



OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Anna Van Degna
Director of Public Finance

June 22, 2020

Supervisor Norman Yee
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 Yee:

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 Enterprise Development Authority (the "Authority") on behalf of San Francisco Waldorf School Association, 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, June 23, 2020.

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, June 18, 2020, notice of which was published on the City's public notices page on June 11, 2020. 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 \$25 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 San Francisco Waldorf School was established in 1979 as a grade school, adding a high school in 1997. It adheres to the principles, shared by the Association of Waldorf Schools of North America (AWSNA), of spirituality and spiritual development, service, anthroposocial child development, freedom in teaching, conscious development of human relationships, collaboration and shared responsibility. The Waldorf educational movement stems from the work of Austrian philosopher Rudolf Steiner, who envisioned the human being as a threefold being of spirit, soul, and body whose capacities unfold in three developmental stages on the path to adulthood: early childhood, middle childhood, and adolescence. San Francisco Waldorf school maintains a Nursery, Grade School, High School, and Parent Child Program. It has an enrollment of nearly 500 students from Pre-K through 12th grade.

The Project

The proceeds from the sale of the Bonds will be loaned to the Borrower for the following purposes: (i) to refinance certain indebtedness that previously financed costs relating to the acquisition, construction, renovation, rehabilitation, improvement and/or equipping of its educational facilities ("Prior Project") located at 470 West Portal Ave., San Francisco, California 94127 ("High School Campus") and at 2938 Washington Street, San Francisco, California 94115 ("Lower/Middle School Campus"); (ii) to finance and/or reimburse the

Borrower for the cost of acquisition, construction, renovation, rehabilitation, improvement and/or equipping of (a) a 10,020 square foot athletic and community center located at the High School Campus, including a gymnasium, performance venue, classroom and meeting space and (b) an 1,100 square foot expansion to the Lower/Middle School Campus, including activity spaces, a kitchen area and communal space, and (c) an approximately 1,400 square foot residential property located at 460 West Portal, San Francisco, California 94127 (collectively, the “New Project” and, together with the Prior Project, the “Project”), and (iii) to pay various transaction costs and related costs.

Financing Information

Assuming all required approvals are obtained, the Authority expects to issue the Bonds in an amount not to exceed \$25 million. Bond Counsel on the transaction is Kutak Rock 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

Financial Analyst
Controller’s Office of Public Finance