



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

Nadia Sesay
Director
Office of Public Finance

August 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 Hamlin School (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, September 3, 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 Wednesday, August 21, 2013, notice of which was published in the *San Francisco Chronicle* on August 6, 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 \$22.0 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 Hamlin School is an independent, lower and middle school for girls in kindergarten through eighth grade located in the Pacific Heights neighborhood of San Francisco. Hamlin has educated girls in the San Francisco Bay area for over 150 years. It currently serves approximately 400 students.

The Project

The proceeds of the Obligations will be loaned to the School to (1) refinance \$20,000,000 ABAG Finance Authority for Nonprofit Corporations Revenue Bonds (The Hamlin School) Series 2007 (the "Prior Bonds"), which were used to finance or refinance the renovation and reconstruction of certain K-8 educational facilities located at 2120 Broadway, San Francisco, California 94115, and the purchase and acquisition of, and improvements to, the land located at 2124 Broadway, San Francisco, California 94115, and (2) paying costs of issuance related to the Obligation and other related costs (collectively, the "Project")

Financing Information

Assuming all required approvals are obtained, the Authority expects to issue tax-exempt obligations in an amount not to exceed \$22.0 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: Catherine Stefani, Office of Supervisor Mark Farrell
Kenneth Roux, Deputy City Attorney

Attachments