 94118 (collectively, the “Project”), and (ii) to pay various transaction costs and related costs.

Financing Information

Assuming all required approvals are obtained, the Authority expects to issue the Bonds in an amount not to exceed \$20 million. Bond Counsel on the transaction is Norton Rose Fulbright US 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 Bonds may be issued on a tax-exempt basis. Your assistance with this matter is greatly appreciated. Please contact me at vishal.trivedi@sfgov.org or by telephone at (415) 554-4862 if you any questions or require additional information. Thank you.

Sincerely,

Vishal Trivedi

Financial Analyst
Controller’s Office of Public Finance