



# OFFICE OF THE CONTROLLER

## CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield  
Controller

Todd Rydstrom  
Deputy Controller

Anna Van Degna  
Director of Public Finance

December 13, 2022

Supervisor Myrna Melgar  
City Hall, Room 260  
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 issuance of tax-exempt obligations (the "Obligations") by the California Enterprise Development Authority (the "Authority") on behalf of Chinese American International School, a California nonprofit public benefit corporation (the "Borrower"), to finance certain capital 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, September 7, 2021.

Pursuant to the Tax Equity and Fiscal Responsibility Act (TEFRA), to facilitate the tax exemption of interest on the Bonds the City is required to conduct a public hearing and to approve the financing by the Authority. The Office of Public Finance will hold such hearing on Friday, December 16, 2022, notice of which was published on the City's public notices page on December 9, 2022. I will advise if any public comments were heard or received through the public hearing process. The action by the Board will acknowledge that the hearing was duly held and that the financing is proceeding. The Obligations will be issued in one or more series with an aggregate principal amount not to exceed \$20 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

Opened in the basement of a University of California Extension building in 1981 with 10 enrolled students, Chinese American International School (CAIS) has grown into 3 campuses offering Preschool through 8<sup>th</sup> grade, with a total enrollment of 492 students, a teaching faculty of 69, and a staff of 34. As a dual language immersion school, CAIS seeks to build upon their community's existing mix of languages, cultures, ideas, and identities to foster an intellectually challenging and socially meaningful education. The school's stated core values include curiosity, inclusion, kindness, perseverance, and courage.

### The Project

The proceeds from the sale of the Bonds will be loaned to the Borrower for the following purposes: (i) to finance the cost of renovation, construction, installation, equipping and/or furnishing of the Borrower's educational and related facilities located at 3250 19th Avenue, San Francisco, California 94132 (the "Project"), and (ii) to pay various transaction costs and related costs.

### Financing Information

Assuming all required approvals are obtained, the Authority expects to issue the Obligations in an amount not to exceed \$20 million. Bond Counsel on the transaction is Norton Rose Fulbright US LLP.

### Public Approval Process

The City and County of San Francisco is a participating member of the Authority, a joint powers authority. The Authority is authorized to issue bonds, notes, certificates of participation, or other forms of indebtedness, including refunding previously issued debt. As noted above, federal tax law requires that the governing body of the jurisdiction in which the project is located approve the financing and the project after providing the opportunity for a duly-noticed public hearing before the Bonds may be issued on a tax-exempt basis. Your assistance with this matter is greatly appreciated. Please contact me by email or by phone at (415) 554-7693, if you have any questions or require additional information. Thank you.

Sincerely,

Keith Sevigny

Debt Specialist, Office of Public Finance