



OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
Controller

ChiaYu Ma
Deputy Controller

Anna Van Degna
Director of Public Finance

May 16, 2025

Supervisor Stephen Sherrill
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 Sherrill:

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 Statewide Communities Development Authority (the "Issuer") on behalf of Sequoia Living, Inc., a California nonprofit benefit corporation and an organization described in Section 501(c)(3) of the Code ("Borrower"), to finance and/or refinance certain capital facilities owned 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, May 20, 2025.

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 Issuer. The Office of Public Finance held such a hearing on Thursday, May 15, 2025, notice of which was published on the City's public notices page on May 8, 2025. 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 \$165 million. I have performed a limited due diligence review of information pertaining to the project and proposed financing as summarized below.

The Borrower

Sequoia Living, Inc. ("Sequoia") is a Bay Area nonprofit Continuing Care Retirement Community (CCRC) that provides stimulating, joyful living environments, assisted living, memory care and skilled nursing for residents aged sixty plus. Founded in 1958, Sequoia offers a diverse network of life plan communities, affordable housing, and community service programs to approximately 1,000 residents (as of December 31, 2024) at its San Francisco, Greenbrae, Portola Valley and Walnut Creek locations. Sequoia's mission is to provide homes and services for healthy and joyful aging for people of all cultures, races, ethnicities, genders, abilities, faiths, identities, backgrounds, and walks of life. The Sequoias San Francisco, an RCFC (Residential Care Facilities for the Elderly) licensed facility, is located at 1400 Geary Blvd. near Japantown and Pacific Heights neighborhoods.

The Project

A portion of the proceeds from the sale of the Bonds will be loaned to the Borrower for the following purposes: (i) finance a portion of the costs of or reimbursement for the acquisition, construction, renovation, equipping and furnishing of facilities known as The Sequoias San Francisco, in connection with the provision of senior residential and care services and located generally at 1400 Geary Blvd., San Francisco, California 94109

("Facility"), in an aggregate principal amount not to exceed \$60,000,000; and (ii) refinance prior obligations issued for the benefit of the Borrower, which financed and refinanced the costs of the acquisition, construction, renovation, equipping and furnishing of the Facility, in an aggregate principal amount not to exceed \$22,000,000 (collectively, the "Sequoias Project"). The Facility is owned and operated by the Borrower.

In addition, it is expected that the balance of proceeds of the Bonds will be used for a variety of capital projects at the Borrower's Portola Valley, Greenbrae and Walnut Creek facilities. Federal tax law does not require the City and County of San Francisco to approve the issuance of the Bonds for these other purposes.

Financing Information

Assuming all required approvals are obtained, the Issuer expects to issue the Bonds in an amount not to exceed \$165 million for all of the projects described above. Bond Counsel on the transaction is Orrick, Herrington & Sutcliffe LLP. The Lender is Ziegler.

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 Bonds may be issued on a tax-exempt basis. Your assistance with this matter is greatly appreciated. Please contact me at (415) 554-7693, if you any questions or require additional information. Thank you.

Sincerely,

Keith Seigny

Principal Administrative Analyst
Office of Public Finance