



**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