

File No. 170303

Committee Item No. 3
Board Item No. 15

COMMITTEE/BOARD OF SUPERVISORS AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date April 6, 2017

Board of Supervisors Meeting

Date April 18, 2017

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
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| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
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| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
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Completed by: Linda Wong Date March 30, 2017
Completed by: Linda Wong Date April 12, 2017

1 [Issuance of Bonds - California Municipal Finance Authority - Institute on Aging, a California
2 Nonprofit Public Benefit Corporation - Not to Exceed \$45,000,000]

3 **Resolution approving, in accordance with Internal Revenue Code, Section 147(f), the**
4 **issuance of revenue bonds by the California Municipal Finance Authority in an**
5 **aggregate principal amount not to exceed \$45,000,000 to refinance all or a portion of**
6 **certain outstanding debt obligations that originally financed and refinanced the**
7 **acquisition, construction, equipping, and furnishing of facilities owned and managed**
8 **by Institute on Aging, a California nonprofit public benefit corporation, in connection**
9 **with the provision of health care and other support services for low-income, frail older**
10 **adults.**

11
12 WHEREAS, The California Municipal Finance Authority (the "Authority") is authorized
13 pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and
14 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government
15 Code of the State of California, and a Joint Exercise of Powers Agreement, dated as of
16 January 1, 2004, among the Authority and certain local agencies, including the City, as
17 amended from time to time (as so amended, the "Agreement"), to issue revenue bonds and
18 other forms of indebtedness to assist nonprofit corporations to obtain tax-exempt financing for
19 certain projects and purposes; and

20 WHEREAS, The City and County of San Francisco (the "City") is a member of the
21 Authority; and

22 WHEREAS, Institute on Aging, a California nonprofit public benefit corporation (the
23 "Borrower"), and an organization described in Internal Revenue Code Section 501(c)(3)
24 ("Code"), has requested that the Authority issue revenue bonds, in one or more series, in an
25 aggregate issue price not to exceed \$45,000,000 (the "Bonds") and loan the proceeds of the

1 Bonds to the Borrower (the "Loan") to: (i) refinance all or a portion of certain outstanding debt
2 obligations that originally financed and refinanced the acquisition, construction, equipping and
3 furnishing of facilities, including a clinic, meeting and office space and a parking garage,
4 owned and operated by the Borrower, in connection with the provision of health care and
5 other support services for low-income, frail older adults, and (ii) pay certain expenses incurred
6 in connection with the issuance of the Bonds (collectively, the "Project"); and

7 WHEREAS, The Project, located at 3569-3575 Geary Boulevard, San Francisco,
8 California 94118, is located within the territorial limits of the City; and

9 WHEREAS, The issuance of the Bonds shall be subject to the approval of and
10 execution by the Authority of all financing documents relating thereto to which the Authority is
11 a party; and

12 WHEREAS, Interest on the Bonds may qualify for tax exemption under Section 103 of
13 the Internal Revenue Code of 1986, as amended (the "Code") only if the Bonds are approved
14 by an "applicable elected representative" of the City in accordance with Section 147(f) of the
15 Code; and

16 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative
17 body of the City and is therefore an "applicable elected representative" required to approve
18 the Bonds within the meaning of Code Section 147(f); and

19 WHEREAS, The Authority has requested the Board to approve the issuance of the
20 Bonds by the Authority for the purposes of financing the Project in order to satisfy the public
21 approval requirements of Code Section 147(f) and the requirements of Section 4 of the
22 Agreement; and

23 WHEREAS, The Authority is also requesting that the Board approve the issuance of
24 any refunding bonds hereafter issued by the Authority for the purpose of refinancing the
25

1 Bonds which financed the Project (the "Refunding Bonds"), but only in such cases where
2 federal tax laws would not require additional consideration or approval by the Board; and

3 WHEREAS, On March 6, 2017, the City caused a notice to appear in the *San*
4 *Francisco Chronicle*, which is a newspaper of general circulation in the City, stating that a
5 public hearing with respect to the issuance of the Bonds would be held by the Office of Public
6 Finance on March 20, 2017; and

7 WHEREAS, The Office of Public Finance held the public hearing described above on
8 March 20, 2017, and an opportunity was provided for persons to comment on the issuance
9 and sale of the Bonds and the plan of financing of the Project, and the Office of Public
10 Finance has forwarded any comments received by such date to this Board; and

11 WHEREAS, The Bonds will be limited obligations of the Authority, payable solely from
12 and secured solely by amounts received from or on behalf of the Borrower, and will not
13 constitute an indebtedness or obligation, or a pledge of the faith and credit of, the City or the
14 Authority, and

15 WHEREAS, It is intended that this resolution shall constitute the approval of the
16 issuance of the Bonds required by Code Section 147(f) and the approval of the Project
17 required by Section 4 of the Agreement; and

18 WHEREAS, The Director of Public Finance (the "Director") recommends approval of
19 the issuance of the Bonds pursuant to Chapter 43, Article 9, Section 5 of the Administrative
20 Code; now, therefore, be it

21 RESOLVED, That this Board hereby finds and declares the above recitals are true and
22 correct; and, be it

23 FURTHER RESOLVED, That this Board hereby approves the issuance of the Bonds
24 by the Authority for the purpose of financing the Project; and, be it

1 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
2 Resolution constitute approval of the issuance of the Bonds by the Authority and of the
3 financing of the Project, as the applicable elected representative of the governmental unit
4 having jurisdiction over the area in which the Project is located, for purposes of and in
5 accordance with (a) Code Section 147(f) and (b) Section 4 of the Agreement; and, be it

6 FURTHER RESOLVED, That the approval by the City of the issuance of the Bonds by
7 the Authority is neither an approval of the underlying credit of the Borrower or of the proposed
8 Project nor an approval of the financial structure of the Bonds; and neither the City, nor any
9 department thereof, shall have any responsibility or liability whatsoever with respect to the
10 Bonds or the Project; and, be it

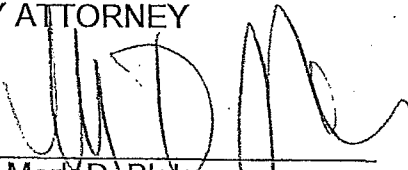
11 FURTHER RESOLVED, That the Bonds shall not constitute a debt or obligation in any
12 respect of the City, and no resources of the City shall be available or pledged to the
13 repayment of the Bonds, the payment of the principal, prepayment premium, if any, and
14 interest on the Bonds shall be solely the responsibility of the Borrower; and, be it

15 FURTHER RESOLVED, That the adoption of this Resolution shall not obligate the City
16 or any department of the City to (i) provide financing to the Borrower for the repayment of the
17 Loan or to issue the Bonds for purposes of such financing; (ii) make any contribution or
18 advance any funds to the Authority; or (iii) approve any application or request for, or take any
19 other action in connection with, any environmental, General Plan, zoning or any other permit
20 or other regulatory action sought in connection with the Project; and, be it

21 FURTHER RESOLVED, That the Controller and the Director and any other proper
22 officers of the City are hereby authorized and directed to execute such other agreements,
23 documents and certificates, and to perform such other acts as may be necessary or advisable
24 to effect the purposes of this Resolution, and, be it

1 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
2 adoption.

3
4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA
6 CITY ATTORNEY

7 By: 

8 Mark D. Blake
9 Deputy City Attorney
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CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Nadia Sesay
Director
Office of Public Finance

March 20, 2017

Supervisor Sandra Lee Fewer
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 Fewer:

Thank you for agreeing to introduce the Board of Supervisors resolution approving, for the purposes of the Internal Revenue Code, the issuance of Insured Revenue Bonds (the "Bonds") by the California Municipal Finance Authority (the "Authority") on behalf of the Institute on Aging, a California nonprofit public benefit corporation (the "Borrower"), to finance and/or refinance 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, March 21, 2017.

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, March 20, 2017, notice of which was published in the *San Francisco Chronicle* on March 6, 2017. No comments were heard or received from the TEFRA public hearing. The action by the Board acknowledges 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 \$45 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

Institute on Aging (IOA) works to enhance the quality of life for adults as they age by enabling them to maintain their health, well-being, independence and participation in the community. IOA offers a broad spectrum of services and support to help seniors maintain their independence as long it is safe to do so. In addition to providing home care and case management services, they operate San Francisco's Elder Abuse Prevention Program; The

Friendship Line, a free 24-hour suicide prevention "warm" line for seniors; adult day care centers for adults experiencing Alzheimer's and dementia; the Program of All-Inclusive Care for the Elderly (PACE), which provides medical care, physical therapy and enrichment activities for older adults; and CONNECT, a free community referral service for all things elder. IOA serves everyone without regard to ethnicity, religion, sexual identity, or social status, and is committed to representing, honoring, and enhancing the journeys of all aging adults, including those from different cultural backgrounds as well as seniors within the LGBT community. The Institute is located at 3575 Geary Boulevard in San Francisco and works with clients in San Francisco, Marin, San Mateo, Santa Clara, and the Peninsula.

The Project

The proceeds from the sale of the Bonds will be used to refinance all or a portion of certain outstanding debt obligations that originally financed and refinanced the acquisition, construction, equipping and furnishing of facilities, including a clinic, meeting and office space and a parking garage, owned and operated by the Borrower, in connection with the provision of health care and other support services for low-income, frail older adults (the "Project").

Financing Information

Assuming all required approvals are obtained, the Authority expects to issue the Bonds in an amount not to exceed \$45 million. Bond Counsel on the transaction is Orrick, Herrington, and Sutcliffe 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 any questions or require additional information. Thank you.

Sincerely,

Vishal Trivedi
Bond Analyst

DECLARATION OF PUBLICATION OF SAN FRANCISCO CHRONICLE

DIANE FITZGIBBON

declares that:

The annexed advertisement has been regularly published in the

SAN FRANCISCO CHRONICLE

which is and was at all times herein mentioned established as newspaper of general circulation in the City and County of San Francisco, State of California, as that term is defined by Section 6000 of the Government Code.

SAN FRANCISCO CHRONICLE

(Name of Newspaper)

901 Mission Street

San Francisco, CA 94103

From

3/6/17

To

3/6/17

Namely, on

3/6/17

(Dates of Publication)

I declare under penalty of perjury that the foregoing is true and correct.

Executed on

3/6/17

at San Francisco, California.

Diane Fitzgibbon

DIANE FITZGIBBON

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 FINANCING of certain facilities from the sale of tax-exempt obligations.

NOTICE IS HEREBY GIVEN that on Monday, March 20, 2017, a public hearing required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), will be held with respect to the proposed issuance by the California Municipal Finance Authority (the "Authority") of its Insured Revenue Bonds (Institute on Aging Project) (the "Bonds") in one or more series in an aggregate issue price not to exceed \$45,000,000. The Bonds will be issued for the benefit of Institute on Aging, a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California (the "Borrower") and exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended (the "Code"). Bond proceeds will be used to refinance all or a portion of certain outstanding debt obligations that originally financed and refinanced the acquisition, construction, equipping and furnishing of facilities, including a clinic, meeting and office space and a parking garage, owned and operated by the Borrower, in connection with the provision of health care and other support services for low-income, frail older adults (the "Project"). The Project is located in the City and County of San Francisco, at 3569-3575 Geary Boulevard, San Francisco, CA 94118.

The hearing will commence at 10:30 a.m. on March 20, 2017, or as soon thereafter as the matter can be heard, and will be held at City and County of San Francisco, Controller's Office of Public Finance, Room 336, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102, at which time any person may be heard.

The Bonds are payable solely from certain revenues duly pledged therefor and generally representing amounts paid by the Borrower. Neither the full faith and credit nor the taxing power, if any, of the City and County of San Francisco (the "City"), the Authority and its members, the State of California (the "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 Bonds, 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 Bonds.

The public hearing is being conducted to comply with the public approval requirements of Section 147(f) of the Code.

Those wishing to comment on the proposed financing of the Project may appear in person at the public hearing or submit written comments, which must be received by the Controller's Director of Public Finance, 1 Dr. Carlton B. Goodlett Place, Room 336, San Francisco, California 94102, at or prior to the hearing on March 20, 2017. The Director of Public Finance

will forward any comments received to the Board of Supervisors for their consideration and the Board of Supervisors will consider the information obtained at the public hearing and take appropriate action that it may deem warranted.

DATED this 6th day of March, 2017.

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2017 MAR 21 AM 9:31
Time stamp
or meeting date

BY *BF*

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 inquires"
- 5. City Attorney request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Question(s) 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 a Imperative Form.

Sponsor(s):

Supervisor Fewer

Subject:

Resolution approving in accordance with Internal Revenue Code Section 147(f) the issuance of revenue bonds by the California Municipal Finance Authority in an aggregate principal amount not to exceed \$45,000,000 to refinance all or a portion of certain outstanding debt obligations that originally financed and refinanced the acquisition, construction, equipping and furnishing of facilities owned and managed by Institute on Aging, a California nonprofit public benefit corporation, in connection with the provision of health care and other support services for low-income, frail older adults.

The text is listed below or attached:

See attached.

Signature of Sponsoring Supervisor: *Sandra Lee Fewer*

For Clerk's Use Only: