

File No. 211242

Committee Item No. \_\_\_\_\_

Board Item No. 37

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: \_\_\_\_\_

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

Board of Supervisors Meeting

Date: December 7, 2021

#### Cmte Board

- |                          |                                     |  |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/> | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/> | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/> | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/> | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form                            |
| <input type="checkbox"/> | <input type="checkbox"/>            | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/> | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/> | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/> | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/> | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/> | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/> | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/> | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER

- |                          |                                     |  |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Controller Letter - 11/24/21</u>          |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>TEFRA Hearing Notice - 11/16/21</u>       |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>TEFRA Proof of Publication - 11/24/21</u> |
| <input type="checkbox"/> | <input type="checkbox"/>            | _____  |
| <input type="checkbox"/> | <input type="checkbox"/>            | _____  |
| <input type="checkbox"/> | <input type="checkbox"/>            | _____  |

Prepared by: Jocelyn Wong  
Prepared by: \_\_\_\_\_

Date: December 3, 2021  
Date: \_\_\_\_\_

1 [TEFRA Approval - Issuance and Sale of Limited Obligation Improvement Bonds - California  
2 Statewide Communities Development Authority - Chinese Hospital Association - Not to  
3 Exceed \$45,000,000]

4 **Resolution approving for purposes of Internal Revenue Code, Section 147(f), the**  
5 **Issuance and Sale of Limited Obligation Improvement Bonds by the California**  
6 **Statewide Communities Development Authority in an aggregate principal amount not to**  
7 **exceed \$45,000,000 to refinance the acquisition, construction and installation of**  
8 **seismic strengthening improvements and other authorized improvements in certain**  
9 **health care facilities owned and operated by Chinese Hospital Association, a California**  
10 **nonprofit public benefit corporation.**

11  
12 WHEREAS, The California Statewide Communities Development Authority (“Authority”) is authorized pursuant to the provisions of Chapter 29 of Part 3 of Division 7 of the California  
13 Streets and Highways Code (“Chapter 29”), the Improvement Bond Act of 1915 (California  
14 Streets and Highways Code, Sections 8500 et seq.; “Bond Law”) and the terms of a Joint  
15 Powers Agreement, dated as of June 1, 1988 (“Agreement”), among certain public agencies  
16 throughout the State of California, to levy contractual assessments and issue improvement  
17 bonds to finance and refinance certain distributed generation renewable energy sources,  
18 energy efficiency improvements, water efficiency improvements, seismic strengthening  
19 improvements, electric vehicle charging infrastructure, and such other work, infrastructure or  
20 improvements as may be authorized by law from time to time that are permanently fixed to  
21 real property; and  
22

23 WHEREAS, Chinese Hospital Association (“Association”), a California nonprofit public  
24 benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue  
25 Code of 1986, as amended (“Code”), has requested that the Authority issue limited obligation

1 improvement bonds qualifying as “qualified 501(c)(3) bonds” in an aggregate principal amount  
2 not to exceed \$45,000,000 (“Obligations”) to: (i) refinance certain limited obligation  
3 improvement bonds previously issued by the Authority under the Bond Law for the benefit of  
4 the Association that financed the acquisition, construction and installation of seismic  
5 strengthening improvements and other authorized improvements in certain health care  
6 facilities owned and operated by the Association located at 835-845 Jackson Street, San  
7 Francisco, California 94133 (“Project”), which the Association operates as the Chinese  
8 Hospital; and (ii) pay various transaction costs and other related costs; and

9 WHEREAS, The Project is located within the boundaries of the City and County of San  
10 Francisco (“City”), which is a member of the Authority; and

11 WHEREAS, Pursuant to Section 147(f) of the Code, and the Treasury Regulations  
12 promulgated thereunder, the issuance of the Obligations by the Authority may qualify for tax  
13 exemption under Section 103 of the Code only if the Obligations are approved by an  
14 “applicable elected representative” of both the governmental unit issuing the Obligations or on  
15 behalf of which the Obligations are to be issued, and a governmental unit having jurisdiction  
16 over the geographic area in which the Project is located, after a public hearing held following  
17 reasonable public notice; and

18 WHEREAS, The issuance and delivery of the Obligations shall be subject to the  
19 approval of and execution by the Authority; and

20 WHEREAS, The Authority has requested the Board of Supervisors of the City and  
21 County of San Francisco (“Board”) approve the issuance and sale of the Obligations in order  
22 to satisfy the requirements of Section 147(f) of the Code, and the Treasury Regulations  
23 promulgated thereunder, the Board being an applicable elected representative having  
24 jurisdiction over the geographic area in which the Project is located within the meaning of  
25 Section 147(f) of the Code, and the Treasury Regulations promulgated thereunder; and

1           WHEREAS, Chinese Hospital is a facility that has been serving a vital health care role  
2 in the community and has played an invaluable role in the City's response to the ongoing  
3 COVID-19 pandemic; and

4           WHEREAS, On November 16, 2021, the City caused a notice to appear on its website,  
5 stating that a telephonic public hearing with respect to the issuance of the Obligations would  
6 be held by the Controller's Office of Public Finance on November 23, 2021; and

7           WHEREAS, The Controller's Office of Public Finance of the City has held the public  
8 hearing described above on November 23, 2021, and an opportunity was provided for  
9 persons to comment on the issuance and sale of the Obligations and the plan of refinancing of  
10 the Project; and

11           WHEREAS, The Obligations will be limited obligations of the Authority, payable solely  
12 from and secured solely by amounts received from or on behalf of the Association, and will  
13 not constitute an indebtedness or obligation, or a pledge of the faith and credit of, or the taxing  
14 power, if any, of the City or the Authority, except to the limited extent described herein; and

15           WHEREAS, It is intended that this Resolution shall constitute approval of the issuance  
16 of the Obligations for purposes of Section 147(f) of the Code, and the Treasury Regulations  
17 promulgated thereunder; now, therefore, be it

18           RESOLVED, That this Board finds that all of the recitals set forth above are true and  
19 correct; and, be it

20           FURTHER RESOLVED, That the Board, as an applicable elected representative of the  
21 governmental unit on behalf of which the Obligations will be issued and having jurisdiction  
22 over the geographic area in which the Project is located, hereby approves the issuance of the  
23 Obligations by the Authority; it is the purpose and intent of the Board that this Resolution  
24 constitute both "issuer" approval and "host" approval of the issuance of the Obligations by the

25 ///

1 City for purposes of Section 147(f) of the Code, and the Treasury Regulations promulgated  
2 thereunder; and, be it

3 FURTHER RESOLVED, That the approval by the Board of the issuance and sale of the  
4 Obligations is neither an approval of the underlying credit issues of the Project nor an  
5 approval of the financial structure of the Obligations, and that the adoption of this Resolution  
6 shall not obligate (i) the City to provide financing to the Association for the Project, or to issue  
7 the Obligations for purposes of such financing or (ii) the City, or any department of the City, to  
8 approve any application or request for, or take any other action in connection with any  
9 environmental, General Plan, zoning or any other permit or other action necessary for the  
10 construction, renovation, rehabilitation, improvement and/or equipping of the Project; and, be  
11 it

12 FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.  
13

14 APPROVED AS TO FORM:  
15 DAVID CHIU, City Attorney

16 By: /s/ MARK D. BLAKE  
17 MARK D. BLAKE  
18 Deputy City Attorney

19 n:\financlas2021\1300182\01567613.docx  
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22  
23  
24  
25



# OFFICE OF THE CONTROLLER

## CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield  
Controller

Todd Rydstrom  
Deputy Controller

Anna Van Degna  
Director of Public Finance

November 24, 2021

Supervisor Aaron Peskin  
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 Peskin:

Thank you for agreeing to introduce the Board of Supervisors resolution approving, for the purposes of the Internal Revenue Code, the proposed issuance of qualified 501(c)(3) bonds ("Obligations") by the California Statewide Communities Development Authority ("Issuer") on behalf of Chinese Hospital Association ("Association") to finance and/or refinance certain capital improvements to health care facilities owned and operated by the Association as summarized below. I respectfully request introduction of the resolution at the meeting of the Board of Supervisors on Tuesday, November 30, 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 Tuesday, November 23, 2021, notice of which was published on the City's public notices page on November 16, 2021. No public comments were heard or received through the public hearing process, but any comments received timely by the Office of Public Finance will be forwarded to the relevant Board Committee for consideration when this item is heard. The action by the Board will acknowledge that the hearing was duly held and that the financing is proceeding. I have performed a limited due diligence review of information pertaining to the proposed financing that I have summarized below.

### The Borrower

The Tung Wah Dispensary was established in 1899 to provide health care services to the underserved Chinese community who faced discrimination and limited access to public services. The dispensary was staffed by both Western trained physicians and Chinese herbalists. In 1923, following the destruction of the 1906 earthquake and fire, fifteen community organizations rallied to form the Chinese Hospital Association, a new non-profit public benefit corporation. Members of the Board of Trustees raised funds to construct a new facility with expanded services. In 1925, Chinese Hospital opened its doors at 835 Jackson Street, becoming the first and only institution of its kind in the country.

Chinese Hospital is a community-owned, not-for-profit organization which exists primarily to deliver quality health care in a cost-effective way, responsive to the community's ethnic and cultural uniqueness, providing access to health care and acceptability to all socioeconomic levels. Chinese Hospital is governed by a voluntary Board of Trustees, broadly representative of the community, and strives to assume a leadership role in all health matters.

Chinese Hospital's mission emphasizes these important points:

- Community ownership and responsiveness
- Community leadership
- Cultural uniqueness
- Concern for a broad spectrum of health needs, including but not limited to hospital care.

### The Project

The proposed issuance is by the California Statewide Communities Development Authority (“Issuer”) of qualified 501(c)(3) bonds, as defined in Section 145 of the Code, in an amount not to exceed \$45,000,000 (“Obligations”), in one or more series. The Obligations will be purchased by a financial institution, and the Issuer will use such proceeds to provide financing for the Chinese Hospital Association, pursuant to an Assessment Contract (“Assessment Contract”), and will be repaid entirely from payments by the Association. The Association intends to use the proceeds of the Obligations, together with other funds of the Association: (i) to refinance the acquisition, construction and installation of seismic strengthening improvements and other authorized improvements in certain health care facilities located at 835-845 Jackson Street, San Francisco, California 94133 (“Project”), and (ii) to pay various transaction costs and related costs.

The Project will be owned and operated by, and used in an integrated operation of, the Association (or a wholly-owned limited liability company of the Association).

### Financing Information

Assuming all required approvals are obtained, the Authority expects to issue the Obligations in an amount not to exceed \$45 million. Bond Counsel on the transaction is Jones Hall.

### 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 at (415) 554-4862, if you have any questions or require additional information. Thank you.

Sincerely,

Vishal Trivedi  
Bond Analyst, Office of Public Finance

## 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 REFINANCING OF CERTAIN FACILITIES FROM THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS

NOTICE IS HEREBY GIVEN that at 11:00 a.m. on Tuesday, November 23, 2021, a telephonic public hearing (“Public Hearing”) will be held by the City and County of San Francisco Controller’s Office of Public Finance with respect to the proposed issuance of tax-exempt obligations qualifying as “qualified 501(c)(3) bonds,” in one or more series (“Obligations”), by the California Statewide Development Authority (“Authority”), in an aggregate principal amount not to exceed \$45,000,000, the interest on which is intended to be federally tax-exempt and exempt from State of California personal income taxes. The Public Hearing is intended to comply with the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (“Code”), and the Treasury Regulations promulgated thereunder.

The Public Hearing will be accessible by telephonic access only. The Office of Public Finance will open the hearing promptly at 11:00 a.m. and close the hearing at 11:10 a.m., unless additional time is needed to ensure that all public comments are received. The toll-free number and access code for the Public Hearing are as follows:

**Toll-Free Number: 1-877-402-9753**

**Access Code: 8883457#**

The Obligations will be purchased by a financial institution, and the Authority will use such proceeds to provide financing for the Chinese Hospital Association, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code (“Association”), pursuant to an Assessment Contract (“Assessment Contract”). The Association intends to use the proceeds of the Obligations, together with other funds of the Association: (i) to refinance the acquisition, construction and installation of seismic strengthening improvements and other authorized improvements in certain health care facilities located at 835-845 Jackson Street, San Francisco, California 94133 (“Project”), and (ii) to pay various transaction costs and related costs.

The Project will be owned and operated by, and used in an integrated operation of, the Association (or a wholly-owned limited liability company of the Association).

The Obligations will be issued in one or more series, and will be paid entirely from payments by the Association under the Assessment Contract. 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, 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.

Members of the public wishing to comment on the issuance of the Obligations, the nature or location of the Project, or the plan of refinancing for the Project may dial into the Public Hearing using the toll-free number and access code set forth above, or may submit written comments, which must be received prior to the Public Hearing, to the City's Office of Public Finance as follows: [PublicFinance@sfgov.org](mailto:PublicFinance@sfgov.org).

Date: November 16, 2021

CITY AND COUNTY OF SAN FRANCISCO



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

Ben Rosenfield  
Controller  
Todd Rydstrom  
Deputy Controller

**AFFIDAVIT OF PUBLICATION ON CITY WEBSITE**

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Peter Trinh, the undersigned, hereby certifies that the attached Notice of TEFRA Hearing (Notice) was published on the Public Forms & Notices page maintained by the Controller's Office at the following Web address:

<https://sfcontroller.org/public-forms-notice#TEFRA>

The TEFRA section of the Controller's Public Forms & Notices page is listed on the City's primary public website for Public Notices at the following web address:

<https://sfgov.org/public-notice>

The Notice was posted on 11/16/2021, and was maintained continuously on the website until 11/23/2021. A copy of a screen shot of the notice is attached as Exhibit A.

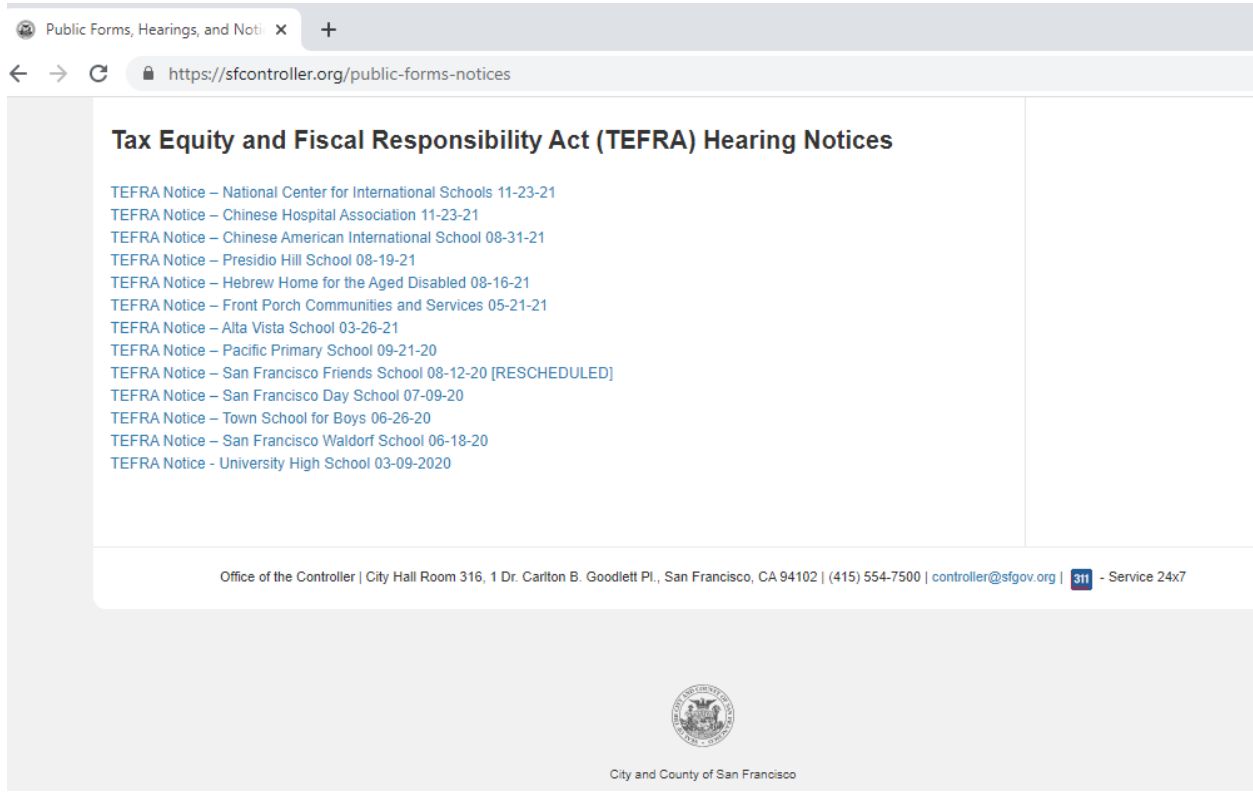
Executed on 11/24/2021 in San Francisco, California.

*peter trinh*

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Peter Trinh


## Exhibit A – Screen Shots of Posted TEFRA Notice



The screenshot shows a web browser window with the address bar displaying "https://sfcontroller.org/public-forms-notice". The page title is "Public Forms, Hearings, and Notices". The main content area is titled "Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing Notices" and lists the following notices:

- TEFRA Notice – National Center for International Schools 11-23-21
- TEFRA Notice – Chinese Hospital Association 11-23-21
- TEFRA Notice – Chinese American International School 08-31-21
- TEFRA Notice – Presidio Hill School 08-19-21
- TEFRA Notice – Hebrew Home for the Aged Disabled 08-16-21
- TEFRA Notice – Front Porch Communities and Services 05-21-21
- TEFRA Notice – Alta Vista School 03-26-21
- TEFRA Notice – Pacific Primary School 09-21-20
- TEFRA Notice – San Francisco Friends School 08-12-20 [RESCHEDULED]
- TEFRA Notice – San Francisco Day School 07-09-20
- TEFRA Notice – Town School for Boys 06-26-20
- TEFRA Notice – San Francisco Waldorf School 06-18-20
- TEFRA Notice - University High School 03-09-2020

At the bottom of the page, the footer contains the following information:

Office of the Controller | City Hall Room 316, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102 | (415) 554-7500 | [controller@sfgov.org](mailto:controller@sfgov.org) |  - Service 24x7

Below the footer is the official seal of the City and County of San Francisco, with the text "City and County of San Francisco" centered underneath.

### 3 | AFFIDAVIT OF PUBLICATION ON CITY WEBSITE

Chinese Hospital Refinancing TE | x +  
https://sfccontroller.org/sites/default/files/Public%20Forms%20%26%20Notices/Chinese%20Hospital%20Refinancing%20TEFRA%20Notice%20vF%2011162021.pdf

Chinese Hospital Refinancing TEFRA Notice vF 11162021.pdf 1 / 2 75%

**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 REFINANCING OF CERTAIN FACILITIES FROM THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS**

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Obligations, 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.

Members of the public wishing to comment on the issuance of the Obligations, the nature or location of the Project, or the plan of refinancing for the Project may dial into the Public Hearing using the toll-free number and access code set forth above, or may submit written comments, which must be received prior to the Public Hearing, to the City's Office of Public Finance as follows: [PublicFinance@sfgov.org](mailto:PublicFinance@sfgov.org)

Date: November 16, 2021

CITY AND COUNTY OF SAN FRANCISCO

# Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [ ] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Topic submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Supervisor Peskin

Subject:

[Tefra Approval--Issuance and Sale of Limited Obligation Improvement Bonds - California Statewide Communities Development Authority - Chinese Hospital Association - Not to Exceed \$45,000,000]

The text is listed:

Resolution approving for purposes of Internal Revenue Code Section 147(f) the Issuance and Sale of Limited Obligation Improvement Bonds by the California Statewide Communities Development Authority in an aggregate principal amount not to exceed \$45,000,000 to refinance the acquisition, construction and installation of seismic strengthening improvements and other authorized improvements in certain health care facilities owned and operated by Chinese Hospital Association, a California nonprofit public benefit corporation.

Signature of Sponsoring Supervisor:

[Handwritten Signature]