

Committee Item No. 5  
Board Item No. 21

## AGENDA PACKET CONTENTS LIST

Date November 15, 2018

Date November 27, 2018

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input checked="" 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"/>	Youth Commission Report
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Introduction Form
<input checked="" type="checkbox"/>	<input checked="" 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

[illegible]

Date: November 9, 2018

Date November 19, 2018

1 [Issuance of Tax-Exempt Obligations - California Statewide Communities Development  
2 Authority - NCCD-Hooper Street LLC - Not to Exceed \$100,000,000]

3 **Resolution approving, in accordance with Section 147(f) of the Internal Revenue Code,**  
4 **the issuance of tax-exempt obligations by the California Statewide Communities**  
5 **Development Authority in an aggregate principal amount not to exceed \$100,000,000 to**  
6 **finance student housing facilities to be owned and/or operated by NCCD-Hooper Street**  
7 **LLC or an affiliate, to benefit California College of the Arts.**

8  
9 WHEREAS, NCCD – Hooper Street LLC, a California limited liability company (the  
10 “Borrower”) whose sole member is National Campus and Community Development, a  
11 nonprofit corporation, has requested that the California Statewide Communities Development  
12 Authority, a joint exercise of powers agency established pursuant to the laws of the State of  
13 California (the “Authority”), issue from time to time tax-exempt obligations (the “Obligation”), in  
14 an aggregate principal amount not expected to exceed \$100,000,000 for the purpose of  
15 making one or more loans (collectively, the “Loan”) to the Borrower pursuant to a plan of  
16 financing for student housing facilities as more fully described below; and

17 WHEREAS, The City and County of San Francisco (the “City”) is a member of the  
18 Authority and has entered into that certain Amended and Restated Joint Exercise of Powers  
19 Agreement relating to the Authority, dated as of June 1, 1988 (the “Agreement”) among  
20 certain local agencies, including the City; and

21 WHEREAS, The Borrower expects to use the proceeds of the Loan for the following  
22 purposes: (1) finance the acquisition, construction, furnishing and equipping of an  
23 approximately 280-unit, on-campus student housing facility to be located at 188 Hooper  
24 Street, San Francisco, California intended to benefit the California College of the Arts (“CCA”)  
25 and its students, including a food service facility intended to be used by CCA students, faculty

1 and staff; (2) fund a debt service reserve fund and capitalized interest, and (3) pay various  
2 costs of issuance and other related costs (collectively, the "Project"); and

3 WHEREAS, Application has been made to the City for authorization of the Project as a  
4 "Large Project Authorization" (as required by Section 329 of the San Francisco Planning  
5 Code) to construct a new five-story mixed-use building with 280 group housing units (student  
6 housing for CCA) and approximately 8,000 square feet of ground floor retail sales and service  
7 use; and

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

11 WHEREAS, All of the Project is and will be located within the City; and

12 WHEREAS, The interest on the Obligation may qualify for tax exemption under Section  
13 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Obligation is  
14 approved in accordance with Section 147(f) of the Code; and

15 WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative  
16 body of the City and is the applicable elected representative required to approve the issuance  
17 of the Obligation within the meaning of Section 147(f) of the Code; and

18 WHEREAS, The Authority has requested the Board to approve the issuance of the  
19 Obligation by the Authority in order to satisfy the public approval requirements of Section  
20 147(f) of the Code and the requirements of Section 9 of the Agreement; and

21 WHEREAS, On October 4, 2018, the City caused a notice to appear in the *San*  
22 *Francisco Examiner*, which is a newspaper of general circulation in the City, stating that a  
23 public hearing with respect to the issuance of the Obligation would be held by the City's Office  
24 of Public Finance on October 18, 2018; and  
25

1 WHEREAS, The Office of Public Finance held the public hearing described above on  
2 October 18, 2018, and an opportunity was provided for persons to comment on the issuance  
3 of the Obligation and the financing of the Project; and

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

8 WHEREAS, It is intended that this resolution shall constitute the approval of the  
9 issuance of the Obligation as required by Section 147(f) of the Code and the approval of the  
10 Obligation and the Project required by Section 9 of the Agreement; and

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

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

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

18 FURTHER RESOLVED, That it is the purpose and intent of this Board that this  
19 Resolution constitutes (a) approval of the issuance of the Obligation by the applicable elected  
20 representative of the governmental unit having jurisdiction over the area in which the Project  
21 is located for the purposes of and in accordance with Section 147(f) of the Code, and (b)  
22 approval of the Obligation for purposes of Section 9 of the Agreement; and, be it

23 FURTHER RESOLVED, That the approval of the issuance of the Obligation by the City  
24 is neither an approval of the underlying credit issues of the proposed Project nor an approval  
25 of the financial structure of the Obligation; and neither the City, nor any department thereof,

1 shall have any responsibility or liability whatsoever with respect to the Obligation or the  
2 Project; and be it

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

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

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

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

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  
9 BY:



Kenneth D. Roux  
Deputy City Attorney

n:\financ\as2018\9680110\01313250.docx



## OFFICE OF THE CONTROLLER CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield  
Controller

Todd Rydstrom  
Deputy Controller

Anna Van Degna  
Director of Public Finance

October 19, 2018

Supervisor Malia Cohen  
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 Cohen:

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 "Obligation") by the California Statewide Communities Development Authority (the "Authority") on behalf of Hooper Street LLC, a California limited liability company whose sole member is National Campus and Community Development, a 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 23, 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 Thursday, October 18, 2018, notice of which was published in the *San Francisco Examiner* on October 4, 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 \$100 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 College of the Arts (CCA) was founded in 1907 by Frederick Meyer to provide an education for artists and designers that would integrate both theory and practice in the arts. Meyer's vision continues to the present day. CCA educates students to shape culture and society through the practice and critical study of art, architecture, design, and writing. Benefitting from its San Francisco Bay Area location, the college prepares students for lifelong creative work by cultivating innovation, community engagement, and social and environmental responsibility. CCA is a nonprofit coeducational institution with two Bay Area campuses and an enrollment of approximately 1,500 undergraduate and 450 graduate students, offering 22 undergraduate and 13 graduate majors in the areas of fine arts, architecture, design, and writing. The San Francisco campus is located in the Potrero Hill neighborhood, next to the city's design district.

### The Project

The proceeds from the sale of the Bonds will be loaned to the Borrower for the following purposes: (i) finance the acquisition, construction, furnishing and equipping of an approximately 280-unit, on-campus student housing facility to be located at 188 Hooper Street, San Francisco, California intended to benefit the California College of the Arts ("CCA") and its students, including a food service facility intended to be used by CCA

students, faculty and staff; (ii) fund a debt service reserve fund and capitalized interest, and (iii) pay various costs of issuance and other related costs (collectively, the "Project").

#### Financing Information

Assuming all required approvals are obtained, the Authority expects to issue the Obligation in an amount not to exceed \$100 million. Bond Counsel on the transaction is Orrick, Herrington & 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, Office of Public Finance



SAN FRANCISCO EXAMINER

835 MARKET ST, SAN FRANCISCO, CA 94103  
Telephone (415) 314-1835 / Fax (510) 743-4178

This space for filing stamp only

LAUREN SOMMERHAUSER  
ORRICK HERRINGTON/SAN FRANCISCO  
405 HOWARD ST.  
SAN FRANCISCO, CA - 94105

CNS #: 3181164

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California )  
County of SAN FRANCISCO ) ss

Notice Type: LEGAL1 - LEGAL NOTICE

Ad Description:

TEFRA NOTICE - CALIFORNIA COLLEGE OF THE ARTS

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the SAN FRANCISCO EXAMINER, a newspaper published in the English language in the city of SAN FRANCISCO, county of SAN FRANCISCO, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of SAN FRANCISCO, State of California, under date 10/18/1951, Case No. 410667. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

10/04/2018

Executed on: 10/04/2018  
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

*Jim May*

Signature

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 AND/OR  
REFINANCING OF  
CERTAIN FACILITIES  
FROM THE ISSUANCE OF  
TAX-EXEMPT OBLIGA-  
TIONS

NOTICE IS HEREBY GIVEN that at 4:00 p.m. on October 18, 2018, in the City and County of San Francisco's Office of Public Finance, Room 336, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102, a public hearing (the "Public Hearing") will be held with respect to the proposed issuance of tax-exempt obligations (the "Obligation") by the California Statewide Communities Development Authority (the "Authority") in an aggregate principal amount not to exceed one hundred million dollars (\$100,000,000), pursuant to a plan of finance for student housing facilities as more fully described below.

Proceeds of the Obligation will be loaned to NCCD - Hooper Street LLC, a California limited liability company whose sole member is National Campus and Community Development, a 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), pursuant to a loan agreement (the "Loan Agreement"), by and between the Authority and the Borrower. The Borrower expects to use the proceeds of the Obligation to: (1) finance the acquisition, construction, furnishing and equipping of an approximately 280-unit on-campus student housing facility to be located at 188 Hooper Street, San Francisco, California intended to benefit the California College of the Arts ("CCA") and its students, including a food service facility intended to be used by CCA students, faculty and staff; (2) fund a debt service reserve fund and capitalized interest; and (3) pay various costs of issuance and other related costs (collectively, the "Project").

The Project is and will be owned and/or operated by the Borrower and/or CCA and used for the educational purposes thereof.

The Obligation will be paid entirely from payments by the Borrower under the 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 Obligation, 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 Obligation.

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 issuance of the Obligation, the proposed nature or location of the Project, or the plan of finance may either appear in person at the time and place indicated above or submit written comments, which must be received prior to the Public Hearing, to the City, c/o Office of Public Finance, at the address indicated above.

Date: October 4, 2018  
10/4/18  
CNS-3181164#  
SAN FRANCISCO EXAM-  
INER



Email

\* A 0 0 0 0 0 4 8 8 0 6 8 7 \*5231

**Introduction Form**

By a Member of the Board of Supervisors or Mayor

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2018 OCT 23 PM 2:50

BY [Signature] 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 [ ] inquiries"
- ☐ 5. City Attorney Request.
- ☐ 6. Call File No. [ ] from Committee.
- ☐ 7. Budget Analyst request (attached written motion).
- ☐ 8. Substitute Legislation File No. [ ]
- ☐ 9. Reactivate File No. [ ]
- ☐ 10. Topic 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 the Imperative Form.**

Sponsor(s):

Cohen

Subject:

[Issuance of Tax-Exempt Obligation – NCCD – Hooper Street LLC – Not to Exceed \$100,000,000]

The text is listed:

Resolution approving in accordance with Section 147(f) of the Internal Revenue Code the issuance of tax-exempt obligations by the California Statewide Communities Development Authority in an aggregate principal amount not to exceed \$100,000,000 to finance student housing facilities to be owned and/or operated by NCCD – Hooper Street LLC or an affiliate and to benefit California College of the Arts.

Signature of Sponsoring Supervisor:

[Signature]

For Clerk's Use Only