

File No. 161128

Committee Item No. 8

Board Item No. 17

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date October 26, 2016

Board of Supervisors Meeting

Date November 2, 2016

Cmte Board

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Completed by: Victor Young Date October 21, 2016
 Completed by: L.W. Date October 27, 2016

1 [Issuance of Bonds - California Statewide Communities Development Authority - Hebrew
2 Home for Aged Disabled, dba Jewish Home of San Francisco - Not to Exceed \$150,000,000]

3 **Resolution approving in accordance with Internal Revenue Code, Section 147(f), the**
4 **issuance of revenue bonds by the California Statewide Communities Development**
5 **Authority in an aggregate principal amount not to exceed \$150,000,000 to finance the**
6 **cost of the acquisition, construction, renovation, equipping, and furnishing of facilities**
7 **owned and managed by the Hebrew Home for Aged Disabled, dba Jewish Home of San**
8 **Francisco, a California nonprofit public benefit corporation, in connection with the**
9 **provision of senior residential and care services.**

10
11 WHEREAS, The California Statewide Communities Development Authority (the
12 "Authority") is authorized pursuant to the provisions of the Joint Exercise of Powers Act,
13 comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with
14 Section 6500) of the Government Code of the State of California, and an Amended and
15 Restated Joint Exercise of Powers Agreement, among the Authority and certain local
16 agencies, including the City, as amended from time to time (as so amended, the
17 "Agreement"), to issue revenue bonds and other forms of indebtedness to assist nonprofit
18 corporations to obtain tax-exempt financing for certain projects and purposes; and

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

21 WHEREAS, The Hebrew Home for Aged Disabled, dba Jewish Home of San
22 Francisco, a California nonprofit public benefit corporation (the "Borrower"), and an
23 organization described in Internal Revenue Code Section 501(c)(3) ("Code"), has requested
24 that the Authority issue revenue bonds in an aggregate issue price not to exceed
25 \$150,000,000 (the "Bonds") and loan the proceeds of the Bonds to the Borrower (the "Loan")

1 to: (i) finance the costs of or reimbursement for the acquisition, construction, renovation,
2 equipping and furnishing of facilities owned and managed by the Borrower that provide senior
3 residential and care services and (ii) pay certain expenses incurred in connection with the
4 issuance of the Bonds (collectively, the "Project"); and

5 WHEREAS, The Project, located at 302 Silver Avenue and at 1 Avalon Avenue, is
6 located within the territorial limits of the City; and

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

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

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

17 WHEREAS, The Authority has requested the Board to approve the issuance of the
18 Bonds by the Authority for the purposes of financing the Project in order to satisfy the public
19 approval requirements of Code Section 147(f) and the requirements of Section 9 of the
20 Agreement; and

21 WHEREAS, The Authority is also requesting that the Board approve the issuance of
22 any refunding bonds hereafter issued by the Authority for the purpose of refinancing the
23 Bonds which financed the Project (the "Refunding Bonds"), but only in such cases where
24 federal tax laws would not require additional consideration or approval by the Board; and
25

1 WHEREAS, On September 27, 2016, the City caused a notice to appear in the *San*
2 *Francisco Examiner*, which is a newspaper of general circulation in the City, stating that a
3 public hearing with respect to the issuance of the Bonds would be held by the Office of Public
4 Finance on October 11, 2016; and

5 WHEREAS, The Office of Public Finance held the public hearing described above on
6 October 11, 2016, and an opportunity was provided for persons to comment on the issuance
7 and sale of the Bonds and the plan of financing of the Project; and

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

12 WHEREAS, It is intended that this resolution shall constitute the approval of the
13 issuance of the Bonds required by Code Section 147(f) and the approval of the Project
14 required by Section 9 of the Agreement; and

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

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

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

22 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
23 Resolution constitute approval of the issuance of the Bonds by the Authority and of the
24 financing of the Project, as the applicable elected representative of the governmental unit
25

1 having jurisdiction over the area in which the Project is located, for purposes of and in
2 accordance with (a) Code Section 147(f) and (b) Section 9 of the Agreement; and, be it

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

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

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

17 FURTHER RESOLVED, That the Controller and the Director and any other proper
18 officers of the City are hereby authorized and directed to execute such other agreements,
19 documents and certificates, and to perform such other acts as may be necessary or advisable
20 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

October 17, 2016

Supervisor John Avalos
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 Avalos:

Thank you for agreeing to introduce the Board of Supervisors resolution approving, for the purposes of the Internal Revenue Code, the issuance of revenue obligations (the "Bonds") by the California Statewide Communities Development Authority (the "Authority") on behalf of Jewish Home of San Francisco, 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, October 18, 2016.

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, October 11, 2016, notice of which was published in the *San Francisco Examiner* on September 27, 2016. 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 \$150 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

Jewish Home of San Francisco traces its roots to 1871, when the Pacific Hebrew Orphan Asylum and Home society was incorporated "to found and maintain an asylum for orphan children" and "to establish and support a Home for aged and infirm Israelites." Over the years it has evolved and expanded to provide modern state-of-the-art facilities and medical clinics, and a geriatric research center to provide high standards for quality care and services for its residents. Its

mission is to become a regional resource as an integral part of a continuum of care throughout the Bay Area that provides senior adults with a variety of life enriching programs and services that are accessible, promote individual dignity, encourage independence, connect them to their community, and reflect the social, cultural, and spiritual values of Jewish tradition.

The Project

The proceeds from the sale of the Bonds will be loaned to the Borrower for the following purposes: (i) finance the costs of or reimbursement for the acquisition, construction, renovation, equipping and furnishing of facilities owned and managed by the Borrower that provide senior residential and care services and (ii) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the "Project").

Financing Information

Assuming all required approvals are obtained, the Authority expects to issue the Bonds in an amount not to exceed \$150 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

SAN FRANCISCO EXAMINER

This space for filing stamp only

835 MARKET ST, SAN FRANCISCO, CA 94103
Telephone (415) 314-1835 / Fax (510) 743-4178

ANGIE GARDNER
ORRICK, HERRINGTON & SUTCLIFFE LLP
1120 NW COUCH STREET SUITE 200
PORTLAND, OR - 97209

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of SAN FRANCISCO) ss

Notice Type: HRG - NOTICE OF HEARING

Ad Description:

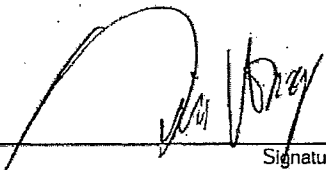
CITY AND COUNTY OF SAN FRANCISCO

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the SAN FRANCISCO EXAMINER, a newspaper published in the English language in the city of SAN FRANCISCO, county of SAN FRANCISCO, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of SAN FRANCISCO, State of California, under date 10/18/1951, Case No. 410667. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

09/27/2016

Executed on: 09/27/2016
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.



Signature

CNS#: 2929014

**CITY AND COUNTY OF
SAN FRANCISCO
NOTICE OF PUBLIC
HEARING PURSUANT TO
SECTION 147(I) 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 October 11, 2016, a public hearing as required by Section 147(I) of the Internal Revenue Code of 1986, as amended (the "Code"), will be held with respect to the proposed issuance by the California Statewide Communities Development Authority (the "Authority") of its Revenue Bonds (Jewish Home of San Francisco) (the "Bonds") in one or more series in an aggregate issue price not to exceed \$150,000,000 for the benefit of the Hebrew Home for Aged Disabled, dba Jewish Home of San Francisco, a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California (the "Borrower") and is exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended (the "Code"). Proceeds from the sale of the Bonds will be used to finance the acquisition, construction, renovation, equipping and furnishing of facilities owned and operated by the Borrower, in connection with the provision of senior residential and care services (the "Project"). The Project is located in the City and County of San Francisco, at 302 Silver Avenue, San Francisco, CA 94112 and 1 Avalon Avenue, San Francisco, CA 94112.

"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(I) 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 Clerk of the Board of Supervisors at the City and County of San Francisco, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102, at or prior to the hearing on October 11, 2016. The members of the Board of Supervisors will consider the information obtained at the public hearing and take appropriate action that it may deem warranted.

DATED this 27th day of September, 2016.
City and County of San Francisco
9/27/16
CNS-2929014#
SAN FRANCISCO EXAMINER

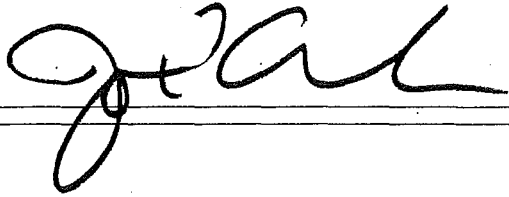
The hearing will commence at 2:00 p.m. on October 11, 2016, or as soon thereafter as the matter can be heard, and will be held at City and County of San Francisco, Controller's Office of Public Finance, Room 336, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102, at which time any person may be heard.

The Bonds shall be 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



* A 0 0 0 0 0 4 2 3 0 1 0 2 * 2145

Signature of Sponsoring Supervisor:

A handwritten signature in black ink, appearing to be 'J. A. L.', written over a horizontal line.

For Clerk's Use Only:

