

1 [Issuance of Tax-Exempt Revenue Obligations - Presidio Hill School - Not to Exceed
2 \$9,350,000]

3 **Resolution approving the issuance of tax-exempt revenue obligations by the California**
4 **Statewide Communities Development Authority for the Presidio Hill School in an**
5 **aggregate principal amount not to exceed \$9,350,000 to refinance various capital**
6 **facilities owned and operated by Presidio Hill School, a California non-profit public**
7 **benefit corporation, in accordance with Internal Revenue Code, Section 147(f).**

8
9 WHEREAS, Presidio Hill School, a California nonprofit public benefit corporation (the
10 "School"), has requested that the California Statewide Communities Development Authority, a
11 joint exercise of powers agency established pursuant to the laws of the State of California (the
12 "Authority"), issue its tax-exempt revenue obligations (the "Obligations"), in an aggregate
13 principal amount not to exceed \$9,350,000 for the purpose of making a loan to the School
14 pursuant to a plan of refinancing for various capital facilities as more fully described below;
15 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 apply the proceeds of the Obligations to (i)
19 refinance the 2011 tax-exempt loan (the "Prior Loan"), issued pursuant to a Master Loan
20 Agreement, among the Authority, First Republic Bank and the School, which Prior Loan
21 refinanced the California Statewide Communities Development Authority Revenue Bonds
22 (Presidio Hill School), Series 2002 (the "2002 Bonds"), which financed the School's
23 construction, renovation, expansion and equipping of the School's educational facilities
24 located at 3839 Washington Street, San Francisco, California 94118 (the "Educational
25 Facilities"), with all such work having been completed in 2003; (ii) refinance the acquisition of

1 a certain parcel of real property, and the improvements thereon (the "School Parcel"), located
2 at 233 Maple Street, San Francisco, California 94118, which property was purchased in May
3 2012 by Arguello Partners, LLC, a limited liability company (the "LLC"), of which the School is
4 the sole member (the School Parcel and together with the Educational Facilities, the
5 "Facilities" herein), and (iii) paying costs of issuance related to the Obligations and other
6 related costs (collectively, the "Project"); and

7 WHEREAS, The owner and/or operator of all capital improvements (including
8 equipment and other costs), to be refinanced with proceeds of the Obligation, has been and
9 will be the School or the LLC; and

10 WHEREAS, The issuance of the Obligations shall be subject to the approval of and
11 execution by the Authority of all financing documents relating thereto to which the Authority is
12 a party; and

13 WHEREAS, The Project is located wholly within the geographic boundaries of the City;
14 and

15 WHEREAS, The interest on the Obligation may qualify for tax exemption under Section
16 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Obligation is
17 approved by an "applicable elected representative" of the City in accordance with the Code,
18 Section 147(f); and

19 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative
20 body of the City and is therefore an "applicable elected representative" required to approve
21 the issue within the meaning of the Code, Section 147(f); and

22 WHEREAS, The Authority has requested the Board to approve the issuance of the
23 Obligation to satisfy the public approval requirements of the Code, Section 147(f); and

24 WHEREAS, On April 28, 2014, the City caused a notice to appear in the San Francisco
25 Chronicle, which is a newspaper of general circulation in the City, stating that a public hearing

1 with respect to the issuance of the Obligations would be held by the City's Office of Public
2 Finance on May 12, 2014, said declaration of publication is on file with the Office of the Clerk
3 of the Board in File No. 140570; and

4 WHEREAS, The City's Office of Public Finance held said public hearing on May 12,
5 2014, and an opportunity was provided for the public to comment on the issuance of the
6 Obligations and plan of financing the Project; and

7 WHEREAS, The Director of Public Finance recommends approval of the issuance of
8 the Obligations pursuant to the Administrative Code, Chapter 43, Article 9, Section 5, thereof;
9 now, therefore be it

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

12 FURTHER RESOLVED, That this Board hereby approves the issuance of the
13 Obligations by the Authority; and, be it

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

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

24 FURTHER RESOLVED, That the Obligations shall not constitute a debt or liability in
25 any respect of the City, no funds of the City shall be available in any respect for the

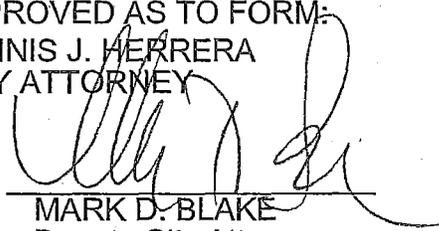
1 repayment of the Obligations, the payment of the principal, prepayment premium, if any, and
2 interest on the Obligations being solely the responsibility of the School; and, be it

3 FURTHER RESOLVED, That the adoption of this Resolution shall not obligate the City
4 or any department of the City to (i) provide financing to the School for the repayment of the
5 Prior Loan or to issue the Obligations for purposes of such financing; (ii) make any
6 contribution or advance any funds to the Authority; or (iii) approve any application or request
7 for, or take any other action in connection with, any environmental, General Plan, zoning or
8 any other permit or other regulatory action sought in connection with the Project; and, be it

9 FURTHER RESOLVED, That the Controller and the Director of the Office of Public
10 Finance and any other proper officers of the City are hereby authorized and directed, upon
11 consultation with the City Attorney, to execute such other agreements, documents and
12 certificates, and to perform such other acts as may be necessary or advisable to effect the
13 purposes of this Resolution; and, be it

14 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
15 adoption.

16
17 APPROVED AS TO FORM:
18 DENNIS J. HERRERA
19 CITY ATTORNEY

20 BY: 
21 MARK D. BLAKE
22 Deputy City Attorney

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24
25

DECLARATION OF PUBLICATION OF SAN FRANCISCO CHRONICLE

**CITY AND COUNTY OF SAN FRANCISCO
NOTICE OF PUBLIC HEARING
PURSUANT TO SECTION 147(I) 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 May 12, 2014, a public hearing as required by Section 147(I) 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 \$9,350,000 (Nine Million Three Hundred Fifty Thousand 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 Statewide Communities Development Authority (the "Authority"), which will simultaneously lend the proceeds of the Loan to Presidio Hill 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, net of issuance costs, (i) to refinance the 2011 tax-exempt loan (the "Prior Loan"), issued pursuant to a Master Loan Agreement, among the Authority, the Bank and the Borrower, which Prior Loan refinanced the California Statewide Communities Development Authority Revenue Bonds (Presidio Hill School), Series 2002 (the "2002 Bonds"), which 2002 Bonds financed the Borrower's construction, renovation, expansion and equipping of the Borrower's educational facilities located at 3839 Washington Street, San Francisco, California 94118, with all such work having been completed in 2003; and (ii) to refinance the acquisition of a certain parcel of real property, and the improvements thereon, located at 233 Maple Street, San Francisco, California 94118, which property was purchased in May 2012 by Arguello Partners, LLC, a limited liability company (the "LLC"), of which Borrower is the sole member. The owner and operator of all capital improvements (including equipment and other costs) to be financed with proceeds of the Loan, at the above-described facilities at the above-described locations, has been and will be the Borrower or the LLC.

The hearing will commence at 10:00 a.m. on May 12, 2014, 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(I) 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 May 12, 2014. 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 28th day of April, 2014.
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

4/28/14

To

4/28/14

Namely on

4/28/14

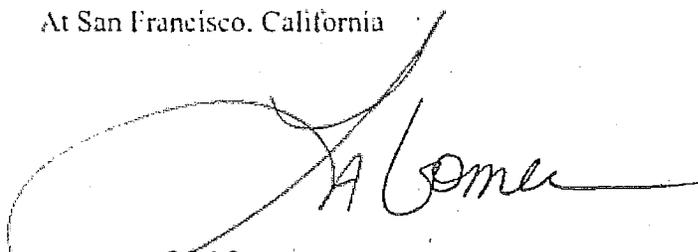
(Dates of Publication)

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

Executed on

5/13/14

At San Francisco, California



TEFRA SCRIPT
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
ISSUANCE OF TAX-EXEMPT OBLIGATIONS FOR PRESIDIO HILL SCHOOL
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 Statewide Communities Development Authority (the "Authority") in an aggregate principal amount not to exceed \$9,350,000. Proceeds of the Obligations will be loaned to Presidio Hill 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"), by and between the Authority and the School. The Corporation plans to apply proceeds of the Obligation: (1) to refinance the 2011 tax-exempt loan (the "Prior Loan"), issued pursuant to that certain Master Loan Agreement, among the Authority, First Republic Bank and the School, which Prior Loan refinanced the California Statewide Communities Development Authority Revenue Bonds (Presidio Hill School), Series 2002 (the "2002 Bonds"), which 2002 Bonds financed the School's construction, renovation, expansion and equipping of the School's educational facilities located at 3839 Washington Street, San Francisco, California 94118, all such work having been completed in 2003; (2) to refinance the acquisition of a certain parcel of real property, and the improvements thereon, located at 233 Maple Street, San Francisco, California 94118, which property was purchased in May 2012 by Arguello Partners, LLC, a limited liability company (the "LLC"), of which the School is the sole member (collectively, the "Facilities"), and (3) paying costs of issuance related to the Obligation and other related costs (collectively, the "Project"). The owner and/or operator of all capital improvements (including equipment and other costs), to be refinanced with proceeds of the Obligation, has been and will be the School or the LLC.

“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 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 [or the Applicant] prior to this hearing?

[IDENTIFY ANY SUCH WRITTEN COMMENTS OR STATE THAT NONE WERE RECEIVED, AND CONFIRM WITH APPLICANT WHETHER THEY HAVE RECEIVED ANY WRITTEN COMMENTS.]

Any written comments timely received before the Board of Supervisors meeting regarding the resolution will be forwarded to the Board for their consideration.

“The public hearing is now closed.”

Date: Monday, May 12, 2014.

Applicant Information

Primary Contact E-mail: tony@presidiohill.org

Organization

Name of Organization: **Presidio Hill School**
TIN or EIN: **94-1201211**

Primary Contact

First Name: **Tony**
Title: **Director of Finance and Operations**
Street: **3839 Washington Street**
City: **San Francisco**
Phone: **415-728-3572**
Email: **tony@presidiohill.org**

Last Name: **Morgan**

State: **California**
Ext: **102**

Suite:
Zip: **94118**
Fax: **415-751-9334**

Primary Billing Contact

Organization: **Presidio Hill School**
First Name: **Tony**
Title: **Director of Finance and Operations**

Last Name: **Morgan**

Address:

Street: **3839 Washington Street**
City: **San Francisco**
Phone: **415-728-3572**
Email: **tony@presidiohill.org**

State: **California**
Ext: **102**

Suite:
Zip: **94118**
Fax: **415-751-9334**

Project Information

Project type: **Education: K-12**

Other:

Project Name: **Refinance/Maple Street Property**

Facility #1

Facility Name: **Presidio Hill School**

Facility Bond Amount: **\$9,350,000.00**

Project Address:

Street: **3839 Washington Street**

City: **San Francisco**

State: **California**

Zip: **94118**

County: **San Francisco**

Is Project located in an unincorporated part of the County? Y N

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:

First Name: **Mary**

Last Name: **Woods**

Title: **San Francisco City Planner**

Phone:

Ext:

Fax:

Email: **Mary.Woods@sfgov.org**

Public Benefit Info

For Private School Facility Only:

Tuition assistance K-8: **785,988.00**

Tuition assistance 9-12:

Total tuition K-8: **4,980,850.00**

Total tuition 9-12:

Part reimbursed K-8:

Part reimbursed 9-12:

% students receiving 50% tuition assistance: **16.2**

Government Information

Project/Facility is in:

Congressional District #:

12

State Senate District #:

8

State Assembly District #:

19

Financing Information

Financing Information

Tax Exempt: \$ 9,350,000.00
Taxable: \$
Total Principal Amount: \$ 9,350,000.00
Maturity 30 Years

Interest Rate Mode:

Fixed Variable

Denominations: \$100,000

Type of Offering:

Public Offering Private Placement
 New Construction Acquisition of Existing Facility
 Refunding

Financing:

Credit Enhancement Letter of Credit
 None
 Other

Name of Credit Enhancement Provider or Private Placement Purchaser: N/A

Expected Rating:

Unrated

Moody's:

S&P:

Fitch:

Financing Team Information

Bond Counsel

Firm Name: Sidley Austin LLP

Primary Contact

First Name: Gerald

Title: Partner

Address:

Street: 555 California Street

City: San Francisco

Phone: 415-772-1215

Email: gmcgovern@sidley.com

Last Name: McGovern

State: California

Ext:

Suite:

Zip: 94104

Fax: 415-397-4621

Bank/Underwriter/Bond Purchaser

Firm Name: First Republic Bank

Primary Contact

First Name: Jeff

Title: Managing Director

Address:

Street: 111 Pine Street

City: San Francisco

Phone: 415-262-4126

Email: jwinkel@firstrepublic.com

Last Name: Winkel

State: California

Ext:

Suite: 10th Floor

Zip: 94111

Fax: 415-296-5708

Financial Advisor

Firm Name:

Primary Contact

First Name:

Title:

Address:

Street:

City:

Phone:

Email:

Last Name:

State:

Ext:

Suite:

Zip:

Fax:

Rebate Analyst

Firm Name:

Primary Contact

First Name:

Title:

Address:

Street:

City:

Phone:

Email:

Last Name:

State:

Ext:

Suite:

Zip:

Fax:

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

Supervisor Mark Farrell

Subject:

[Issuance of Tax-Exempt Obligations - Presidio Hill School—Not to Exceed \$9,350,000]

The text is listed below or attached:

See attached.

Signature of Sponsoring Supervisor: *Mark S. Farrell*

For Clerk's Use Only:

170570
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