

File No. 130827

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: 09/25/2013

Board of Supervisors Meeting

Date: _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| <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 type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <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 type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Victor Young Date: September 20, 2013
 Completed by: Victor Young Date: _____

1 [Issuance of Tax-Exempt Obligation - The Hamlin School - Not to Exceed \$22,000,000]

2
3 **Resolution approving, in accordance with Internal Revenue Code, Section 147(f), of the**
4 **issuance of a tax-exempt revenue obligation by the California Enterprise Development**
5 **Authority in an aggregate principal amount not to exceed \$22,000,000 to refinance**
6 **various capital facilities owned and operated by The Hamlin School.**

7
8 WHEREAS, The Hamlin School, a California nonprofit public benefit corporation (the
9 "School"), has requested that the California Enterprise Development Authority, a joint exercise
10 of powers agency established pursuant to the laws of the State of California (the "Authority"),
11 issue its tax-exempt revenue obligation (the "Obligation"), in an aggregate principal amount
12 not to exceed \$22,000,000, for the purpose of making a loan to the School pursuant to a plan
13 of refinancing for various capital facilities as more fully described below; and

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

16 WHEREAS, The School expects to use the proceeds of the Obligation for: (1)
17 refinancing the \$20,000,000 ABAG Finance Authority for Nonprofit Corporations Revenue
18 Bonds (The Hamlin School) Series 2007 (the "Prior Bonds"), which were used to finance or
19 refinance the renovation and reconstruction of certain K-8 educational facilities located at
20 2120 Broadway, San Francisco, California 94115, and the purchase and acquisition of, and
21 improvements to, the land located at 2124 Broadway, San Francisco, California 94115
22 (collectively, the "Facilities"), and (2) paying costs of issuance related to the Obligation and
23 other related costs (collectively, the "Project"); and

1 WHEREAS, The owner and/or operator of all capital improvements, including
2 equipment and other costs to be financed with proceeds of the Obligation will be the School;
3 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
11 147(f) 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

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

18 WHEREAS, On August 6, 2013, the City caused a notice to appear in the San
19 Francisco Chronicle, which is a newspaper of general circulation in the City, stating that a
20 public hearing with respect to the issuance of the Obligation would be held by the City's Office
21 of Public Finance on August 21, 2013; and

22 WHEREAS, The City's Office of Public Finance held the public hearing described
23 above on August 21, 2013, and an opportunity was provided for persons to comment on the
24 issuance of the Obligation and plan of financing the Project; and

1 WHEREAS, The Director of Public Finance recommends approval of the issuance of
2 the Obligation pursuant to Chapter 43, Article 9, Section 5 of the Administrative Code; now,
3 therefore, be it

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

6 FURTHER RESOLVED, That this Board hereby approves the issuance of the
7 Obligation by the Authority; and, be it

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

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

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

21 FURTHER RESOLVED, That the adoption of this Resolution shall not obligate the City
22 or any department of the City to (i) provide financing to the School for the repayment of the
23 Prior Bonds or to issue the Obligation for purposes of such financing; (ii) make any
24 contribution or advance any funds to the Authority; or (iii) approve any application or request
25

1 for, or take any other action in connection with, any environmental, General Plan, zoning or
2 any other permit or other regulatory action sought in connection with the Project; and, be it
3 FURTHER RESOLVED, That the Controller and the Director of the Office of Public
4 Finance and any other proper officers of the City are hereby authorized and directed to
5 execute such other agreements, documents and certificates, and to perform such other acts
6 as may be necessary or advisable to effect the purposes of this Resolution, and, be it

7 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
8 adoption.

9
10 APPROVED AS TO FORM:

11 DENNIS J. HERRERA
12 CITY ATTORNEY

13 BY: Kenneth David Roux
14 KENNETH DAVID ROUX
15 Deputy City Attorney
16
17
18
19
20
21
22
23
24
25



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

Nadia Sesay
Director
Office of Public Finance

August 30, 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 Statewide Communities Development Authority (the "Authority") on behalf of the Town School for Boys (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, September 3, 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, August 21, 2013, notice of which was published in the *San Francisco Chronicle* on August 6, 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 \$22.0 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 Hamlin School is an independent, lower and middle school for girls in kindergarten through eighth grade located in the Pacific Heights neighborhood of San Francisco. Hamlin has educated girls in the San Francisco Bay area for over 144 years. It currently serves approximately 400 students.

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

NOTICE IS HEREBY GIVEN that on August 21, 2013, a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), will be held with respect to a proposed loan to be made by First Republic Bank (the "Bank"), in an amount not to exceed \$22,000,000 (Twenty-Two Million Dollars) (the "Loan"), the interest on which is intended to be federally tax-exempt and exempt from State of California personal income taxes, to the California Enterprise Development Authority (the "Authority"), which will simultaneously reloan the proceeds of the Loan to The Hamlin School, a California nonprofit public benefit corporation (the "Borrower"), pursuant to a Master Loan Agreement (the "Master Loan Agreement"), among the Authority, the Bank and the Borrower.

Proceeds of the Loan will be applied by the Borrower to refinance the renovation and reconstruction of certain K-8 educational facilities located at 2120 Broadway, San Francisco, California 94115, and the purchase and acquisition of, and improvements to, the land located at 2124 Broadway, San Francisco, California 94115. The owner and operator of all capital improvements, including equipment and other costs to be refinanced with proceeds of the Loan, at the above-described facilities at the above-described locations, has been and will be the Borrower.

The hearing will commence at 2:00 p.m. on August 21, 2013, 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 Loan will be paid entirely from payments by the Borrower under the Master Loan Agreement. Neither the full faith and credit nor the taxing power, if any, of the City and County of San Francisco (the "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 Loan, 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 Loan.

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 proposed refinancing may either 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 August 21, 2013. 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 6th day of August, 2013

CITY AND COUNTY OF SAN FRANCISCO

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 _____

8/6/13

To _____

8/6/13

Namely on _____

8/6/13

(Dates of Publication)

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

Executed on _____

8/8/13

At San Francisco, California

[Signature]

TEFRA SCRIPT
CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY ISSUANCE OF TAX-
EXEMPT OBLIGATIONS FOR THE HAMLIN 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 "Obligations") by the California Enterprise Development authority (the "Authority") in an aggregate principal amount not to exceed \$22,000,000. Proceeds of the Obligations will be loaned to The Hamlin 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 Obligations to refinance the renovation and reconstruction of certain K-8 educational facilities located at 2120 Broadway, San Francisco, California 94115, and the purchase and acquisition of, and improvements to, the land located at 2124 Broadway, San Francisco, California 94115 (collectively, the "Projects"). The owner and operator of all capital improvements, including equipment and other costs to be refinanced with proceeds of the Loan, at the above-described facilities at the above-described locations, has been and will be the Borrower.

“Today’s hearing is intended to comply with the public approval requirements of Internal Revenue Code Section 147(f).”

“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 Obligations to finance and/or 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?”

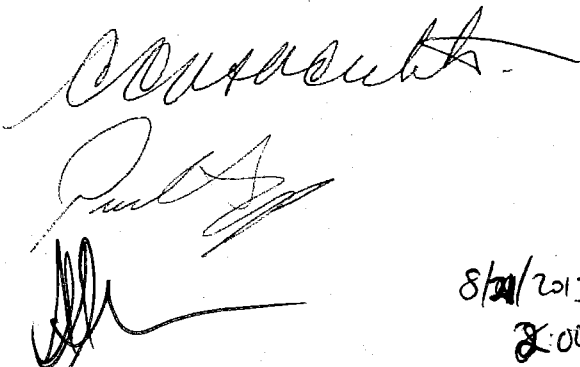
[WAIT TO SEE IF ANY MEMBER OF THE AUDIENCE WISHES TO SPEAK AND, IF SO, GIVE EACH OF THEM THE OPPORTUNITY TO DO SO, WITHIN THE USUAL TIME LIMITS ALLOWED.]

“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, August 21, 2013.



8/21/2013
2:00 PM

Pre-Application Number:

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Project Pre-Application for Bond Financing

I. APPLICANT PROFILE

Applicant/Borrower [Could be a Trust, Partnership, LLC or LLP, or individual(s)]			
Name:	The Hamlin School		
Street Address:	2120 Broadway Street		
City:	San Francisco	State:	CA
Zip:	94115	NAICS Code	
Contact Name:	Cristina Casacuberta	Title:	Director of Finance and Operations
Phone:	415-674-5417	Fax :	415-674-5418
E-mail:	casacuberta@hamlin.org		

Business Specifics - Applicant/Borrower					
Current # of Full-time Employees: 72	California	72	Companywide	72	
<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

Occupant/User (If different from Applicant/Borrower)			
Name:			
Street Address:			
City:		State:	
Zip:		NAICS Code	
Contact Name:		Title:	
Phone:		Fax :	
E-mail:			

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

Pre-Application Number:

Financial Advisor/Underwriter Contact (if known)			
Name:	First Republic Bank		
Street Address:	111 Pine Street		
City:	San Francisco,	State: CA	Zip 94111
Contact Name:	Jeff Winkel	Title:	Managing Director
Phone:	415-262-4126	Fax :	
E-mail:	jwinkel@firstrepublic.com		

Loan Bond Counsel (if known)			
Firm Name:	Sidley Austin LLP		
Street Address:	555 California Street		
City:	San Francisco	State: CA	Zip 94104
Contact Name:	Gerald J. McGovern	Title:	Partner
Phone:	415-772-1215	Fax :	415-772-7400
E-mail:	gmcgovern@sidley.com		

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

Pre-Application Number:

II. PROJECT SITE LOCATION(S)

Project Site 1:					
Street Address:	2120 Broadway Street				
City:	San Francisco	State:	CA	Zip:	94115
County:	U.S.A.				
Current # Full-time Employees at this Site: 72					
Full-time Jobs to be Created or Retained at this Site: 0			Jobs Retained at new site New Jobs Created approx. 0		

Project Site 2:					
Street Address:					
City:		State:		Zip:	
County:					
Current # Full-time Employees at this Site:					
Full-time Jobs to be Created or Retained at this Site:					

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:

	Total Project Budget (\$):	Project Budget Paid from Bond Proceeds (\$):
Land Acquisition		
Building(s)		
Facility Improvements		
New Construction		
New Machinery & Equipment		
Architectural & Engineering		
Legal & Professional		
Financing Costs (Costs of Issuance)		
Other: Refinancing	Less than \$21,000,000	Less than \$21,000,000
Total:	Less than \$21,000,000	Less than \$21,000,000

Pre-Application Number:

V. ADDITIONAL INFORMATION

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

Attachments:

- A. Brief 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

By signing below the borrower is agreeing to all of the California Enterprise Development Authority's Policies & Procedures found on its website.

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

Date: July 23, 2013

Signature: _____

Print Name: Cristina Casacuberta

Title: Director of Finance and Operations

SUBMIT THIS APPLICATION AND ATTACHMENTS TO:

California Enterprise Development Authority

Attn: CEDA
Address: 550 Bercut Drive, Suite G, Sacramento, California 95811
Telephone: (916) 448-8252
Fax: (916) 448-3811
E-mail: michelle@caled.org
Website: www.ceda.caled.org

Pre-Application Number:

ATTACHMENT A: DESCRIPTION OF PROJECT

This project entails the refinancing of the currently outstanding balance of the \$20,000,000 ABAG Finance Authority of Nonprofit Corporations Revenue Bonds (The Hamlin School), the proceeds of which bonds financed or refinanced various capital improvements made to certain K-8 educational facilities in 2120 Broadway and 2124 Broadway.

These improvements included the refinancing of existing debt incurred prior to 2007 primarily for capital projects (\$8m), the purchase of additional land on 2124 Broadway (\$10m) and improvements made to that land for educational program purposes (\$2m).

Pre-Application Number:

ATTACHMENT B: DESCRIPTION OF APPLICANT

The Hamlin School is the oldest non-sectarian school for girls in the western United States, serving 400 students from 40 zip codes throughout the Bar Area. With a tradition that dates back to 1863, Hamlin is one of San Francisco's finest independent schools.

The Hamlin School educates girls to meet the challenges of their time and inspires them to become extraordinary thinkers and innovators, courageous leaders and women of integrity.

Pre-Application Number:

ATTACHMENT C: SUMMARY OF PROJECT PUBLIC BENEFITS

The savings from this refinancing would be used to offer additional financial assistance to families that need it, in addition to contain tuition increases which would benefit all families whose daughters attend The Hamlin School.

