



**CITY AND COUNTY OF SAN FRANCISCO**  
**OFFICE OF THE CONTROLLER**

**Ben Rosenfield**  
**Controller**

**Monique Zmuda**  
**Deputy Controller**

**Nadia Sesay**  
**Director**  
**Office of Public Finance**

March 26, 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 Enterprise Development Authority (the "Authority") on behalf of the Progress Foundation (the "Corporation"), 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, March 26, 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, March 14<sup>th</sup>, notice of which was published in the *San Francisco Chronicle* on February 28, 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 \$9.0 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

The Progress Foundation was started in 1969 to serve individuals with mental illness. Progress Foundation provides services to over 3,000 individuals each year, including seniors, Spanish-speaking clients, families, transitional age youth, and individuals in transition between long-term institutional care and community based care.

### The Project

The proceeds of the Obligations will be loaned to the Corporation to: (i) refinance outstanding indebtedness incurred by the Borrower, the proceeds of which were used to finance and refinance the cost of the acquisition, construction, installation, rehabilitation, equipping and furnishing of mental health treatment and rehabilitation facilities located at 368 Fell Street, 25 Beulah Street, 212 Ashbury Street, 2210 Clay Street, 1443 7th Avenue, 405 Baker Street, and 50-54 Dore Street, San Francisco, California (collectively, the "Facilities"), and (ii) pay certain costs of issuance in connection with the Obligations (collectively, the "Projects").

The above list of facilities was correctly listed in the notice of public hearing; however, the 212 Ashbury Street location was erroneously removed from the hearing transcript. The Corporation's counsel advises that the notice of public hearing is the controlling document for the hearing and the notice and resolution reflect the correct locations.

### Financing Information

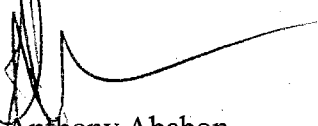
Assuming all required approvals are obtained, the Authority expects to issue tax-exempt obligations in an amount not to exceed \$9.0 million. Bond Counsel on the transaction is Kutak Rock LLP.

### 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 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: Jason Elliott, Director of Legislative & Governmental Affairs  
Mark Blake, Deputy City Attorney

Attachments

# DECLARATION OF PUBLICATION OF SAN FRANCISCO CHRONICLE

CITY AND COUNTY OF  
SAN FRANCISCO  
NOTICE OF PUBLIC HEARING  
PURSUANT TO SECTION 147(f) OF  
THE INTERNAL REVENUE CODE OF  
1986, AS AMENDED, FOR THE  
FINANCING AND REFINANCING OF  
CERTAIN FACILITIES FROM  
THE SALE OF TAX-EXEMPT  
OBLIGATIONS

Lori Gomez

Declares that:

The annexed advertisement has been regularly published  
In the

SAN FRANCISCO CHRONICLE

Which is an was at all times herein mentioned  
established as newspaper of general circulation in the  
City and County of San Francisco, State of California, as  
the term is defined by Section 6000 of the Government  
Code

SAN FRANCISCO CHRONICLE

(Name of Newspaper)

901 Mission Street

San Francisco, CA 94103

From

2/28/13

To

2/28/13

Namely on

2/28/13

(Dates of Publication)

I declare under penalty of perjury that the foregoing is  
true and correct.

Executed on

3/5/13

At San Francisco, California

*Lori Gomez*

NOTICE IS HEREBY GIVEN that at 9:00 a.m., or as soon thereafter as the matter may be heard, on Thursday, March 14, 2013, at City and County of San Francisco, City Hall, Room 336, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102-4689, the City and County of San Francisco (the "City") will conduct a public hearing (the "Public Hearing") at which the City will hear and consider information concerning the issuance, from time to time, pursuant to a plan of finance, of one or more series of tax-exempt obligations by the California Enterprise Development Authority (the "Issuer") in an aggregate principal amount not to exceed Nine Million Dollars (\$9,000,000) (the "Obligations"). Proceeds of the Obligations will be loaned to Progress Foundation, a nonprofit corporation, duly organized and existing under the laws of the State of California 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 "Borrower"), pursuant to one or more loan agreements (the "Loan Agreement"). The Borrower plans to use the proceeds of the Obligations to (i) refinance outstanding indebtedness incurred by the Borrower, the proceeds of which were used to finance and refinance the cost of the acquisition, construction, installation, rehabilitation, equipping and furnishing of mental health treatment and rehabilitation facilities located at 369 Fell Street, San Francisco, California 94102; 25 Beulah Street, San Francisco, California 94117; 212 Ashbury Street, San Francisco, California 94117; 2210 Clay Street, San Francisco, California 94115; 1443 7th Avenue, San Francisco, California 94122; 405 Baker Street, San Francisco, California 94117; and 50-54 Dore Street, San Francisco, California 94103; (collectively, the "Facilities"); and (ii) pay certain costs of issuance in connection with the Obligations. The Facilities will be owned by the Borrower and operated by the Borrower in connection with its tax-exempt mission of providing community-based residential treatment and supported housing programs as alternatives to institutional treatment for individuals with mental disabilities, and for the management and administration of such programs.

The Obligations will be paid entirely from repayments by the Borrower under the Loan Agreement. Neither the faith and credit nor the taxing power of the City, the Issuer and its members, the State of California, (the "State"), or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal of, premium, if any, or interest on, the Obligations, nor shall the City, the Issuer, and its members, the State or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal of, premium, if any, or interest on, the Obligations.

The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Code. Those wishing to comment on the issuance of the Obligations, proposed nature and location of the Facilities or the plan of finance may either appear in person at the time and place indicated above, or submit written comments, which must be received prior to the Public Hearing by the City, care of Mr. Anthony Abalon, Office of Public Finance at the address of the public hearing indicated above.

Date: February 28, 2013.  
CITY AND COUNTY OF SAN FRANCISCO  
By: /s/ Angela Calvillo  
Clerk of the Board of Supervisors

TEFRA SCRIPT  
CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY  
ISSUANCE OF TAX-EXEMPT OBLIGATIONS FOR PROGRESS FOUNDATION FINANCING AND  
REFINANCING FACILITIES IN SAN FRANCISCO, CALIFORNIA

To be read by the Office of Public Finance:

"This is a public hearing conducted on Thursday, March 14, 2013 at 9:00AM PT to consider the proposed issuance of tax-exempt obligations (the "Obligation") by the California Enterprise Development Authority (the "Authority") in an aggregate principal amount not to exceed nine million dollars. Proceeds of the Obligation will be loaned to Progress Foundation, 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 "Borrower"), pursuant to one or more loan agreements (the "Loan Agreement").

The Borrower plans to use the proceeds of the Obligations to (i) refinance outstanding indebtedness incurred by the Borrower, the proceeds of which were used to finance and refinance the cost of the acquisition, construction, installation, rehabilitation, equipping and furnishing of mental health treatment and rehabilitation facilities located at 368 Fell Street, San Francisco, California 94102, 25 Beulah Street, San Francisco, California 94117, 2110 Clay Street, San Francisco, California 94115, 1443 7<sup>th</sup> Avenue, San Francisco, California 94122, 405 Baker Street, San Francisco, California 94117 and 50-54 Dore Street, San Francisco, California 94103 (collectively, the "Facilities"), and (ii) pay certain costs of issuance in connection with the Obligations. The Facilities will be owned by the Borrower and operated by the Borrower in connection with its tax-exempt mission of providing mental health treatment and rehabilitation services.

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 Obligation to finance and refinance the Facilities.

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?"

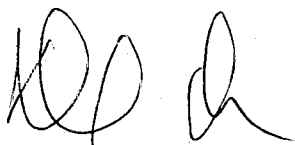

*[WAIT TO SEE IF ANY MEMBER OF THE AUDIENCE WISHES TO SPEAK AND, IF SO, GIVE EACH OF THEM THE OPPORTUNITY TO DO SO, WITHIN THE USUAL TIME LIMITS ALLOWED.]*

"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, March 14, 2013.

  
  
Daniel Bronfman

9:10AM

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY**  
**Project Application for Bond Financing**

**I. APPLICANT PROFILE**

<b>Applicant/Borrower</b>			
Name:	Progress Foundation		
Street Address:	368 Fell Street		
City:	San Francisco	State:	CA
Zip:	94102	NAICS Code	
Contact Name:	David Chenok	Title:	Chief Operating Officer
Phone:	415-861-0828	Fax :	
E-mail:	dchenok@progressfoundation.org		

<b>Business Specifics - Applicant/Borrower</b>				
Current # of Full-time Employees: 240	California 240		Companywide 240	
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> S Corporation	<input type="checkbox"/> LLC, LLP, Partnership	<input type="checkbox"/> C Corporation	<input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> Other

Transaction Contacts – See attached Distribution List

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY  
Project Application for Bond Financing**

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Name:	Progress Foundation		
Street Address:	368 Fell Street		
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Transaction Contacts – See attached Distribution List

Pre-Application Number:

Please describe the business activities that will occur at the location(s) to be funded with the planned bond transaction:

**Dore Urgent Care Clinic and Residence**

The Urgent Care Center provides clinical interventions with individuals who are experiencing an escalating psychological crisis and who require rapid engagement, assessment, and intervention in order to prevent further deterioration which may result in involuntary detention and/or hospitalization. The Urgent Care Clinic provides assessment and triage in a community-based setting to individuals in psychiatric crisis who may otherwise be taken to hospital psychiatric emergency.

The Dore Residence houses an acute diversion unit treatment program and accepts clients, primarily referred by Dore Clinic, for a targeted 14 day length of stay. The ADU has 14 beds and will refer clients to further treatment if needed.

**Crisis Residential Programs (ADU's)**

Our Crisis Residential Treatment programs, intensive 24-hour therapeutic environments, have been dubbed ADU's or "Acute Diversion Units" by Community Mental Health because of their critical "diversion" role in the overall County healthcare system. Working closely with local psychiatric emergency clinics, the ADUs provide primary diversion from, and an alternative to, psychiatric in-patient confinement. Currently Progress Foundation Crisis Residential Treatment programs are in the California cities of San Francisco, Napa and Santa Rosa.

All Crisis Residential Treatment programs (ADU's) are open to individuals who have a major mental health diagnosis and may also have a co-occurring substance abuse and/or physical health challenge.

Our programs are housed in large single family homes in residential neighborhoods. The facilities blend in with the other homes and are not outwardly identified as mental health programs. Clients work through psychiatric crises and experience short-term treatment (typically ten to fifteen days) without the stigma and trauma of an institutional placement. Client participation in the operation of the household including the planning of activities, household cleaning, meal preparation and grocery shopping, provides unique opportunities to build and practice life skills needed for successful independent living. Group meetings held daily address important topics such as money management, family relationships, relapse prevention, finding healthy recreational activities and medication education.

The ADU's are 2 week programs where clients receive skills training and crisis intervention, while working on short term goals in their treatment plan. All ADU's have structured comprehensive in-house Day Treatment programs that include medication management by a Psychiatrist and primary health screening and ambulatory care by a Nurse Practitioner. The staff work with clients to resolve crises, improve interpersonal skills, and to help clients develop effective treatment plans that are goal-oriented and time-limited. Each day has a structured schedule with group and individual activities, including money management, medication education, symptom management and community outings.

Each Progress Foundation Crisis Residential Treatment Program has a Consultant Psychiatrist who both prescribes and monitors the effects of psychiatric medications for clients who voluntarily use them. In addition, many clients referred to the ADU's have physical health conditions that have gone undetected or untreated due to lack of access to primary health care. Nurse Practitioners are in each ADU weekly to provide health screenings, health education on topics such as nutrition, smoking cessation, and the management of diabetes, and to treat general illnesses and injuries that do not require medical hospitalization.

All Crisis Residential Treatment programs provide services to persons 18 years old and older.

Pre-Application Number:

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**Transitional Residential Treatment Programs**

Transitional programs offer the next level of care in the agency's continuum of services. The clients are able to stay longer, between 3 months and 1 year depending on the program, so each client receives individualized support to maintain their stability and to work on long-term goals. All transitional programs are open to individuals who are eighteen years old and older, and may be dually-diagnosed with co-occurring mental health and substance abuse disorders. As in the ADU's, clients are active in the operation of the household. There is a structured schedule for program services, and some clients are participating in individual activities such as job training, school, work or day treatment as determined by their individual treatment plans. Much of the client's treatment planning focuses on developing social skills and coping strategies, finding housing and securing ongoing services and supports in preparation for discharge from the program.

Many clients referred to our programs have physical health conditions that have gone untreated due to lack of access to appropriate health care. Nurse Practitioners are in each program weekly to provide health screenings, health education on topics such as nutrition, smoking cessation, and the management of diabetes, and to treat general illnesses and injuries that do not require medical hospitalization.

Progress Foundation provides specialized Transitional Residential Treatment services at the Seniors Program, Clay Street, Dorine Loso House and Ashbury House.

The Seniors program is 2 six-bed houses for adults over 60, that serves a total of 12 clients in residence and another 12 clients who attend day treatment only. Clients stay on average for 4-6 months. When this program was opened it was the first social model residential alternative to psychiatric institutionalization for geriatric clients in the country. Prior to the Seniors program, the mental health system did not offer services to older adults that emphasized building skills for maintaining independence, rather seniors were often referred into board and care homes or skilled nursing facilities before it was really necessary. The Progress Foundation Seniors Program gives older adults with mental illness the opportunity to live more independently later in life, and to learn new living skills required due to long-term or emergent serious mental illness.

Clay Street and Dorine Loso House are programs designed specifically for individuals leaving long term institutionalization in locked facilities who need the support of a transitional program before moving on to more independent living. Clients living in institutional settings are allowed to exercise very little power to make decisions about their lives and have few opportunities to learn and use life skills to increase their independence. Clay Street and Loso House are year long programs where clients can unlearn institutional behaviors and build their skills and support networks in order to live more independent lives in the community.

Ashbury House is a program for mothers who have lost custody or are in danger of losing custody of their child(ren) due to their mental illness. Like the Seniors Program, when Ashbury House opened in 1995 it was the first program of its kind in the country. Prior to it's opening, mothers were not allowed to keep their children with them while in a residential treatment program, and if a mother needed that level of mental health treatment she was forced to give up her children. Ashbury is a year long program where clients not only learn to manage their mental illness and improve life skills, but they also learn parenting skills, well-baby care, and how to identify and develop strategies for times when their mental illness may negatively impact their parenting.

**Supported Living Program**

Our Supported Living program provides case management services and crisis intervention with two housing options: cooperative living apartments and independent living apartments.

The cooperative living apartments (called the Co-ops) are apartments that are leased or owned by the agency and rented by 4-5 residents among whom the responsibility for rent and utilities is shared. Residents receive individual case management services and attend regular house meetings facilitated by a case manager to assist clients in the coordination of maintaining a communal household. Each client, in conjunction with his or her case manager, determines the type and frequency of services. The apartments are in scattered locations around San Francisco and Napa and like our residential treatment programs are not identified as housing for individuals with mental illness. Residents are referred into the Co-ops by a service provider.

**Transitional Residential Treatment Programs**

Transitional programs offer the next level of care in the agency's continuum of services. The clients are able to stay longer, between 3 months and 1 year depending on the program, so each client receives individualized support to maintain their stability and to work on long-term goals. All transitional programs are open to individuals who are eighteen years old and older, and may be dually-diagnosed with co-occurring mental health and substance abuse disorders. As in the ADU's, clients are active in the operation of the household. There is a structured schedule for program services, and some clients are participating in individual activities such as job training, school, work or day treatment as determined by their individual treatment plans. Much of the client's treatment planning focuses on developing social skills and coping strategies, finding housing and securing ongoing services and supports in preparation for discharge from the program.

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Pre-Application Number:

Progress Foundation has three independent living apartment buildings in San Francisco and one in Napa. Two of the buildings have units designated specifically for families. The independent living apartments are for individuals who require moderate but on-going support in order to maintain maximum independence. Case management services are available to residents of these buildings but are not a requirement for maintaining residence. Each building has a resident manager to respond to facility needs and help maintain a safe, clean environment. Residents pay 30% of their income for rent and the wait lists are maintained in accordance with HUD regulations, with notification to the community when a list is open and accepting applications.

**The Progress Foundation Diversion Evaluation Team (DET)**

In San Francisco clients are evaluated by our specialized Diversion Evaluation Team (DET) which provides an initial evaluation in the local psychiatric emergency clinic and acts as an advocate to ensure that clients who can benefit from our services have an effective option to avoid involuntary hospitalization. The team is on duty 7 days per week.

Pre-Application Number:

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In San Francisco clients are evaluated by our specialized Diversion Evaluation Team (DET) which provides an initial evaluation in the local psychiatric emergency clinic and acts as an advocate to ensure that clients who can benefit from our services have an effective option to avoid involuntary hospitalization. The team is on duty 7 days per week.

Pre-Application Number:

**II. PROJECT SITE LOCATION(S)**

<b>Project Site 1: Central Office</b>					
Street Address:	368 Fell Street				
City:	San Francisco	State:	CA	Zip:	94102
County:	San Francisco				
Current # Full-time Employees at this Site: 20					
Full-time Jobs to be Created or Retained at this Site: 20			Jobs Retained at new site New Jobs Created approx.		

<b>Project Site 2: Progress House</b>					
Street Address:	25 Beulah Street				
City:	San Francisco	State:	CA	Zip:	94110
County:	San Francisco				
Current # Full-time Employees at this Site: 9					
Full-time Jobs to be Created or Retained at this Site: 9					

<b>Project Site 3: Ashbury Place</b>					
Street Address:	212 Ashbury Street				
City:	San Francisco	State:	CA	Zip:	94117
County:	San Francisco				
Current # Full-time Employees at this Site: 11					
Full-time Jobs to be Created or Retained at this Site: 11					

<b>Project Site 4: Clay Street</b>					
Street Address:	2210 Clay Street				
City:	San Francisco	State:	CA	Zip:	94115
County:	San Francisco				
Current # Full-time Employees at this Site:					
Full-time Jobs to be Created or Retained at this Site: 14					

<b>Project Site 5: Avenues</b>					
Street Address:	1443 7th Avenue				
City:	San Francisco	State:	CA	Zip:	94122
County:	San Francisco				
Current # Full-time Employees at this Site:					
Full-time Jobs to be Created or Retained at this Site: 16					

Pre-Application Number:

**II. PROJECT SITE LOCATION(S)**

<b>Project Site 1: Central Office</b>					
Street Address:	368 Fell Street				
City:	San Francisco	State:	CA	Zip:	94102
County:	San Francisco				
Current # Full-time Employees at this Site: 20					
Full-time Jobs to be Created or Retained at this Site: 20			Jobs Retained at new site New Jobs Created approx.		

<b>Project Site 2: Progress House</b>					
Street Address:	25 Beulah Street				
City:	San Francisco	State:	CA	Zip:	94110
County:	San Francisco				
Current # Full-time Employees at this Site: 9					
Full-time Jobs to be Created or Retained at this Site: 9					

<b>Project Site 3: Ashbury Place</b>					
Street Address:	212 Ashbury Street				
City:	San Francisco	State:	CA	Zip:	94117
County:	San Francisco				
Current # Full-time Employees at this Site: 11					
Full-time Jobs to be Created or Retained at this Site: 11					

<b>Project Site 4: Clay Street</b>					
Street Address:	2210 Clay Street				
City:	San Francisco	State:	CA	Zip:	94115
County:	San Francisco				
Current # Full-time Employees at this Site:					
Full-time Jobs to be Created or Retained at this Site: 14					

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Street Address:	1443 7th Avenue				
City:	San Francisco	State:	CA	Zip:	94122
County:	San Francisco				
Current # Full-time Employees at this Site:					
Full-time Jobs to be Created or Retained at this Site: 16					

Pre-Application Number:

<b>Project Site 6: Progress Sonoma</b>					
Street Address:	3400 Montgomery Dr.				
City:	Santa Rosa	State:	CA	Zip:	95405
County:	Sonoma				
Current # Full-time Employees at this Site:					
Full-time Jobs to be Created or Retained at this Site: 13					

<b>Project Site 7: Loso House</b>					
Street Address:	405 Baker Street				
City:	San Francisco	State:	CA	Zip:	94117
County:	San Francisco				
Current # Full-time Employees at this Site:					
Full-time Jobs to be Created or Retained at this Site: 14					

<b>Project Site 8: Dore Residence and Clinic (units 1 and 2)</b>					
Street Address:	50-54 Dore Street				
City:	San Francisco	State:	CA	Zip:	94103
County:	San Francisco				
Current # Full-time Employees at this Site:					
Full-time Jobs to be Created or Retained at this Site: 33					

**III. TYPE OF ACTIVITY** *(Check appropriate box or boxes)*

<input type="checkbox"/> Manufacturing	<input checked="" type="checkbox"/> Non Profit or Public Benefit	<input type="checkbox"/> Other (Specify)
Please fill in when "Other" is specified:		

Pre-Application Number:

<b>Project Site 6: Progress Sonoma</b>					
Street Address:	3400 Montgomery Dr.				
City:	Santa Rosa	State:	CA	Zip:	95405
County:	Sonoma				
Current # Full-time Employees at this Site:					
Full-time Jobs to be Created or Retained at this Site: 13					

<b>Project Site 7: Loso House</b>					
Street Address:	405 Baker Street				
City:	San Francisco	State:	CA	Zip:	94117
County:	San Francisco				
Current # Full-time Employees at this Site:					
Full-time Jobs to be Created or Retained at this Site: 14					

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Street Address:	50-54 Dore Street				
City:	San Francisco	State:	CA	Zip:	94103
County:	San Francisco				
Current # Full-time Employees at this Site:					
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<input type="checkbox"/> Manufacturing	<input checked="" type="checkbox"/> Non Profit or Public Benefit	<input type="checkbox"/> Other (Specify)
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**IV. PROJECT & FINANCING SUMMARY**

**Summary of Project Budget and Requested Bond Financing:**

<b>\$8,450,000</b>	
<b>California Enterprise Development Authority</b>	
<b>Tax-Exempt Direct Purchase Revenue Bonds</b>	
<b>(Progress Foundation, Project)</b>	
<b>Series 2012</b>	
<i>Estimated Sources and Uses</i>	
<b>Sources:</b>	
Bond Proceeds	8,450,000.00
<b>TOTAL SOURCES:</b>	<b>8,450,000.00</b>
<b>Uses:</b>	
<i>Property Payoffs*:</i>	<b>8,318,533.00</b>
<b>Costs of Issuance:</b>	
Bond Counsel Fee	35,000.00
Bank Counsel Fee	30,000.00
Issuer's Counsel	5,000.00
Issuer Fee	16,125.00
Closing Fee	42,250.00
Appraisal Fee	<i>tbd</i>
Title & Reporting Fees	<i>tbd</i>
Trustee Fee	2,500.00
Miscellaneous	592.00
Total Cost of Issuance	131,467.00
<b>TOTAL USES:</b>	<b>8,450,000.00</b>

*\*Property Payoff breakdown below*

Central Office	\$477,843
Progress House	\$1,223,295
Ashbury Place	\$484,390
Clay Street	\$633,860
	\$745,580
Avenues	\$114,448
Progress Sonoma	\$667,151
Loso House	\$1,432,836
Dore Residence and	\$2,539,130
<b>TOTAL</b>	<b>\$8,318,533</b>

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Pre-Application Number:

**V. ADDITIONAL INFORMATION**

Please provide **one complete set** of the following information as attachments to this Application.

Attachments:

- A. Project Description in Narrative Form.
- B. Description of the Applicant.
- C. Public Benefits Associated with the Project.
- D. Annual Financial Statements for the most recent three years.
- E. \$1,500.00 Application Fee – Check made payable to the “California Enterprise Development Authority.”

**VII. CERTIFICATION**

I hereby represent that all information contained in this documentation and attachments are true and correct to the best of my knowledge.

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

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SUBMIT THIS APPLICATION AND ATTACHMENTS TO:**

**California Enterprise Development Authority**

Attn: Michelle Stephens, Program Manager  
Address: 550 Bercut Drive, Suite G, Sacramento, California 95814  
Telephone: (916) 448-8252, Ext. 12  
Fax: (916) 448-3811  
E-mail: michelle@caled.org  
Website: [www.caled.org/edfinancing/](http://www.caled.org/edfinancing/)

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**ATTACHMENT A: DESCRIPTION OF PROJECT**

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**ATTACHMENT B: DESCRIPTION OF APPLICANT**

Please provide a brief history of the development of the business; and current and future business activities.

Progress Foundation is a non-profit agency dedicated to providing community-based residential treatment and supported housing programs as alternatives to institutional treatment for individuals with mental disabilities.

Founded in 1969, the agency has been a pioneer in the development of rehabilitation and recovery programs for mental health clients in the counties of San Francisco, Napa and most recently, Sonoma. Progress Foundation programs are designed to encourage and support active participation of the clients in an effort to achieve the highest possible level of independence and self-determination.

The programs work with adults, 18 and older. Services are specifically targeted to respond to the needs of individuals who are considered severely disabled due to mental illness and co-occurring substance abuse. Program services and staffing reflect a strong commitment to diversity and an awareness of the critical importance of cultural, ethnic, linguistic and social issues in the provision of effective community mental health services.

**What We Do:**

At Progress Foundation we do not believe that treatment is something that only occurs in a 50 minute session or with a prescription; we believe that treatment for serious mental illness and the associated social challenges should occur in a uniquely planned social-relational milieu. The social rehabilitation model of treatment used by Progress Foundation uses everyday activities and normalized interactions as an opportunity to teach and practice new skills and build trusting, healthy relationships. These relationships with a well-trained staff carried out in a small home environment provide the core therapeutic experience for clients. The residential treatment programs are in single family homes and the programs are operated cooperatively by staff and clients. All residential programs are staffed 24 hours a day, 7 days a week. The Supported Living Program, where clients live independently, provides case management days and evenings, and also has a case manager on-call 24 hours a day, 7 days a week to respond to emergencies.

Staff members provide counseling, individual and group experiences for client personal growth, assistance in developing social networks and sources of financial support, and crisis intervention. An everyday activity like preparing and sharing a meal together is an opportunity for clients to not only find validation in completing an important task, but also provides an environment where problems and solutions can be discussed in a normalized setting.

At Progress Foundation there is no category of client that is turned away, we serve whoever is in jeopardy of being institutionalized due to their mental illness. This means we serve clients with multiple challenges, including alcohol and substance abuse, major health problems, and criminal justice histories.

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**ATTACHMENT C: SUMMARY OF PROJECT PUBLIC BENEFITS**

Public benefits may include: job creation; job retention; provide innovative and/or environmentally friendly products; and/or location of the project in a “distressed” community (i.e. enterprise or empowerment zone, redevelopment project area, or an area with high rates of poverty or unemployment).

To further the Progress Foundation’s mission of promoting rehabilitation and recovery for individuals with mental illness and encouraging the highest possible level of independence and self-determination for each person we serve.

We serve over 1,400 individuals each year in our San Francisco, Napa and Sonoma county programs. Progress Foundation programs are respected locally, nationally and internationally for the effective and compassionate treatment provided in our programs. Mr. Fields and his clinical team have been invited to provide consultation to mental health organizations across the United States and around the world, including Denmark, Italy and Japan.

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