

File No. 181052

Committee Item No. 4

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date November 15, 2018

Board of Supervisors Meeting

Date _____

Cmte Board

- Motion
- Resolution
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- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
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- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

- Proof of Publication
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Completed by: Linda Wong Date November 9, 2018
 Completed by: Linda Wong Date _____

1 [Issuance of Bonds - California Municipal Finance Authority - California Institute of Integral
2 Studies - Not to Exceed \$21,000,000]

3 **Resolution approving in accordance with Internal Revenue Code, Section 147(f), the**
4 **issuance of revenue bonds or a loan by the California Municipal Finance Authority (the**
5 **“Authority”) in one or more series pursuant to a plan of financing and in an aggregate**
6 **issue price not to exceed \$21,000,000 (the “Bonds”) to refinance all or a portion of**
7 **certain outstanding debt obligations that originally financed and refinanced the**
8 **acquisition, construction, improvement, equipping and furnishing of educational**
9 **facilities located at 1453 Mission Street, within the City and County of San Francisco**
10 **(the “City”), owned and managed by the California Institute of Integral Studies, a**
11 **California nonprofit public benefit corporation (the “Borrower”), in connection with the**
12 **provision of educational and other services in the City, including the instruction of**
13 **students enrolled in its undergraduate and graduate degree programs; finance**
14 **additional improvements to and equipping and maintenance of such facilities,**
15 **including, but not limited to, building waterproofing, seismic upgrades and other**
16 **campus improvements and maintenance; finance improvements to and equipping and**
17 **maintenance of certain other facilities leased, occupied and operated by the Borrower**
18 **for the provision of counseling services to residents of the City, which facilities are**
19 **located at 312 Sutter Street; pay capitalized interest on the Bonds, and pay certain**
20 **expenses incurred in connection with the issuance of the Bonds.**

21
22 WHEREAS, The California Municipal Finance Authority (the “Authority”) is authorized
23 pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and
24 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government
25 Code of the State of California, and a Joint Exercise of Powers Agreement, dated as of

1 January 1, 2004, among the Authority and certain local agencies, including the City, as
2 amended from time to time (as so amended, the "Agreement"), to issue revenue bonds and
3 other forms of indebtedness to assist nonprofit corporations to obtain financing, including tax-
4 exempt financing, for certain projects and purposes; and

5 WHEREAS, The City is a member of the Authority; and

6 WHEREAS, California Institute of Integral Studies, a California nonprofit public benefit
7 corporation (the "Borrower"), and an organization described in Internal Revenue Code Section
8 501(c)(3), has requested that the Authority issue revenue bonds or a loan, in one or more
9 series pursuant to a plan of financing and in an aggregate issue price not to exceed
10 \$21,000,000 (the "Bonds") and loan the proceeds of the Bonds to the Borrower (the "Loan")
11 to: (i) refinance all or a portion of certain outstanding debt obligations that originally financed
12 and refinanced the acquisition, construction, improvement, equipping and furnishing of
13 educational facilities located at 1453 Mission Street, within the City, owned and managed by
14 the Borrower, in connection with the provision of educational and other services in the City,
15 including the instruction of students enrolled in its undergraduate and graduate degree
16 programs, (ii) finance additional improvements to and equipping and maintenance of such
17 facilities, including but not limited to building waterproofing, seismic upgrades and other
18 campus improvements and maintenance, (iii) finance improvements to and equipping and
19 maintenance of certain other facilities leased, occupied and operated by the Borrower for the
20 provision of counseling services to residents of the City, which facilities are located at 312
21 Sutter Street, San Francisco California 94108, (iv) pay capitalized interest on the Bonds, and
22 (v) pay certain expenses incurred in connection with the issuance of the Bonds (collectively,
23 the "Project"); and

24 ///

1 WHEREAS, The Project, located at 1453 Mission Street, San Francisco, California
2 94103, and at 312 Sutter Street, San Francisco California 94108, is located within the
3 territorial limits of the City; and

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

11 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative
12 body of the City and is therefore an "applicable elected representative" required to approve
13 the Bonds within the meaning of Code Section 147(f) and is the "governing body" of the City
14 required to approve the Bonds in accordance with Section 4 of the Agreement; and

15 WHEREAS, The Authority has requested the Board to approve the issuance of the
16 Bonds by the Authority for the purposes of financing the Project in order to satisfy the public
17 approval requirements of Code Section 147(f) as applicable to the Bonds and the
18 requirements of Section 4 of the Agreement; and

19 WHEREAS, On September 14, 2018, the City caused a notice to appear in the *San*
20 *Francisco Chronicle*, which is a newspaper of general circulation in the City, stating that a
21 public hearing with respect to the issuance of the Bonds would be held by the City's Office of
22 Public Finance on September 28, 2018; and

23 WHEREAS, The Office of Public Finance held the public hearing described above on
24 September 28, 2018, and an opportunity was provided for persons to comment on the
25 issuance and sale of the Bonds in one or more series and the plan of financing of the Project,

1 and the Office of Public Finance has forwarded any comments received by such date to this
2 Board; and

3 WHEREAS, The Bonds will be limited obligations of the Authority, payable solely from
4 and secured solely by amounts received from or on behalf of the Borrower, and will not
5 constitute an indebtedness or obligation, or a pledge of the faith and credit of, the City or the
6 Authority, and

7 WHEREAS, It is intended that this resolution shall constitute the approval of the
8 issuance of the Bonds issued as tax-exempt obligations required by Code Section 147(f) and
9 the approval of the Bonds and the Project required by Section 4 of the Agreement; and

10 WHEREAS, The Director of Public Finance (the "Director") recommends approval of
11 the issuance of the Bonds pursuant to Chapter 43, Article 9, Section 5 of the Administrative
12 Code; now, therefore, be it

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

15 FURTHER RESOLVED, That this Board hereby approves the issuance of the Bonds
16 by the Authority for the purpose of financing the Project; and, be it

17 FURTHER RESOLVED, That it is the purpose and intent of this Board that this
18 Resolution constitute approval of the issuance of the Bonds by the Authority in one or more
19 series and of the plan of financing of the Project, as the applicable elected representative of
20 the governmental unit having jurisdiction over the area in which the Project is located, for
21 purposes of and in accordance with (a) Code Section 147(f) as applicable to the Bonds issued
22 as tax-exempt obligations and (b) Section 4 of the Agreement; and, be it

23 FURTHER RESOLVED, That the approval by the City of the issuance of the Bonds by
24 the Authority is neither an approval of the underlying credit of the Borrower or of the proposed
25 Project nor an approval of the financial structure of the Bonds; and neither the City, nor any

1 department thereof, shall have any responsibility or liability whatsoever with respect to the
2 Bonds or the Project; and, be it

3 FURTHER RESOLVED, That the Bonds shall not constitute a debt or obligation in any
4 respect of the City, and the faith and credit of the City is not pledged to the repayment of the
5 Bonds, and the payment of the principal, prepayment premium, if any, and interest on the
6 Bonds shall be solely the responsibility of the Borrower; and, be it

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

13 FURTHER RESOLVED, That the Controller and the Director and any other proper
14 officers of the City are hereby authorized and directed to execute such other agreements,
15 documents and certificates, and to perform such other acts as may be necessary or advisable
16 to effect the purposes of this Resolution; and, be it

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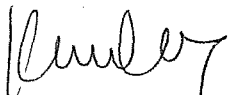
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1 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
2 adoption.

3
4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA
6 CITY ATTORNEY

7
8 By: 
9 Kenneth D. Roux
Deputy City Attorney

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**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 FINANCING of certain facilities from the sale of tax-exempt obligations NOTICE IS HEREBY GIVEN that on September 28, 2018, a public hearing required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), will be held with respect to the proposed issuance by the California Municipal Finance Authority (the "Authority") of revenue bonds or a loan (the "Bonds") in one or more series pursuant to a plan of financing and in an aggregate issue price not to exceed \$21,000,000. The Bonds will be issued for the benefit of the California Institute of Integral Studies, a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California (the "Borrower"), and exempt from tax under Section 501(c)(3) of Code. Bond proceeds will be used to (i) refinance all or a portion of certain outstanding debt obligations that originally financed and refinanced the acquisition, construction, improvement, equipping and furnishing of educational facilities located at 1453 Mission Street, within the City and County of San Francisco (the "City"), owned and managed by the Borrower, in connection with the provision of educational and other services in the City, including the instruction of students enrolled in its undergraduate and graduate degree programs; (ii) finance additional improvements to and equipping, including but not limited to building waterproofing, seismic upgrades and other campus improvements and maintenance; (iii) finance improvements to and equipping and maintenance of certain other facilities leased, occupied and operated by the Borrower for the provision of counseling services to residents of the City, which facilities are located at 312 Sutter Street, San Francisco, California 94108; (iv) pay capitalized interest on the Bonds and (v) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the "Project"). The Project is located in the City and County of San Francisco, at 1453 Mission Street, San Francisco, California 94103 and at 312 Sutter Street, San Francisco, California 94108. The hearing will commence at 10:30 a.m. on September 28, 2018, 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 Bonds are payable solely from certain revenues duly pledged therefor and generally representing amounts paid by the Borrower. Neither the full faith and credit nor the taxing power, if any, of 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 Bonds, 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 Bonds.

The public hearing is being conducted to comply with the public approval requirements of Section 147(f) of the Code.

Those wishing to comment on the proposed financing of the Project may appear in person at the public hearing or submit written comments, which must be received by the Controller's Office of Public Finance, 1 Dr. Carlton B. Goodlett Place, Room 336, San Francisco, California 94102, at or prior to the hearing on September 28, 2018. The Office of Public Finance will forward any comments received to the Board of Supervisors for their consideration and the Board of Supervisors will consider the information obtained at the public hearing and take appropriate action that it may deem warranted.

DATED this September 14, 2018.
 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 9/14/18

To 9/14/18

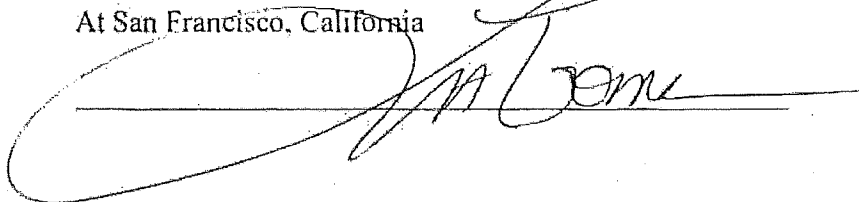
Namely on 9/14/18

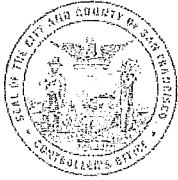
(Dates of Publication)

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

Executed on 9/14/18

At San Francisco, California





OFFICE OF THE CONTROLLER CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Anna Van Degna
Director of Public Finance

September 28, 2018

Supervisor Jane Kim
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 Kim:

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 "Bonds") by the California Municipal Finance Authority (the "Authority") on behalf of California Institute of Integral Studies, a California nonprofit public benefit corporation (the "Borrower"), to finance and/or refinance certain capital facilities owned and operated by the Borrower as summarized below. I respectfully request introduction of the resolution at the meeting of the Board of Supervisors on Tuesday, October 2, 2018.

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 Friday, September 28, 2018, notice of which was published in the *San Francisco Chronicle* on September 14, 2018. No public comments were heard or received through the public hearing process. The action by the Board will acknowledge 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 \$21 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

California Institute of Integral Studies (CIIS) is an accredited university with an enrollment (as of 2016) of nearly 1500 graduate and undergraduate students. CIIS expands the boundaries of traditional degree programs with transdisciplinary, cross-cultural, and applied studies utilizing face-to-face, hybrid, and online pedagogical approaches. CIIS was founded in 1968 by Dr. Haridas Chaudhuri as an educational branch of the Cultural Integration Fellowship, a non-profit, non-denominational religious and educational organization that promotes multicultural understanding and harmony, universal religion and creative self-development. CIIS's original emphasis on Asian religions and cultures has evolved to include comparative and cross-cultural studies in philosophy, religion, psychology, counseling, cultural anthropology, organizational studies, health studies, and the arts, as well as a bachelor's degree completion program.

The Project

The proceeds from the sale of the Bonds will be loaned to the Borrower for the following purposes: (i) refinance all or a portion of certain outstanding debt obligations that originally financed and refinanced the acquisition, construction, improvement, equipping and furnishing of educational facilities located at 1453 Mission Street, within the City and County of San Francisco (the "City"), owned and managed by the Borrower, in connection with the provision of educational and other services in the City, including the instruction of students enrolled

in its undergraduate and graduate degree programs, (ii) finance additional improvements to and equipping and maintenance of such facilities, including but not limited to building waterproofing, seismic upgrades and other campus improvements and maintenance, (iii) finance improvements to and equipping and maintenance of certain other facilities leased, occupied and operated by the Borrower for the provision of counseling services to residents of the City, which facilities are located at 312 Sutter Street, San Francisco, California 94108, (iv) pay capitalized interest on the Bonds and (v) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the "Project"). The Project is located in the City and County of San Francisco, at 1453 Mission Street, San Francisco, California 94103 and at 312 Sutter Street, San Francisco, California 94108.

Financing Information

Assuming all required approvals are obtained, the Authority expects to issue the Bonds in an amount not to exceed \$21 million. Bond Counsel on the transaction is Squire Patton Boggs 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, Office of Public Finance

Introduction Form

By a Member of the Board of Supervisors or the Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2018 OCT 30 12:18
Time stamp
of 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):

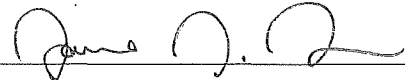
Supervisor Kim

Subject:

[Issuance of Bonds - California Institute of Integral Studies, a California nonprofit public benefit corporation -- Not to Exceed \$21,000,000]

The text is listed below or attached:

Approving in accordance with Internal Revenue Code Section 147(f) the issuance of revenue bonds or a loan by the California Municipal Finance Authority (the "Authority") in one or more series pursuant to a plan of financing in an

Signature of Sponsoring Supervisor: 

For Clerk's Use Only:

