

File No. 211243

Committee Item No. 6

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date January 12, 2022

Board of Supervisors Meeting Date _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

- TEFRA Notice - 11/16/21
- TEFRA Proof of Publication - 11/23/21
- _____
- _____
- _____
- _____
- _____
- _____
- _____

Completed by: Brent Jalipa Date January 7, 2022

Completed by: Brent Jalipa Date _____

1 [Approving Tax Reissuance of California Enterprise Development Authority Revenue
2 Obligations - National Center for International Schools - Not to Exceed \$11,400,000]

3 **Resolution approving for purposes of Internal Revenue Code, Section 147(f), the**
4 **Reissuance (for federal income tax purposes) of Revenue Obligations by the California**
5 **Enterprise Development Authority in an aggregate principal amount not to exceed**
6 **\$11,400,000 to finance or refinance certain educational and related facilities owned by**
7 **National Center for International Schools.**

8
9 WHEREAS, The California Enterprise Development Authority (“Authority”) is authorized
10 pursuant to the provisions of California Government Code, Section 6500 et seq., and the
11 terms of a Joint Powers Agreement, dated as of June 1, 2006 (“Agreement”), among certain
12 public agencies throughout the State of California, to issue revenue bonds and other forms of
13 indebtedness to assist nonprofit corporations to obtain tax-exempt financing for appropriate
14 projects and purposes; and

15 WHEREAS, National Center for International Schools (“Borrower”), a California
16 nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the
17 Internal Revenue Code of 1986, as amended (“Code”), has requested that the Authority
18 participate in the reissuance (for federal income tax purposes) of certain outstanding revenue
19 obligations qualifying as “qualified 501(c)(3) bonds” in a principal amount not to exceed
20 \$11,400,000 (“Obligations”), which will be deemed to finance or refinance certain educational
21 and related facilities located at 150 and 151 Oak Street, and 289 Fell Street, San Francisco,
22 California 94102 (collectively, “Project”); and

23 WHEREAS, The legal owner of the Project has been and will be the Borrower, and
24 French American International School and Chinese American International School, each a
25

1 California nonprofit public benefit corporation, lease the Project from the Borrower and are
2 principal users of the Project; and

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

5 WHEREAS, Pursuant to Section 147(f) of the Code and the Treasury Regulations
6 promulgated thereunder, the deemed reissuance of the Obligations by the Authority must be
7 approved by an “applicable elected representative” of both the governmental unit reissuing the
8 Obligations, or on behalf of which the Obligations are to be reissued, and a governmental unit
9 having jurisdiction over the geographic area in which the Project is located, after a public
10 hearing held following reasonable public notice; and

11 WHEREAS, The deemed reissuance and delivery of the Obligations shall be subject to
12 the approval of and execution by the Authority; and

13 WHEREAS, The Authority has requested that the Board of Supervisors of the City and
14 County of San Francisco (“Board”) approve the deemed reissuance of the Obligations,
15 constituting a refinancing thereof for tax purposes, in order to satisfy the requirements of
16 Section 147(f) of the Code and the Treasury Regulations promulgated thereunder, the Board
17 being an applicable elected representative of the governmental unit on behalf of which the
18 Obligations will be deemed reissued and having jurisdiction over the geographic area in which
19 the Project is located within the meaning of Section 147(f) of the Code, and the Treasury
20 Regulations promulgated thereunder; and

21 WHEREAS, On November 16, 2021, the City caused a notice to appear on its website,
22 stating that a telephonic public hearing with respect to the deemed reissuance of the
23 Obligations would be held by the Office of Public Finance on November 23, 2021; and

24 WHEREAS, The Office of Public Finance of the City has held the public hearing
25 described above on November 23, 2021, and an opportunity was provided for persons to

1 comment on the deemed reissuance of the Obligations and the plan of financing/refinancing
2 of the Project; and

3 WHEREAS, The Obligations as reissued will be limited obligations of the Authority,
4 payable solely from and secured solely by amounts received from or on behalf of the
5 Borrower, and will not constitute an indebtedness or obligation, or a pledge of the faith and
6 credit of, or the taxing power, if any, of the City or the Authority, except to the limited extent
7 described herein; and

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

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

13 FURTHER RESOLVED, That the Board, as an applicable elected representative of the
14 governmental unit on behalf of which the Obligations will be reissued and having jurisdiction
15 over the geographic area in which the Project is located, hereby approves the reissuance of
16 the Obligations by the Authority. It is the purpose and intent of the Board that this Resolution
17 constitute both “issuer” approval and “host” approval of the reissuance of the Obligations by
18 the City for purposes of Section 147(f) of the Code and the Treasury Regulations promulgated
19 thereunder; and, be it

20 FURTHER RESOLVED, That the approval by the Board of the reissuance of the
21 Obligations is neither an approval of the underlying credit issues of the Project nor an
22 approval of the financial structure of the Obligations, and that the adoption of this Resolution
23 shall not obligate (i) the City to provide financing/refinancing to the Borrower for the Project or
24 to reissue the Obligations for purposes of such financing/refinancing, or (ii) the City, or any
25 department of the City, to approve any application or request for, or take any other action in

1 connection with any environmental, General Plan, zoning or any other permit or other action
2 necessary for the Project; and, be it

3 FURTHER RESOLVED, That this Resolution shall take effect from and after its
4 adoption and approval.

5 APPROVED AS TO FORM:
6 DAVID CHIU, City Attorney

7 By: /s/ MARK D. BLAKE
8 MARK D. BLAKE
9 Deputy City Attorney

10 n:\financlas2021\1300182\01567652.docx

11
12
13
14
15
16
17
18
19
20
21
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 30, 2021

Supervisor Dean Preston
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 Preston:

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 Enterprise Development Authority ("Issuer") on behalf of National Center for International Schools ("NCIS", or "Borrower") to finance and/or refinance certain capital improvements to educational and related facilities owned by the Borrower 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

NCIS was organized in 1992 by the French American International School, a California nonprofit public benefit corporation ("French American 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 French American School and the Chinese American School in connection with their respective educational missions.

The Project

The proposed issuance is by the California Enterprise Development Authority ("Issuer") of qualified 501(c)(3) bonds, as defined in Section 145 of the Code, in an amount not to exceed \$11,400,000 ("Obligations"), in one or more series. The proceeds of the Obligations as reissued will be deemed to be loaned by the Authority to the Borrower, and will be deemed to 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").

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 reissued.

The legal owner of the Project has been and will be the Borrower, and French American International School and Chinese American International School, each a California nonprofit public benefit corporation, lease the Project from the Borrower and are principal users of the Project.

Financing Information

Assuming all required approvals are obtained, the Authority expects to issue the Obligations in an amount not to exceed \$11.4 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 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, WITH RESPECT TO THE DEEMED
TAX REISSUANCE OF CERTAIN TAX-EXEMPT
OBLIGATIONS, CONSTITUTING A REFINANCING FOR
TAX PURPOSES**

NOTICE IS HEREBY GIVEN that at 11:30 AM 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 for the proposed reissuance (for federal income tax purposes) of certain outstanding tax-exempt obligations qualifying as “qualified 501(c)(3) bonds” (“Obligations”) by the California Enterprise Development Authority (“Authority”), in a principal amount not to exceed \$11,400,000, the interest on which is intended to be excludable from gross income for federal income tax purposes and exempt from State of California personal income taxes, for the benefit of National Center for International Schools, a California nonprofit public benefit corporation (“Borrower”). 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 11:30 AM and close the hearing at 11:40 AM, 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#

Proceeds of the Obligations as reissued will be deemed to be loaned by the Authority to the Borrower, and will be deemed to 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”).

The legal owner of the Project has been and will be the Borrower, and French American International School and Chinese American International School, each a California nonprofit public benefit corporation, lease the Project from the Borrower and are principal users of the Project.

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 reissued.

Members of the public wishing to comment on the proposed reissuance of the Obligations, the nature or location of the Project, or the plan of the proposed financing or 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.

Date: November 16, 2021

CITY AND COUNTY OF SAN FRANCISCO

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 | - Service 24x7

The City and County of San Francisco logo is centered at the bottom of the page.

3 | AFFIDAVIT OF PUBLICATION ON CITY WEBSITE

TEFRA Notice - NCIS vF 11162021 x +

https://sfcontroller.org/sites/default/files/Public%20Forms%20%26%20Notices/TEFRA%20Notice%20-%20NCIS%20vF%2011162021.pdf

TEFRA Notice - NCIS vF 11162021.pdf 1 / 2 - 75% +

1

2

CITY AND COUNTY OF SAN FRANCISCO

NOTICE OF PUBLIC HEARING PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, WITH RESPECT TO THE DEEMED TAX REISSUANCE OF CERTAIN TAX-EXEMPT OBLIGATIONS, CONSTITUTING A REFINANCING FOR TAX PURPOSES

NOTICE IS HEREBY GIVEN that at 11:30 AM 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 for the proposed reissuance (for federal income tax purposes) of certain outstanding tax-exempt obligations qualifying as "qualified 50(c)(3) bonds" ("Obligations") by the California Enterprise Development Authority ("Authority"), in a principal amount not to exceed \$11,400,000, the interest on which is intended to be excludable from gross income for federal income tax purposes and exempt from State of California personal income taxes, for the benefit of National Center for International Schools, a California nonprofit public benefit corporation ("Borrower"). 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 11:30 AM and close the hearing at 11:40 AM, 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: 1-877-402-9783

Access Code: 88834578

Proceeds of the Obligations as reissued will be deemed to be loaned by the Authority to the Borrower, and will be deemed to 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").

The legal owner of the Project has been and will be the Borrower, and French American International School and Chinese American International School, each a California nonprofit public benefit corporation, lease the Project from the Borrower and are principal users of the Project.

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 reissued.

Members of the public wishing to comment on the proposed reissuance of the Obligations, the nature or location of the Project, or the plan of the proposed financing or 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.

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):

Subject:

The text is listed:

Signature of Sponsoring Supervisor: