

File No. 100969

Committee Item No. 1

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Sub-Committee: BUDGET AND FINANCE

Date: August 4, 2010

BOARD OF SUPERVISORS MEETING

Date: \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget Analyst Report                        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Analyst Report                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form (for hearings)             |
| <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"/> | 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)

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Completed by: Andrea S. Ausberry

Date Thursday, July 29, 2010

Completed by: \_\_\_\_\_

Date \_\_\_\_\_

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



1 [Approval of the Issuance of Tax-Exempt Revenue Obligations - Brandeis Hillel Day School –  
2 Not to Exceed \$11,500,000]

3 **Resolution approving the issuance of tax-exempt revenue obligations by the California**  
4 **Enterprise Development Authority in an aggregate principal amount not to exceed**  
5 **\$11,500,000 among other things, to refinance various capital facilities owned by**  
6 **Brandeis Hillel Day School and to determine other matters related thereto.**

7  
8 WHEREAS, Brandeis Hillel Day School, a nonprofit corporation, duly organized and  
9 existing under the laws of the State of California (the "Borrower") has requested that the  
10 California Enterprise Development Authority, a joint exercise of powers agency established  
11 pursuant to the laws of the State of California (the "Authority") issue its revenue obligations  
12 (the "Obligations") in an aggregate principal amount not expected to exceed \$11,500,000, for  
13 the purpose of making a loan (the "Loan") to the Borrower which will refinance various capital  
14 facilities as more fully described below; and

15 WHEREAS, proceeds of the Obligations are to be loaned to the Borrower pursuant to a  
16 loan agreement (the "Loan Agreement"); and

17 WHEREAS, The Borrower plans to use the proceeds of the Loan for the following  
18 purposes: (i) to refinance the outstanding ABAG Finance Authority For Nonprofit Corporations  
19 Revenue Bonds (Brandeis Hillel Day School), Series 2001 (the "Prior Bonds"), the proceeds of  
20 which were used to finance and refinance the cost incurred to acquire, construct, install,  
21 rehabilitate, equip and furnish educational facilities located at 655 Brotherhood Way, San  
22 Francisco, California 94132, all owned and operated by the Borrower and used for the  
23 educational purposes, (ii) to pay the cost of terminating an interest rate hedge agreement  
24 entered into in connection with the Prior Bonds, and (iii) to pay certain costs of issuance in  
25 connection with the financing (collectively, the "Project"); and

1           WHEREAS, the City and County of San Francisco (the "City") is an associate member  
2 of the Authority; and

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

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

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

10           WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative  
11 body of the City and is one of the applicable elected representatives required to approve the  
12 issuance of the Obligations within the meaning of Section 147(f) of the Code and the Joint  
13 Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1  
14 (commencing with Section 6500) of the Government Code of the State of California (the  
15 "Act"); and

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

19           WHEREAS, On June 30, 2010, the City caused a notice to appear in *The Examiner*,  
20 which is a newspaper of general circulation in the City, stating that a public hearing with  
21 respect to the issuance of the Obligations would be held by the City's Office of Public Finance  
22 on July 14, 2010; and

1           WHEREAS, The Office of Public Finance held the public hearing described above on  
2 July 14, 2010, and an opportunity was provided for persons to comment on the issuance of  
3 the Obligations and the plan of finance for the Project; and

4           WHEREAS, the Director of the Office of Public Finance recommends approval of the  
5 issuance of the Obligations pursuant to Chapter 43, Article 9, Section 5 of the Administrative  
6 Code; now, 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, from time to  
10 time, pursuant to a plan of finance, of the Obligations by the Authority; and, be it

11           FURTHER RESOLVED, That it is the purpose and intent of this Board that this  
12 Resolution constitute approval by the applicable elected representative of the governmental  
13 unit having jurisdiction over the area in which the Project is located for the purposes of and in  
14 accordance with Section 147(f) of the Code and the Act; and, be it

15           FURTHER RESOLVED, That the approval by the City of the issuance of the  
16 Obligations by the Authority is neither an approval of the underlying credit issues of the  
17 proposed Project nor an approval of the financial structure of the Obligations; and none of the  
18 City or any department thereof, shall have any responsibility or liability whatsoever with  
19 respect to the Obligations or the Project; and, be it

20           FURTHER RESOLVED, That the Obligations shall not constitute a debt or obligation of  
21 the City and the payment of the principal, prepayment premium, if any, and purchase price of  
22 and interest on the Obligations shall be solely the responsibility of the Borrower; and, be it

23           FURTHER RESOLVED, The adoption of this Resolution shall not obligate (i) the City to  
24 provide financing to the Borrower for the Project or to issue the Obligations for purposes of  
25

1 such financing; (ii) make any contribution or advance any funds to the Authority; (iii) the City  
2 or any department of the City to approve any application or request for, or take any other  
3 action in connection with, any environmental, General Plan, zoning or any other permit or  
4 other regulatory action sought in connection with the Project; and

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

9 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its  
10 adoption.

11  
12 APPROVED AS TO FORM:

13 DENNIS J. HERRERA  
14 City Attorney

15  
16 By: 

17 MARK D. BLAKE  
18 Deputy City Attorney  
19  
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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**

July 20, 2010

Supervisor Sean Elsbernd  
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 Elsbernd:

Thank you for agreeing to introduce the Board of Supervisors resolution approving, for the purposes of the Internal Revenue Code, the issuance of revenue obligations (the "Bonds") by the California Enterprise Development Authority (the "Authority") on behalf of Brandeis Hillel Day School, a California nonprofit public benefit corporation (the "Borrower"), to finance and/or refinance facilities owned by the Borrower as summarized below. I respectfully request introduction of the resolution at the meeting of the Board of Supervisors on Tuesday, July 20, 2010.

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 Wednesday July 14, 2010, notice of which was published in the *San Francisco Examiner* on June 30, 2010. No comments were heard or received from the TEFRA public hearing. The action by the Board acknowledges 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 \$11.5 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

Brandeis Hillel Day School was founded in 1963 in San Francisco and later merged with the Hillel Day School in 1973. The school's Marin Campus and San Francisco Gauss Campus combined enroll 600 students. The San Francisco Gauss Campus is located at 655 Brotherhood Way, San Francisco, California 94132.

The Project

The proceeds from the sale of the Bonds will be loaned to the Borrower for the following purposes: (i) refinance the outstanding ABAG Finance Authority For Nonprofit Corporations Revenue Bonds (Brandeis Hillel Day School), Series 2001 (the "Prior Bonds"), the proceeds of which were used to finance and refinance the cost incurred to acquire, construct, install, rehabilitate, equip and furnish educational facilities located at 655 Brotherhood Way, San Francisco, California 94132, all owned and operated by the Borrower and used for the educational purposes, (ii) pay the cost of terminating an interest rate hedge agreement entered into in connection with the Prior Bonds, and (iii) pay certain costs of issuance in connection with the financing (collectively, the "Project"), all to be owned and operated by the Borrower and used for the educational purposes thereof.

Financing Information

Assuming all required approvals are obtained, the Authority expects to issue the Bonds in an amount not to exceed \$11.5 million. Bond Counsel on the transaction is Kutak Rock 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 (415) 554-6902, if you any questions or require additional information. Thank you.

Sincerely,



Anthony Ababon  
Bond Associate

Cc: Olivia Scanlon, Legislative Aide to Supervisor Elsbernd  
Mark Blake, Deputy City Attorney

Attachments



TEFRA SCRIPT  
CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY OFFERING FOR  
BRANDEIS HILLEL DAY SCHOOL'S FINANCING AND/OR REFINANCING  
VARIOUS CAPITAL FACILITIES IN SAN FRANCISCO, CALIFORNIA

To be read by the Office of Public Finance:

"This is a public hearing to consider the execution and delivery of tax-exempt obligations by the California Enterprise Development Authority (the "Issuer") in an aggregate principal amount not to exceed \$11,500,000 (the "Bonds") for the purpose of making a loan to Brandeis Hillel Day School, a nonprofit corporation, duly organized and existing under the laws of the State of California (the "Corporation"), pursuant to a plan of finance to (i) refinance the outstanding ABAG Finance Authority For Nonprofit Corporations Revenue Bonds (Brandeis Hillel Day School), Series 2001 (the "Prior Bonds"), the proceeds of which were used to finance and refinance the cost incurred to acquire, construct, install, rehabilitate, equip and furnish educational facilities located at 655 Brotherhood Way, San Francisco, California 94132 (collectively, the "Facilities"), (ii) pay the cost of terminating an interest rate hedge agreement entered into in connection with the Prior Bonds, and (iii) pay certain costs of issuance in connection with the financing (collectively, the "Projects"), all to be owned or leased and operated by the Corporation and used for the educational purposes thereof. The public hearing regarding the financing is required by federal tax law. 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 Bonds to finance and/or 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?"

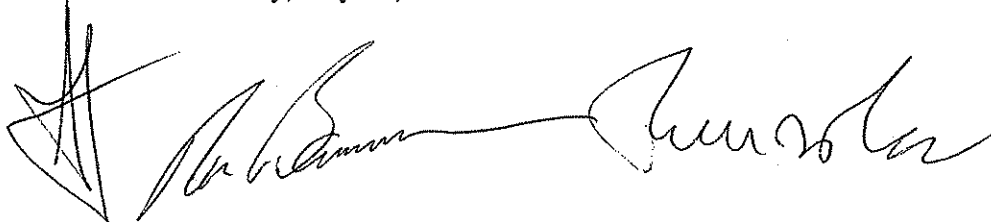
*[WAIT TO SEE IF ANY MEMBER OF THE AUDIENCE WISHES TO SPEAK AND, IF SO, GIVE EACH OF THEM THE OPPORTUNITY TO DO SO, WITHIN THE USUAL TIME LIMITS ALLOWED.]*

"Were any written comments on the proposed tax-exempt obligations or the project 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: Wednesday, July 14, 2010



10:10 AM

