

File No. 130265

Committee Item No. 3

Board Item No. 7

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Sub-Committee

Date 04/03/2013

Board of Supervisors Meeting

Date April 9, 2013

Cmte Board

- | | | |
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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input checked="" 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 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 March 29, 2013

Completed by: Victor Young Date 4-4-13

SUBSTITUTED

3/26/13

FILE NO. 130265

RESOLUTION NO.

1 [Issuance of Tax-Exempt Obligation - French American International School - Not to Exceed
2 \$6,500,000]

3 **Resolution approving, in accordance with Internal Revenue Code, Section 147(f), the**
4 **issuance of a tax-exempt revenue obligation by the California Statewide Communities**
5 **Development Authority in an aggregate principal amount not to exceed \$6,500,000 to**
6 **finance various capital facilities owned or operated by the French American**
7 **International School.**

8
9 WHEREAS, French American International School, a California nonprofit public benefit
10 corporation (the "School"), has requested that the California Statewide Communities
11 Development Authority, a joint exercise of powers agency established pursuant to the laws of
12 the State of California (the "Authority"), issue its tax-exempt revenue obligation (the
13 "Obligation"), in an aggregate principal amount not to exceed \$6,500,000, for the purpose of
14 making a loan to the School pursuant to a plan of financing for various capital facilities as
15 more fully described below; and,

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

18 WHEREAS, The School expects to use the proceeds of the Obligation for: (1) financing
19 the construction, improvement and equipping of certain of the School's educational facilities
20 located at 150 Oak Street, San Francisco, California 94102, and at 1155 Page Street, San
21 Francisco, California 94117 (collectively, the "Facilities"), and (2) paying costs of issuance
22 related to the Obligation and other related costs (collectively, the "Project"); and,

23 WHEREAS, the owner and/or operator of all capital improvements, including
24 equipment and other costs to be financed with proceeds of the Obligation, at 150 Oak Street,
25 San Francisco, California 94102, will be the School; and,

1 WHEREAS, The owner of the building to be constructed with proceeds of the Loan, at
2 1155 Page Street, San Francisco, California 94117, will be either the School or the San
3 Francisco Unified School District, and the operator of such building will be the School; and,

4 WHEREAS, The issuance of the Obligation shall be subject to the approval of and
5 execution by the Authority of all financing documents relating thereto to which the Authority is
6 a party; and,

7 WHEREAS, The Project is located wholly within the City; and,

8 WHEREAS, The interest on the Obligation may qualify for tax exemption under Section
9 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Obligation is
10 approved by an applicable elected representative of the City in accordance with Section 147(f)
11 of the Code; and,

12 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative
13 body of the City and is therefore an "applicable elected representative" required to approve
14 the issue within the meaning of Section 147(f) of the Code and Section 9 of the Amended and
15 Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "Agreement"),
16 among the Authority and certain agencies, including the City; and,

17 WHEREAS, The Authority has requested the Board to approve the issuance of the
18 Obligation in order to satisfy the public approval requirements of Section 147(f) of the Code
19 and Section 9 of the Agreement; and,

20 WHEREAS, On December 24, 2012, the City caused a notice to appear in the San
21 Francisco Chronicle, which is a newspaper of general circulation in the City, stating that a
22 public hearing with respect to the issuance of the Obligation would be held by the City's Office
23 of Public Finance on January 9, 2013; and,

1 WHEREAS, The City's Office of Public Finance held the public hearing described
2 above on January 9, 2013, and an opportunity was provided for persons to comment on the
3 issuance of the Obligation and plan of financing the Project; and,

4 WHEREAS, The Director of Public Finance recommends approval of the issuance of
5 the Obligation 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 Obligation by the Authority; and, be it

11 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
12 Resolution constitute approval of the issuance of the Obligation by the applicable elected
13 representative of the governmental unit having jurisdiction over the area in which the Project
14 is located, and on behalf of which the Obligation is being issued, for purposes of and in
15 accordance with Section 147(f) of the Code and Section 9 of the Agreement; and, be it

16 FURTHER RESOLVED, That the approval by the City of the issuance of the Obligation
17 by the Authority is neither an approval of the underlying credit of the School or of the
18 proposed Project nor an approval of the financial structure of the Obligation; and neither the
19 City, nor any department thereof, shall have any responsibility or liability whatsoever with
20 respect to the Obligation or the Project; and, be it

21 FURTHER RESOLVED, That the Obligation shall not constitute a debt or obligation in
22 any respect of the City and the payment of the principal, prepayment premium, if any, and
23 interest on the Obligation shall be solely the responsibility of the School; and, be it

24 FURTHER RESOLVED; That the adoption of this Resolution shall not obligate the City
25 or any department of the City to (i) provide financing to the School for the construction,

1 improvement and equipping of the Facilities or to issue the Obligation for purposes of such
2 financing; (ii) make any contribution or advance any funds to the Authority; or (iii) approve any
3 application or request for, or take any other action in connection with, any environmental,
4 General Plan, zoning or any other permit or other regulatory action sought in connection with
5 the Project; and, be it

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

10 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
11 adoption.

12
13 APPROVED AS TO FORM:

14
15 DENNIS J. HERRERA
CITY ATTORNEY

16
17 BY:


18 KENNETH DAVID ROUX
Deputy City Attorney



2014-15 Budget - Supplemental - Statewide - 10/15/14

501(c)(3) Nonprofit Bond Application

APPLICANT INFORMATION

Application Number: **2012089**

Name of Borrower: **French American International School**

Primary Contact: **Aaron Levine**

Title: **Chief Financial Officer**

Street Address: **150 Oak Street Suite: _____**

City: **San Francisco** State: **CA** Zip Code: **94102**

Telephone Number: **(415) 558-2039**

Fax Number: **(415) 558-2033**

E-mail: **aaronl@frenchamericansf.org**

Type of Entity: For-profit Corporation Non-profit Corporation
 Municipality Partnership
 Other (specify): _____

Date Organized: **1962**

PROJECT INFORMATION

Type of Project: Small Issue Public Benefit Project

Health Care: Continuing Care Clinic Hospital Assisted Living
 Skilled Nursing Other (specify): _____

Education: K-12 Colleges/Universities

Other: Museum/Cultural Other (specify): _____

Project/Facility Name: **Early Childhood Center**

Street Address: **1155 Page Street**

City: **San Francisco** State: **CA** Zip Code: **94117**

County: **San Francisco**

Is Project located in unincorporated part of the County? **No**

Has the city or county in which the project is located been contacted? If so, please provide name, title, telephone number and e-mail address of the person contacted:

Contact Name: _____

Title: _____

Phone Number: _____ Ext. _____

Fax Number: _____

E-mail: _____



501(c)(3) Nonprofit Bond Application

FINANCING INFORMATION

Principal Amount:	\$6,500,000
Tax-exempt Amount:	\$6,500,000
Taxable Amount:	\$0
Proposed Closing Date: 12/31/2012	
Maturity: 28 Years	Interest Rate Mode: <input checked="" type="checkbox"/> Fixed <input type="checkbox"/> Variable
Type of Offering: <input type="checkbox"/> Public Offering	<input checked="" type="checkbox"/> Private Placement
Denominations: 25000	
Type of Financing: <input type="checkbox"/> Acquisition of Existing Facility	<input checked="" type="checkbox"/> New Construction
<input type="checkbox"/> Refunding	
Credit Enhancement: <input checked="" type="checkbox"/> None	<input type="checkbox"/> Letter of Credit
<input type="checkbox"/> FNMA(Fannie Mae)	<input type="checkbox"/> Freddie Mac
<input type="checkbox"/> Bond Insurance	<input type="checkbox"/> Other (specify): _____
Name of Credit Enhancement Provider or Private Placement Purchaser: N/A	
Expected Rating: <input checked="" type="checkbox"/> Unrated	<input type="checkbox"/> S & P _____
<input type="checkbox"/> Moody's _____	<input type="checkbox"/> Fitch _____

PRINCIPAL FINANCE TEAM INFORMATION

UNDERWRITER/PLACEMENT AGENT	BOND COUNSEL
Firm: First Republic Bank	Firm: SIDLEY AUSTIN
Contact: Jeff Winkel	Contact: Gerald McGovern
Address: 111 Pine Street San Francisco, CA 94111	Address: 555 California Street San Francisco, CA 94104
Telephone: (415) 262-4126	Telephone: (415) 772-1200
Fax: (415) 296-5708	Fax: (415) 772-1200
E-mail: jwinkel@firstrepublic.com	E-mail: gmcgovern@sidley.com



2015-2016 Fiscal Year - January 1, 2015 to December 31, 2016

501(c)(3) Nonprofit Bond Application

PRINCIPAL FINANCE TEAM INFORMATION (continued)

FINANCIAL ADVISOR		REBATE ANALYST	
Firm:	N/A	Firm:	TBD
Contact:		Contact:	
Address:		Address:	
Telephone:		Telephone:	
Fax:		Fax:	
E-mail:		E-mail:	

ADDITIONAL INFORMATION REQUIRED

Please provide the following information as additional attachments:

<u>Attachment</u>	<u>Description of Information</u>
A	\$5,000 non-refundable* issuance fee deposit payable to "California Communities."
B	Detailed Applicant History.
C	Description of project or each facility to be financed or refinanced.
D	Address of each facility to be financed or refinanced.
E	Evidence of credit enhancement or intent to purchase bonds.
F	List of outstanding tax-exempt debt.
G	Financial statements for last complete fiscal year.
H	Project Costs (Sources and Uses of Proceeds).
I	Interested Parties List.

*Refundable only if financing not approved. Small Issue Program issuance fee deposit is \$2,500.

MAILING ADDRESS

California Communities®
 2033 N. Main St., Suite 700
 Walnut Creek, CA 94596

Application Number: **2012089 - French American International School**
Name of Borrower: **French American International School**
Facility/Project #1: **Early Childhood Center**

PUBLIC BENEFITS (continued)

WORKFORCE

Employment Creation

Job Type/Description

During
Construction

Post
Construction

Teachers

0

3

Construction

12

0

GOVERNMENTAL INFORMATION

Congressional District #

State Senate District #

State Assembly District #

3

13

TEFRA SCRIPT
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
ISSUANCE OF TAX-EXEMPT OBLIGATIONS FOR FRENCH AMERICAN
INTERNATIONAL SCHOOL FINANCING AND REFINANCING FACILITIES IN
SAN FRANCISCO, CALIFORNIA

To be read by the Office of Public Finance:

“This is a public hearing to consider the proposed issuance of tax-exempt obligations (the "Obligation") by the California Statewide Communities Development Authority (the "Authority") in an aggregate principal amount not to exceed six million five hundred thousand dollars. Proceeds of the Obligation will be loaned to French American International School, 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 "School"), pursuant to a master loan agreement (the "Master Loan Agreement"). The School plans to use the proceeds of the Obligation to: (1) finance various capital improvements made with respect to certain educational facilities located at 1155 Page Street, San Francisco, California 94117 and at 150 Oak Street, San Francisco, California 94102, including the construction, improvement and equipping of such facilities, equipment acquisition and related costs, all located at the above locations; and (2) payment of costs of issuance related to the Obligation and other related costs (collectively, the "Projects"). The owner and operator of all capital improvements, including equipment and other costs to be financed with proceeds of the Loan, at 150 Oak Street, San Francisco, California 94102, will be the Borrower. The owner of the building to be constructed with proceeds of the Loan, at 1155 Page Street, San Francisco, California 94117, will be either the Borrower or the San Francisco Unified School District, and the operator of such building will be the Borrower.

“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 Projects.”

“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: Wednesday, January 9, 2013.



Aaron J. Levine, CFO
French-American



Preston Swapp



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 13, 2013

Supervisor London Breed
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 Breed:

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 Statewide Communities Development Authority (the "Authority") on behalf of the French American International School (the "Corporation" or the "School"), 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 19, 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 Wednesday, January 9, notice of which was published in the *San Francisco Chronicle* on December 24, 2012. 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 \$6.5 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 French American International School was founded in February 1962 and originally known as the French-American Bilingual School. The School currently operates as an independent pre-kindergarten through 12th grade school with over 1,000 students.

The Project

The proceeds of the Obligations will be loaned to the School to: (1) finance various capital improvements made with respect to certain educational facilities located at 1155 Page Street, San

Francisco, California 94117 and at 150 Oak Street, San Francisco, California 94102, including the construction, improvement and equipping of such facilities, equipment acquisition and related costs, all located at the above locations; and (2) payment of costs of issuance related to the Obligation and other related costs (collectively, the "Projects").

Financing Information

Assuming all required approvals are obtained, the Authority expects to issue tax-exempt obligations in an amount not to exceed \$6.5 million. Bond Counsel on the transaction is Sidley Austin 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
Kenneth Roux, Deputy City Attorney

Attachments