

File No. 130287

Committee Item No. 3
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Sub-Committee Date 04/10/2013

Board of Supervisors Meeting Date _____

Cmte Board

- | | | |
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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input 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"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" 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"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

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Completed by: Victor Young Date April 5, 2013
Completed by: Victor Young Date _____

1 [Issuance of Tax-Exempt Obligations - Progress Foundation - Not to Exceed \$9,000,000]

2
3 **Resolution approving the issuance of tax-exempt obligations by the California**
4 **Enterprise Development Authority in an aggregate principal amount not to exceed**
5 **\$9,000,000 to finance and refinance various capital facilities owned by Progress**
6 **Foundation.**

7
8 WHEREAS, Progress Foundation, a California nonprofit corporation (the "Borrower")
9 has requested that the California Enterprise Development Authority, a joint exercise of powers
10 agency established pursuant to the laws of the State of California (the "Authority") issue its
11 tax-exempt obligations (the "Obligations"), in an aggregate principal amount not expected to
12 exceed \$9,000,000, for the purpose of making from time to time one or more loans to the
13 Borrower pursuant to a plan of financing for various capital facilities as more fully described
14 below; and

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

17 WHEREAS, The Borrower expects to use the proceeds of the Obligations to: (i)
18 refinance outstanding indebtedness incurred by the Borrower, the proceeds of which were
19 used to finance and refinance the cost of the acquisition, construction, installation,
20 rehabilitation, equipping and furnishing of mental health treatment and rehabilitation facilities
21 located at 368 Fell Street, San Francisco, California 94102, 25 Beulah Street, San Francisco,
22 California 94117, 212 Ashbury Street, San Francisco, California 94117, 2210 Clay Street, San
23 Francisco, California 94115, 1443 7th Avenue, San Francisco, California 94122, 405 Baker
24 Street, San Francisco, California 94117 and 50-54 Dore Street, San Francisco, California
25

1 94103 (collectively, the "Facilities"), and (ii) pay certain costs of issuance in connection with
2 the Obligations; and

3 WHEREAS, The Facilities will be owned and operated by the Borrower and used in
4 connection with the Borrower's tax-exempt mission of providing community-based residential
5 treatment and supported housing programs as alternatives to institutional treatment for
6 individuals with mental disabilities and for the management and administration of such
7 programs; and

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

11 WHEREAS, The Facilities are located wholly within the City; and

12 WHEREAS, The interest on the Obligations may qualify for tax exemption under
13 Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the
14 Obligations are approved in accordance with Section 147(f) of the Code; and

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

18 WHEREAS, The Authority has requested the Board to approve the issuance of the
19 Obligations in order to satisfy the public approval requirements of Section 147(f) of the Code;
20 and

21 WHEREAS, On February 28, 2013, the City caused a notice to appear in the *San*
22 *Francisco Chronicle*, which is a newspaper of general circulation in the City, stating that a
23 public hearing with respect to the issuance of the Obligations would be held by the City's
24 Office of Public Finance on March 14, 2013; and
25

1 WHEREAS, The Office of Public Finance held the public hearing described above on
2 March 14, 2013, and an opportunity was provided for persons to comment on the issuance of
3 the Obligations and plan of financing; and

4 WHEREAS, The Director of Public Finance recommends approval of the issuance of
5 the Obligations pursuant to Chapter 43, Article 9, Section 5 of the Administrative Code; now,
6 therefore be it

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

9 FURTHER RESOLVED, That this Board hereby approves the issuance of the
10 Obligations by the Authority; and, be it

11 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
12 Resolution constitutes approval of the issuance of the Obligations by the applicable elected
13 representative of the governmental unit having jurisdiction over the area in which the Facilities
14 are located for the purposes of and in accordance with Section 147(f) of the Code; and be it

15 FURTHER RESOLVED, That the approval of the issuance of the Obligations by the
16 City is neither an approval of the underlying credit of the Borrower or the Facilities nor an
17 approval of the financial structure of the Obligations; and neither the City, nor any department
18 thereof, shall have no responsibility or liability whatsoever with respect to the Obligations or
19 the Facilities; and, be it

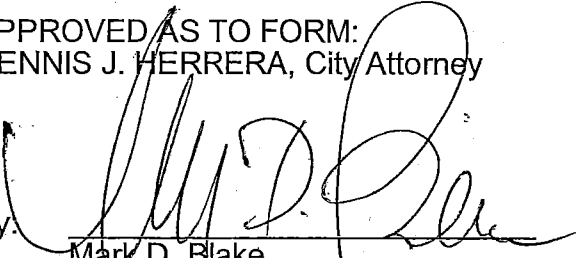
20 FURTHER RESOLVED, That the Obligations shall not constitute a debt or obligation of
21 the City and the payment of the principal, prepayment premium, if any, and purchase price of
22 and interest on the Obligations shall be solely the responsibility of the Borrower; and be it

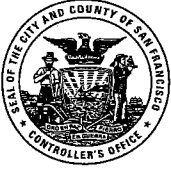
23 FURTHER RESOLVED, That adoption of this Resolution shall not obligate (i) the City
24 to provide financing to the Borrower for the acquisition, rehabilitation and development of the
25 Facilities or to issue the Obligations for purposes of such financing; (ii) make any contribution

1 or advance any funds to the Authority; or (iii) the City, or any department of the City, to
2 approve any application or request for, or take any other action in connection with, any
3 environmental, General Plan, zoning or any other permit or other regulatory action sought in
4 connection with the Facilities; and be it

5 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
6 adoption.

7
8 APPROVED AS TO FORM:
9 DENNIS J. HERRERA, City Attorney

10
11 By 
12 Mark D. Blake
13 Deputy City Attorney
14 n:\financ\as2013\1300182\00834889.doc



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

Nadia Sesay
Director
Office of Public Finance

March 26, 2013

Supervisor Mark Farrell
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 Farrell:

Thank you for agreeing to introduce the Board of Supervisors resolution approving, for the purposes of the Internal Revenue Code, the issuance of tax exempt obligations (the "Obligations") by the California Enterprise Development Authority (the "Authority") on behalf of the Progress Foundation (the "Corporation"), a California nonprofit public benefit corporation described in section 501(c)(3) of the Internal Revenue Code, to finance and refinance various projects owned by the Corporation or an affiliate. I respectfully request introduction of the resolution at the meeting of the Board of Supervisors on Tuesday, March 26, 2013.

Pursuant to the Tax Equity and Fiscal Responsibility Act (TEFRA), to facilitate the tax exemption of interest on the Obligations 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 Thursday, March 14th, notice of which was published in the *San Francisco Chronicle* on February 28, 2013. The action by the Board acknowledges that the hearing was duly held and that the financing is proceeding.

The Obligations will be issued in an aggregate principal amount not to exceed \$9.0 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

The Progress Foundation was started in 1969 to serve individuals with mental illness. Progress Foundation provides services to over 3,000 individuals each year, including seniors, Spanish-speaking clients, families, transitional age youth, and individuals in transition between long-term institutional care and community based care.

The Project

The proceeds of the Obligations will be loaned to the Corporation to: (i) refinance outstanding indebtedness incurred by the Borrower, the proceeds of which were used to finance and refinance the cost of the acquisition, construction, installation, rehabilitation, equipping and furnishing of mental health treatment and rehabilitation facilities located at 368 Fell Street, 25 Beulah Street, 212 Ashbury Street, 2210 Clay Street, 1443 7th Avenue, 405 Baker Street, and 50-54 Dore Street, San Francisco, California (collectively, the "Facilities"), and (ii) pay certain costs of issuance in connection with the Obligations (collectively, the "Projects").

The above list of facilities was correctly listed in the notice of public hearing; however, the 212 Ashbury Street location was erroneously removed from the hearing transcript. The Corporation's counsel advises that the notice of public hearing is the controlling document for the hearing and the notice and resolution reflect the correct locations.

Financing Information

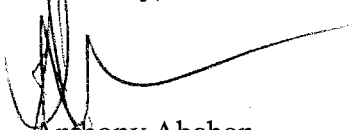
Assuming all required approvals are obtained, the Authority expects to issue tax-exempt obligations in an amount not to exceed \$9.0 million. Bond Counsel on the transaction is Kutak Rock LLP.

Public Approval Process

The City and County of San Francisco is a participating member of the 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 Obligations may be issued on a tax-exempt basis.

Your assistance with this matter is greatly appreciated. Please contact me at (415) 554-6902, if you any questions or require additional information. Thank you.

Sincerely,



Anthony Ababon
Bond Associate

Cc: Jason Elliott, Director of Legislative & Governmental Affairs
Mark Blake, Deputy City Attorney

Attachments

TEFRA SCRIPT
CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY
ISSUANCE OF TAX-EXEMPT OBLIGATIONS FOR PROGRESS FOUNDATION FINANCING AND
REFINANCING FACILITIES IN SAN FRANCISCO, CALIFORNIA

To be read by the Office of Public Finance:

"This is a public hearing conducted on Thursday, March 14, 2013 at 9:00AM PT to consider the proposed issuance of tax-exempt obligations (the "Obligation") by the California Enterprise Development Authority (the "Authority") in an aggregate principal amount not to exceed nine million dollars. Proceeds of the Obligation will be loaned to Progress Foundation, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") (or any affiliate thereof or successor thereto) (the "Borrower"), pursuant to one or more loan agreements (the "Loan Agreement").

The Borrower plans to use the proceeds of the Obligations to (i) refinance outstanding indebtedness incurred by the Borrower, the proceeds of which were used to finance and refinance the cost of the acquisition, construction, installation, rehabilitation, equipping and furnishing of mental health treatment and rehabilitation facilities located at 368 Fell Street, San Francisco, California 94102, 25 Beulah Street, San Francisco, California 94117, 2110 Clay Street, San Francisco, California 94115, 1443 7th Avenue, San Francisco, California 94122, 405 Baker Street, San Francisco, California 94117 and 50-54 Dore Street, San Francisco, California 94103 (collectively, the "Facilities"), and (ii) pay certain costs of issuance in connection with the Obligations. The Facilities will be owned by the Borrower and operated by the Borrower in connection with its tax-exempt mission of providing mental health treatment and rehabilitation services.

Today's hearing is part of a larger process and no decision or approval will be made here today. Your comments will be heard and provided to the Board of Supervisors. The Board of Supervisors will then have the discretion to consider legislation approving the issuance of the Obligation to finance and refinance the Facilities.

The public hearing is now open. We will now hear from any person who wishes to speak about the proposed financing. Does anyone wish to speak about the financing?"

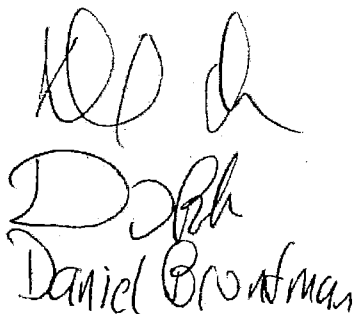
[WAIT TO SEE IF ANY MEMBER OF THE AUDIENCE WISHES TO SPEAK AND, IF SO, GIVE EACH OF THEM THE OPPORTUNITY TO DO SO, WITHIN THE USUAL TIME LIMITS ALLOWED.]

"Were any written comments on the proposed tax-exempt Obligation or the Projects received by the Clerk or the Board of Supervisors or the Office of Public Finance prior to this hearing?"

[IDENTIFY ANY SUCH WRITTEN COMMENTS OR STATE THAT NONE WERE RECEIVED.]

"The public hearing is now closed"

Date: Thursday, March 14, 2013.


9:10AM
Daniel Bronfman

DECLARATION OF PUBLICATION OF SAN FRANCISCO CHRONICLE

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 AND REFINANCING OF
CERTAIN FACILITIES FROM
THE SALE OF TAX-EXEMPT
OBLIGATIONS

NOTICE IS HEREBY GIVEN that at 9:00 a.m., or as soon thereafter as the matter may be heard, on Thursday, March 14, 2013, at City and County of San Francisco, City Hall, Room 336, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102-4689, the City and County of San Francisco (the "City") will conduct a public hearing (the "Public Hearing") at which the City will hear and consider information concerning the issuance, from time to time, pursuant to a plan of finance, of one or more series of tax-exempt obligations by the California Enterprise Development Authority (the "Issuer"), in an aggregate principal amount not to exceed Nine Million Dollars (\$9,000,000) (the "Obligations"). Proceeds of the Obligations will be loaned to Progress Foundation, a nonprofit corporation, duly organized and existing under the laws of the State of California and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") (or any affiliate thereof or successor thereto) (the "Borrower"), pursuant to one or more loan agreements (the "Loan Agreement"). The Borrower plans to use the proceeds of the Obligations to (i) refinance outstanding indebtedness incurred by the Borrower, the proceeds of which were used to finance and refinance the cost of the acquisition, construction, installation, rehabilitation, equipping and furnishing of mental health treatment and rehabilitation facilities located at 369 Fell Street, San Francisco, California 94102; 25 Beulah Street, San Francisco, California 94117; 212 Ashbury Street, San Francisco, California 94117; 2210 Clay Street, San Francisco, California 94115; 1443 7th Avenue, San Francisco, California 94122; 405 Baker Street, San Francisco, California 94117; and 50-54 Dore Street, San Francisco, California 94103; collectively the "Facilities"; and (ii) certain costs of issuance in connection with the Obligations. The Facilities will be owned by the Borrower and operated by the Borrower in connection with its tax-exempt mission of providing community-based, residential treatment and supported housing programs as alternatives to institutional treatment for individuals with mental disabilities and for the management and administration of such programs.

The Obligations will be paid, entirely from repayments by the Borrower under the Loan Agreement. Neither the faith and credit nor the taxing power of the City, the Issuer 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 Obligations, nor shall the City, the Issuer 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.

The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Code. Those wishing to comment on the issuance of the Obligations, proposed nature and location of the Facilities or the plan of finance may either appear in person at the time and place indicated above or submit written comments, which must be received prior to the Public Hearing by the City, care of Mr. Anthony Ababon, Office of Public Finance at the address of the public hearing indicated above.

Date: February 28, 2013
CITY AND COUNTY OF SAN FRANCISCO
By: /s/ Angela Calvillo
Clerk of the Board of Supervisors

Lori Gomez

Declares that:

The annexed advertisement has been regularly published
In the

SAN FRANCISCO CHRONICLE

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

SAN FRANCISCO CHRONICLE

(Name of Newspaper)

901 Mission Street

San Francisco, CA 94103

From

2/28/13

To

2/28/13

Namely on

2/28/13

(Dates of Publication)

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

Executed on

3/5/13

At San Francisco, California

Lori Gomez

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY
Project Application for Bond Financing**

I. APPLICANT PROFILE

Applicant/Borrower			
Name:	Progress Foundation		
Street Address:	368 Fell Street		
City:	San Francisco	State:	CA
Zip:	94102	NAICS Code	
Contact Name:	David Chenok	Title:	Chief Operating Officer
Phone:	415-861-0828	Fax :	
E-mail:	dchenok@progressfoundation.org		

Business Specifics - Applicant/Borrower				
Current # of Full-time Employees: 240	California 240		Companywide 240	
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> S Corporation	<input type="checkbox"/> LLC, LLP, Partnership	<input type="checkbox"/> C Corporation	<input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> Other

Transaction Contacts – See attached Distribution List

Pre-Application Number:

Please describe the business activities that will occur at the location(s) to be funded with the planned bond transaction:

Dore Urgent Care Clinic and Residence

The Urgent Care Center provides clinical interventions with individuals who are experiencing an escalating psychological crisis and who require rapid engagement, assessment, and intervention in order to prevent further deterioration which may result in involuntary detention and/or hospitalization. The Urgent Care Clinic provides assessment and triage in a community-based setting to individuals in psychiatric crisis who may otherwise be taken to hospital psychiatric emergency.

The Dore Residence houses an acute diversion unit treatment program and accepts clients, primarily referred by Dore Clinic, for a targeted 14 day length of stay. The ADU has 14 beds and will refer clients to further treatment if needed.

Crisis Residential Programs (ADU's)

Our Crisis Residential Treatment programs, intensive 24-hour therapeutic environments, have been dubbed ADU's or "Acute Diversion Units" by Community Mental Health because of their critical "diversion" role in the overall County healthcare system. Working closely with local psychiatric emergency clinics, the ADUs provide primary diversion from, and an alternative to, psychiatric in-patient confinement. Currently Progress Foundation Crisis Residential Treatment programs are in the California cities of San Francisco, Napa and Santa Rosa.

All Crisis Residential Treatment programs (ADU's) are open to individuals who have a major mental health diagnosis and may also have a co-occurring substance abuse and/or physical health challenge.

Our programs are housed in large single family homes in residential neighborhoods. The facilities blend in with the other homes and are not outwardly identified as mental health programs. Clients work through psychiatric crises and experience short-term treatment (typically ten to fifteen days) without the stigma and trauma of an institutional placement. Client participation in the operation of the household including the planning of activities, household cleaning, meal preparation and grocery shopping, provides unique opportunities to build and practice life skills needed for successful independent living. Group meetings held daily address important topics such as money management, family relationships, relapse prevention, finding healthy recreational activities and medication education.

The ADU's are 2 week programs where clients receive skills training and crisis intervention, while working on short term goals in their treatment plan. All ADU's have structured comprehensive in-house Day Treatment programs that include medication management by a Psychiatrist and primary health screening and ambulatory care by a Nurse Practitioner. The staff work with clients to resolve crises, improve interpersonal skills, and to help clients develop effective treatment plans that are goal-oriented and time-limited. Each day has a structured schedule with group and individual activities, including money management, medication education, symptom management and community outings.

Each Progress Foundation Crisis Residential Treatment Program has a Consultant Psychiatrist who both prescribes and monitors the effects of psychiatric medications for clients who voluntarily use them. In addition, many clients referred to the ADU's have physical health conditions that have gone undetected or untreated due to lack of access to primary health care. Nurse Practitioners are in each ADU weekly to provide health screenings, health education on topics such as nutrition, smoking cessation, and the management of diabetes, and to treat general illnesses and injuries that do not require medical hospitalization.

All Crisis Residential Treatment programs provide services to persons 18 years old and older.

Transitional Residential Treatment Programs

Transitional programs offer the next level of care in the agency's continuum of services. The clients are able to stay longer, between 3 months and 1 year depending on the program, so each client receives individualized support to maintain their stability and to work on long-term goals. All transitional programs are open to individuals who are eighteen years old and older, and may be dually-diagnosed with co-occurring mental health and substance abuse disorders. As in the ADU's, clients are active in the operation of the household. There is a structured schedule for program services, and some clients are participating in individual activities such as job training, school, work or day treatment as determined by their individual treatment plans. Much of the client's treatment planning focuses on developing social skills and coping strategies, finding housing and securing ongoing services and supports in preparation for discharge from the program.

Many clients referred to our programs have physical health conditions that have gone untreated due to lack of access to appropriate health care. Nurse Practitioners are in each program weekly to provide health screenings, health education on topics such as nutrition, smoking cessation, and the management of diabetes, and to treat general illnesses and injuries that do not require medical hospitalization.

Progress Foundation provides specialized Transitional Residential Treatment services at the Seniors Program, Clay Street, Dorine Loso House and Ashbury House.

The Seniors program is 2 six-bed houses for adults over 60, that serves a total of 12 clients in residence and another 12 clients who attend day treatment only. Clients stay on average for 4-6 months. When this program was opened it was the first social model residential alternative to psychiatric institutionalization for geriatric clients in the country. Prior to the Seniors program, the mental health system did not offer services to older adults that emphasized building skills for maintaining independence, rather seniors were often referred into board and care homes or skilled nursing facilities before it was really necessary. The Progress Foundation Seniors Program gives older adults with mental illness the opportunity to live more independently later in life, and to learn new living skills required due to long-term or emergent serious mental illness.

Clay Street and Dorine Loso House are programs designed specifically for individuals leaving long term institutionalization in locked facilities who need the support of a transitional program before moving on to more independent living. Clients living in institutional settings are allowed to exercise very little power to make decisions about their lives and have few opportunities to learn and use life skills to increase their independence. Clay Street and Loso House are year long programs where clients can unlearn institutional behaviors and build their skills and support networks in order to live more independent lives in the community.

Ashbury House is a program for mothers who have lost custody or are in danger of losing custody of their child(ren) due to their mental illness. Like the Seniors Program, when Ashbury House opened in 1995 it was the first program of its kind in the country. Prior to its opening, mothers were not allowed to keep their children with them while in a residential treatment program, and if a mother needed that level of mental health treatment she was forced to give up her children. Ashbury is a year long program where clients not only learn to manage their mental illness and improve life skills, but they also learn parenting skills, well-baby care, and how to identify and develop strategies for times when their mental illness may negatively impact their parenting.

Supported Living Program

Our Supported Living program provides case management services and crisis intervention with two housing options: cooperative living apartments and independent living apartments.

The cooperative living apartments (called the Co-ops) are apartments that are leased or owned by the agency and rented by 4-5 residents among whom the responsibility for rent and utilities is shared. Residents receive individual case management services and attend regular house meetings facilitated by a case manager to assist clients in the coordination of maintaining a communal household. Each client, in conjunction with his or her case manager, determines the type and frequency of services. The apartments are in scattered locations around San Francisco and Napa and like our residential treatment programs are not identified as housing for individuals with mental illness. Residents are referred into the Co-ops by a service provider.

Pre-Application Number:

Progress Foundation has three independent living apartment buildings in San Francisco and one in Napa. Two of the buildings have units designated specifically for families. The independent living apartments are for individuals who require moderate but on-going support in order to maintain maximum independence. Case management services are available to residents of these buildings but are not a requirement for maintaining residence. Each building has a resident manager to respond to facility needs and help maintain a safe, clean environment. Residents pay 30% of their income for rent and the wait lists are maintained in accordance with HUD regulations, with notification to the community when a list is open and accepting applications.

The Progress Foundation Diversion Evaluation Team (DET)

In San Francisco clients are evaluated by our specialized Diversion Evaluation Team (DET) which provides an initial evaluation in the local psychiatric emergency clinic and acts as an advocate to ensure that clients who can benefit from our services have an effective option to avoid involuntary hospitalization. The team is on duty 7 days per week.

Pre-Application Number:

II. PROJECT SITE LOCATION(S)

Project Site 1: Central Office					
Street Address:	368 Fell Street				
City:	San Francisco	State:	CA	Zip:	94102
County:	San Francisco				
Current # Full-time Employees at this Site: 20					
Full-time Jobs to be Created or Retained at this Site: 20			Jobs Retained at new site New Jobs Created approx.		

Project Site 2: Progress House					
Street Address:	25 Beulah Street				
City:	San Francisco	State:	CA	Zip:	94110
County:	San Francisco				
Current # Full-time Employees at this Site: 9					
Full-time Jobs to be Created or Retained at this Site: 9					

Project Site 3: Ashbury Place					
Street Address:	212 Ashbury Street				
City:	San Francisco	State:	CA	Zip:	94117
County:	San Francisco				
Current # Full-time Employees at this Site: 11					
Full-time Jobs to be Created or Retained at this Site: 11					

Project Site 4: Clay Street					
Street Address:	2210 Clay Street				
City:	San Francisco	State:	CA	Zip:	94115
County:	San Francisco				
Current # Full-time Employees at this Site:					
Full-time Jobs to be Created or Retained at this Site: 14					

Project Site 5: Avenues					
Street Address:	1443 7th Avenue				
City:	San Francisco	State:	CA	Zip:	94122
County:	San Francisco				
Current # Full-time Employees at this Site:					
Full-time Jobs to be Created or Retained at this Site: 16					

Pre-Application Number:

Project Site 6: Progress Sonoma			
Street Address:	3400 Montgomery Dr.		
City:	Santa Rosa	State:	CA
Zip:	95405		
County:	Sonoma		
Current # Full-time Employees at this Site:			
Full-time Jobs to be Created or Retained at this Site:	13		

Project Site 7: Loso House			
Street Address:	405 Baker Street		
City:	San Francisco	State:	CA
Zip:	94117		
County:	San Francisco		
Current # Full-time Employees at this Site:			
Full-time Jobs to be Created or Retained at this Site:	14		

Project Site 8: Dore Residence and Clinic (units 1 and 2)			
Street Address:	50-54 Dore Street		
City:	San Francisco	State:	CA
Zip:	94103		
County:	San Francisco		
Current # Full-time Employees at this Site:			
Full-time Jobs to be Created or Retained at this Site:	33		

III. TYPE OF ACTIVITY (Check appropriate box or boxes)

<input type="checkbox"/> Manufacturing	<input checked="" type="checkbox"/> Non Profit or Public Benefit	<input type="checkbox"/> Other (Specify)
Please fill in when "Other" is specified:		

IV. PROJECT & FINANCING SUMMARY

Summary of Project Budget and Requested Bond Financing:

\$8,450,000	
California Enterprise Development Authority	
Tax-Exempt Direct Purchase Revenue Bonds	
(Progress Foundation, Project)	
Series 2012	
<i>Estimated Sources and Uses</i>	
Sources:	
Bond Proceeds	8,450,000.00
TOTAL SOURCES:	8,450,000.00
Uses:	
<i>Property Payoffs*:</i>	<i>8,318,533.00</i>
Costs of Issuance:	
Bond Counsel Fee	35,000.00
Bank Counsel Fee	30,000.00
Issuer's Counsel	5,000.00
Issuer Fee	16,125.00
Closing Fee	42,250.00
Appraisal Fee	<i>tbd</i>
Title & Reporting Fees	<i>tbd</i>
Trustee Fee	2,500.00
Miscellaneous	592.00
Total Cost of Issuance	131,467.00
TOTAL USES:	8,450,000.00

**Property Payoff breakdown below*

Central Office	\$477,843
Progress House	\$1,223,295
Ashbury Place	\$484,390
Clay Street	\$633,860
	\$745,580
Avenues	\$114,448
Progress Sonoma	\$667,151
Loso House	\$1,432,836
Dore Residence and	\$2,539,130
TOTAL	\$8,318,533

Pre-Application Number:

V. ADDITIONAL INFORMATION

Please provide **one complete set** of the following information as attachments to this Application.

Attachments:

- A. Project Description in Narrative Form.
- B. Description of the Applicant.
- C. Public Benefits Associated with the Project.
- D. Annual Financial Statements for the most recent three years.
- E. \$1,500.00 Application Fee – Check made payable to the “California Enterprise Development Authority.”

VII. CERTIFICATION

I hereby represent that all information contained in this documentation and attachments are true and correct to the best of my knowledge.

Date: _____

Signature: _____

Print Name: _____

Title: _____

SUBMIT THIS APPLICATION AND ATTACHMENTS TO:

California Enterprise Development Authority

Attn: Michelle Stephens, Program Manager
Address: 550 Bercut Drive, Suite G, Sacramento, California 95814
Telephone: (916) 448-8252, Ext. 12
Fax: (916) 448-3811
E-mail: michelle@caled.org
Website: www.caled.org/edfinancing/

Pre-Application Number:

ATTACHMENT A: DESCRIPTION OF PROJECT

The project is to refinance the existing indebtedness of the Progress Foundation associated with the above mentioned properties utilizing tax-exempt financing.

ATTACHMENT B: DESCRIPTION OF APPLICANT

Please provide a brief history of the development of the business; and current and future business activities.

Progress Foundation is a non-profit agency dedicated to providing community-based residential treatment and supported housing programs as alternatives to institutional treatment for individuals with mental disabilities.

Founded in 1969, the agency has been a pioneer in the development of rehabilitation and recovery programs for mental health clients in the counties of San Francisco, Napa and most recently, Sonoma. Progress Foundation programs are designed to encourage and support active participation of the clients in an effort to achieve the highest possible level of independence and self-determination.

The programs work with adults, 18 and older. Services are specifically targeted to respond to the needs of individuals who are considered severely disabled due to mental illness and co-occurring substance abuse. Program services and staffing reflect a strong commitment to diversity and an awareness of the critical importance of cultural, ethnic, linguistic and social issues in the provision of effective community mental health services.

What We Do:

At Progress Foundation we do not believe that treatment is something that only occurs in a 50 minute session or with a prescription; we believe that treatment for serious mental illness and the associated social challenges should occur in a uniquely planned social-relational milieu. The social rehabilitation model of treatment used by Progress Foundation uses everyday activities and normalized interactions as an opportunity to teach and practice new skills and build trusting, healthy relationships. These relationships with a well-trained staff carried out in a small home environment provide the core therapeutic experience for clients. The residential treatment programs are in single family homes and the programs are operated cooperatively by staff and clients. All residential programs are staffed 24 hours a day, 7 days a week. The Supported Living Program, where clients live independently, provides case management days and evenings, and also has a case manager on-call 24 hours a day, 7 days a week to respond to emergencies.

Staff members provide counseling, individual and group experiences for client personal growth, assistance in developing social networks and sources of financial support, and crisis intervention. An everyday activity like preparing and sharing a meal together is an opportunity for clients to not only find validation in completing an important task, but also provides an environment where problems and solutions can be discussed in a normalized setting.

At Progress Foundation there is no category of client that is turned away, we serve whoever is in jeopardy of being institutionalized due to their mental illness. This means we serve clients with multiple challenges, including alcohol and substance abuse, major health problems, and criminal justice histories.

Pre-Application Number:

ATTACHMENT C: SUMMARY OF PROJECT PUBLIC BENEFITS

Public benefits may include: job creation; job retention; provide innovative and/or environmentally friendly products; and/or location of the project in a "distressed" community (i.e. enterprise or empowerment zone, redevelopment project area, or an area with high rates of poverty or unemployment).

To further the Progress Foundation's mission of promoting rehabilitation and recovery for individuals with mental illness and encouraging the highest possible level of independence and self-determination for each person we serve.

We serve over 1,400 individuals each year in our San Francisco, Napa and Sonoma county programs. Progress Foundation programs are respected locally, nationally and internationally for the effective and compassionate treatment provided in our programs. Mr. Fields and his clinical team have been invited to provide consultation to mental health organizations across the United States and around the world, including Denmark, Italy and Japan.

Print Form

Introduction Form

By a Member of the Board of Supervisors or the 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 [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Request for Closed Session (attach written motion).
- 10. Board to Sit as A Committee of the Whole.
- 11. 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

Sponsor(s):

Supervisor Mark Farrell

Subject:

Issuance of Tax-Exempt Obligations - Progress Foundation

The text is listed below or attached:

Attached

Signature of Sponsoring Supervisor: *Mark S. Farrell*

For Clerk's Use Only: