



# OFFICE OF THE CONTROLLER

## CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield  
Controller

Todd Rydstrom  
Deputy Controller

Anna Van Degna  
Director of Public Finance

November 30, 2021

Supervisor Dean Preston  
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 Preston:

Thank you for agreeing to introduce the Board of Supervisors resolution approving, for the purposes of the Internal Revenue Code, the proposed issuance of qualified 501(c)(3) bonds ("Obligations") by the California Enterprise Development Authority ("Issuer") on behalf of National Center for International Schools ("NCIS", or "Borrower") to finance and/or refinance certain capital improvements to educational and related 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, November 30, 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 held such hearing on Tuesday, November 23, 2021, notice of which was published on the City's public notices page on November 16, 2021. No public comments were heard or received through the public hearing process, but any comments received timely by the Office of Public Finance will be forwarded to the relevant Board Committee for consideration when this item is heard. The action by the Board will acknowledge that the hearing was duly held and that the financing is proceeding. I have performed a limited due diligence review of information pertaining to the proposed financing that I have summarized below.

### The Borrower

NCIS was organized in 1992 by the French American International School, a California nonprofit public benefit corporation ("French American School") and the Chinese American International School, a California nonprofit public benefit corporation ("Chinese American School"). The Borrower was organized to hold the real property located at 150 and 151 Oak Street and 289 Fell Street in San Francisco, California (the "Property"). The Property is used by the French American School and the Chinese American School in connection with their respective educational missions.

### The Project

The proposed issuance is by the California Enterprise Development Authority ("Issuer") of qualified 501(c)(3) bonds, as defined in Section 145 of the Code, in an amount not to exceed \$11,400,000 ("Obligations"), in one or more series. The proceeds of the Obligations as reissued will be deemed to be loaned by the Authority to the Borrower, and will be deemed to finance or refinance certain educational and related facilities located at 150 and 151 Oak Street, and 289 Fell Street, San Francisco, California 94102 (collectively, "Project").

The Obligations will be paid entirely from payments by the Borrower under the loan agreement relating to the Obligations. Neither the full faith and credit nor the taxing power, if any, of the City and County of San Francisco ("City"), the Authority and its members, the State of California ("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 as reissued, 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 Obligations as reissued.

The legal owner of the Project has been and will be the Borrower, and French American International School and Chinese American International School, each a California nonprofit public benefit corporation, lease the Project from the Borrower and are principal users of the Project.

#### Financing Information

Assuming all required approvals are obtained, the Authority expects to issue the Obligations in an amount not to exceed \$11.4 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 at (415) 554-4862, if you have any questions or require additional information. Thank you.

Sincerely,

Vishal Trivedi  
Bond Analyst, Office of Public Finance