

File No. 220433

Committee Item No. 9

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date May 18, 2022

Board of Supervisors Meeting Date _____

Cmte Board

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

OTHER (Use back side if additional space is needed)

- TEFRA Notice 4/8/2022
- TEFRA Affidavit of Publication 3/31/2021
- _____
- _____
- _____
- _____
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- _____
- _____

Completed by: Brent Jalipa Date May 12, 2022

Completed by: Brent Jalipa Date _____

1 [Issuance and Sale of Revenue Obligations - California Enterprise Development Authority
2 Revenue Obligations - The Brandeis School of San Francisco - Not to Exceed \$8,500,000]

3 **Resolution approving for purposes of Internal Revenue Code of 1986, as amended,**
4 **Section 147(f) of the Issuance and Sale of Revenue Obligations by the California**
5 **Enterprise Development Authority in an aggregate principal amount not to exceed**
6 **\$8,500,000 to refinance the acquisition, construction, installation, rehabilitation,**
7 **equipping and/or furnishing of educational and related facilities to be owned and**
8 **operated by The Brandeis School of San Francisco, a California non-profit public**
9 **benefit corporation.**

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

17 WHEREAS, The Brandeis School of San Francisco (“Borrower”), a California nonprofit
18 public benefit corporation and an organization described in Section 501(c)(3) of the Internal
19 Revenue Code of 1986, as amended (“Code”), has requested that the Authority issue revenue
20 obligations in an aggregate principal amount not to exceed \$8,500,000 (“Obligations”) to: (i)
21 refinance costs relating to the acquisition, construction, installation, rehabilitation, equipping
22 and/or furnishing of its educational facilities located at 655 Brotherhood Way, San Francisco,
23 California 94132 (the “Project”); and (ii) pay various transaction costs and related costs; and

24 WHEREAS, The Project is located within the boundaries of the City and County of San
25 Francisco (“City”), which is an associate member of the Authority; and

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

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

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

16 WHEREAS, On March 31, 2022, the City caused a notice to appear on its website
17 stating that a public hearing with respect to the issuance of the Obligations would be held by
18 the Office of Public Finance on April 8, 2022; and

19 WHEREAS, The Office of Public Finance of the City has held the public hearing
20 described above on April 8, 2022, and an opportunity was provided for persons to comment
21 on the issuance and sale of the Obligations and the plan of refinancing of the Project; and

22 WHEREAS, The Obligations will be limited obligations of the Authority, payable solely
23 from and secured solely by amounts received from or on behalf of the Borrower, and will not
24 constitute an indebtedness or obligation, or a pledge of the faith and credit of, the City or the
25 Authority, except to the limited extent described herein; and

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

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

6 FURTHER RESOLVED, That the Board, as an applicable elected representative of the
7 governmental unit on behalf of which the Obligations will be issued and having jurisdiction
8 over the geographic area in which the Project is or will be located, hereby approves the
9 issuance of the Obligations by the Authority. It is the purpose and intent of the Board that this
10 Resolution constitute both “issuer” approval and “host” approval of the issuance of the
11 Obligations by the City for purposes of Section 147(f) of the Code, and the Treasury
12 Regulations promulgated thereunder; and, be it

13 FURTHER RESOLVED, That the Obligations shall not constitute a debt or obligation in
14 any respect of the City, and the payment of the principal, prepayment premium, if any, and
15 interest on the Bonds shall be solely the responsibility of the Borrower; and, be it

16 FURTHER RESOLVED, That the approval by the Board of the issuance and sale of the
17 Obligations is neither an approval of the underlying credit issues of the Project nor an
18 approval of the financial structure of the Obligations, and that the adoption of this Resolution
19 shall not obligate (i) the City to provide refinancing to the Borrower for the acquisition,
20 construction, installation, rehabilitation, equipping and/or furnishing of the Project, or to issue
21 the Obligations for purposes of such financing or (ii) the City, or any department of the City, to
22 approve any application or request for, or take any other action in connection with any
23 environmental, General Plan, zoning or any other permit or other action necessary for the
24 construction, renovation, rehabilitation, improvement and/or equipping of the Project; and, be
25 it

1 FURTHER RESOLVED, That the Controller and the Director of the Office of Public
2 Finance and any other proper officers of the City are hereby authorized and directed to
3 execute such other agreements, documents and certificates, and to perform such other acts
4 as may be necessary or advisable to effect the purposes of this Resolution; and, be it

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

7
8 APPROVED AS TO FORM:
9 DAVID CHIU, City Attorney

10 By: /s/ MARK D. BLAKE
11 Mark D. Blake
12 Deputy City Attorney

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CITY AND COUNTY OF SAN FRANCISCO

**NOTICE OF PUBLIC HEARING PURSUANT TO SECTION
147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS
AMENDED, REGARDING THE ISSUANCE OF NOT MORE
THAN \$8,500,000 OF TAX-EXEMPT BONDS FOR THE
FINANCING AND REFINANCING OF CERTAIN FACILITIES
FROM THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS**

NOTICE IS HEREBY GIVEN that at 10:00 a.m., on Friday, April 8, 2022, a 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, in one or more series (“Obligations”), by the California Enterprise Development Authority (“Authority”) in an aggregate principal amount not to exceed Eight Million Five Hundred Thousand Dollars (\$8,500,000), the interest on which is intended to be federally tax-exempt and exempt from State of California personal income taxes. The Public Hearing will be held via teleconference, accessible by dialing the following toll-free telephone number, and then entering the access code:

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

Access Code: 8883457#

The teleconference will begin promptly at 10:00 a.m. and the line will be held open until at least 10:10 a.m., at which time the hearing will be concluded unless there are additional public comments to be heard. 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.

Proceeds of the Obligations will be loaned by a financial institution to the Authority, which will simultaneously loan such proceeds to The Brandeis School of San Francisco, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code, (“Borrower”), pursuant to one or more loan agreements or similar financing arrangements (collectively, the “Loan Agreement”). The Borrower intends to use the proceeds of the Obligations: to (i) refinance the costs relating to the acquisition, construction, installation, rehabilitation, equipping and/or furnishing of its educational facilities located at 655 Brotherhood Way, San Francisco, California 94132 (the “Project”), and (ii) pay various transaction costs and related costs.

The Project is and will be owned by the Borrower and will be used by the Borrower in its mission to provide a diverse education for students enrolled in pre-kindergarten through 8th grade.

The Obligations will be issued from time to time in one or more series, and will be paid entirely from payments by the Borrower under the Loan Agreement. 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 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: March 31, 2022

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

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-notices#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-notices>

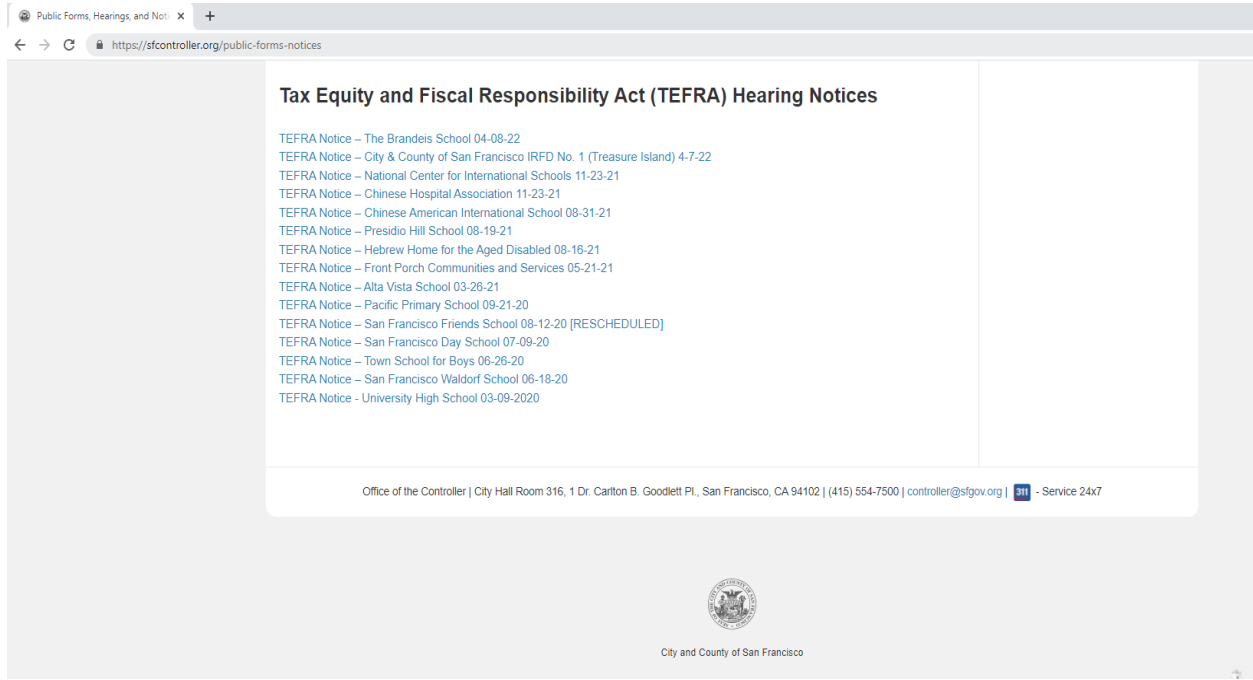
The Notice was posted on 03/31/2022, and was maintained continuously on the website until 04/08/2022. A copy of a screen shot of the notice is attached as Exhibit A.

Executed on _____ in San Francisco, California.

peter trinh

Peter Trinh

Exhibit A – Screen Shots of Posted TEFRA Notice



3 | AFFIDAVIT OF PUBLICATION ON CITY WEBSITE

TEFRA notice for CSCDA/Integrat... x +
https://sfcontroller.org/sites/default/files/Documents/Brandeis%20School%202022%20Reissuance%20TEFRA%20Notice.pdf

TEFRA notice for CSCDA/Integrated Rolling Co. IDB financing 1 / 2 85%

CITY AND COUNTY OF SAN FRANCISCO
NOTICE OF PUBLIC HEARING PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, REGARDING THE ISSUANCE OF NOT MORE THAN \$8,500,000 OF TAX-EXEMPT BONDS FOR THE FINANCING AND REFINANCING OF CERTAIN FACILITIES FROM THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS

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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: March 31, 2022

CITY AND COUNTY OF SAN FRANCISCO



OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Anna Van Degna
Director of Public Finance

April 19, 2022

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 proposed issuance of tax-exempt obligations ("Obligations") by the California Enterprise Development Authority ("Issuer") on behalf of The Brandeis School of San Francisco ("Borrower") in an amount not to exceed \$8.5 million, to finance and/or refinance the costs of certain capital improvements to educational 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, April 19, 2022.

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 Friday, April 8, 2022, notice of which was published on the City's public notices page on March 31, 2022. One public comment was received in support of the resolution on behalf of the Borrower, which will be communicated 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 Brandeis School of San Francisco is an independent Jewish Day School for grades K through 8. The School was established in 1963 to inspire students to lead lives of learning and purpose. Brandeis provides a challenging academic environment and a welcoming, inclusive community, each deeply enriched by Jewish thought, values, and traditions. They have a current enrollment of 336 students, per their website. The school strives to create a sacred space where every child and adult experiences a true sense of belonging, and boasts pluralistic community is made up of families from a wide variety of ethnic, linguistic, and cultural identities, including many who are just beginning their Jewish journey. Nearly half of Brandeis students take advantage of a Tuition Assistance program, a reflection of the school's commitment to sustaining a learning environment that is one of the most socio-economically diverse among Bay Area independent schools.

The Project

The proposed issuance is by the California Enterprise Development Authority ("Issuer") of tax-exempt revenue obligations, as defined in Section 147(f) of the Code, in an amount not to exceed \$8,500,000 ("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 Brandeis School of San Francisco ("Borrower"), pursuant to a Loan

Agreement, and will be repaid entirely from payments by the Borrower. The Borrower intends to use the proceeds of the Obligations to: (i) refinance the costs relating to the acquisition, construction, installation, rehabilitation, equipping and/or furnishing of its educational facilities located at 655 Brotherhood Way, San Francisco, California 94132 (the "Project"), and (ii) pay various transaction costs and related costs.

The Project is and will be owned by the Borrower and will be used by the Borrower in its mission to provide a diverse education for students enrolled in pre-kindergarten through 8th grade.

Financing Information

Assuming all required approvals are obtained, the Issuer expects to issue the Obligations in an amount not to exceed \$8.5 million. Bond counsel on the transaction is Kutak Rock LLP.

Public Approval Process

The City and County of San Francisco is a participating member of the California Enterprise Development 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

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:

For Clerk's Use Only