



OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Anna Van Degna
Director of Public Finance

September 7, 2021

Supervisor Myrna Melgar
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 Melgar:

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 Chinese American International School, a California nonprofit public benefit corporation (the "Borrower"), to finance and/or refinance certain capital facilities owned and operated by the Borrower as summarized below. I respectfully request introduction of the resolution at the meeting of the Board of Supervisors on Tuesday, September 7, 2021.

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 Monday, August 31, 2021, notice of which was published on the City's public notices page on August 18, 2021. 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 Obligations will be issued in one or more series with an aggregate principal amount not to exceed \$17 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

Opened in the basement of a University of California Extension building in 1981 with 10 enrolled students, Chinese American International School (CAIS) has grown into 3 campuses offering Preschool through 8th grade, with a total enrollment of 482 students, a faculty of 80, and a staff of 27. As a dual language immersion school, CAIS seeks to build upon their community's existing mix of languages, cultures, ideas, and identities to foster an intellectually challenging and socially meaningful education. The school's stated core values include curiosity, inclusion, kindness, perseverance, and courage.

The Project

The proceeds from the sale of the Bonds will be loaned to the Borrower for the following purposes: (i) to finance the costs of the Borrower's acquisition and renovation of the educational and related facilities located at 3250 19th Avenue, San Francisco, California 94132 ("Project"), and (ii) to pay various transaction costs and related costs.

Financing Information

Assuming all required approvals are obtained, the Authority expects to issue the Obligations in an amount not to exceed \$17 million. Bond Counsel on the transaction is Norton Rose Fulbright US 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 by email or by phone at (415) 554-4862, if you have any questions or require additional information. Thank you.

Sincerely,

Vishal Trivedi

Bond Analyst, Office of Public Finance