



# OFFICE OF THE CONTROLLER

## CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner  
Controller

ChiaYu Ma  
Deputy Controller

Anna Van Degna  
Director of Public Finance

June 9, 2025

Supervisor Bilal Mahmood  
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 Mahmood:

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 revenue obligations (the "Obligations") by the California Enterprise Development Authority (the "Issuer") on behalf of National Center for International Schools, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code ("NCIS") and/or The International School of San Francisco, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code (the "International School" and, together with NCIS, the "Borrower"), to finance and/or refinance certain capital facilities owned and/or leased by and operated by the Borrower as summarized below. I respectfully request the introduction of the resolution at the meeting of the Board of Supervisors on Tuesday, June 10, 2025.

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 Issuer. The Office of Public Finance will hold such a hearing on June 9, 2025, notice of which was published on the Controller's Office of Public Finance Public Notices page on June 2, 2025. I will advise if any 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 Obligations will be issued in an aggregate principal amount not to exceed \$80 million.

### The Borrower

NCIS was organized in 1994 by the International School and the Chinese American International School, a California nonprofit public benefit corporation ("Chinese American School"). The Borrower was organized to hold the real property located at 150 and 151 Oak Street and 289 Fell Street in San Francisco, California (the "Property"). The Property is used by the International School and the Chinese American School in connection with their respective educational missions.

### The Project

The proceeds of the Obligations as issued will be deemed to be loaned by the Authority to the Borrower, and will be deemed to (i) finance or refinance certain educational and related facilities located at 150 and 151 Oak Street, and 289 Fell Street, San Francisco, California 94102 (collectively, "Project"); (ii) fund a debt service reserve fund and capitalized interest for the Obligations, if required; and (iii) pay certain costs of issuance of the Obligations. The attached Issuer application describes the Project scope in more detail.

The Obligations will be paid entirely from payments by the Borrower under the loan agreement relating to the Obligations. Neither the full faith and credit nor the taxing power, if any, of the City and County of San Francisco ("City"), the Authority and its members, the State of California ("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 as reissued, nor shall the City, the Authority 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 as issued.

#### Financing Information

Assuming all required approvals are obtained, the Issuer expects to issue the Obligations in an amount not to exceed \$80 million for the purpose described above. 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 Issuer, a joint powers authority. The Issuer 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. While the Office of Public Finance has reviewed the proposed TEFRA notice and resolution, the Office of Public Finance has performed only a limited high-level review of the proposed financing as no City resources are pledged or will be available for the repayment of the Obligations. Please contact me at (628) 652-9652, if you have any questions or require additional information.

Sincerely,

Keith Sevigny

Principal Administrative Analyst  
Office of Public Finance