



# OFFICE OF THE CONTROLLER

## CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield  
Controller

Todd Rydstrom  
Deputy Controller

Anna Van Degna  
Director of Public Finance

April 9, 2021

Supervisor Hillary Ronen  
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 Ronen:

Thank you for agreeing to introduce the Board of Supervisors resolution approving, for the purposes of the Internal Revenue Code, the proposed issuance of tax-exempt Obligations by the California Enterprise Development Authority ("Authority"), the proceeds of which will be loaned by the Authority ("Borrower Loan") to Alta Vista School, 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, April 13, 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 Friday, March 26, 2021, notice of which was published on the City's public notices page on March 17, 2021. No public comments were heard or received through the public hearing process, but any 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. The Obligations will be issued in an aggregate principal amount not to exceed \$20 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

Alta Vista School was established in 2010, by seven families and a head of school, to create a new STEAM-based independent junior kindergarten through eighth grade school in San Francisco. Starting with its first group of 18 students in August 2010, the school has grown rapidly and now has over 280 students enrolled in its Lower School and Middle School, while continuing its focus on small class size, collaboration, creativity, and progressive education with project-based learning. Social and emotional development is integrated with the daily curriculum to cultivate a community of respect and use of restorative practices to solve conflicts. According to the school, between 25%-29% of the student body identify themselves as people of color and 26% of the faculty identify themselves as people of color. Each grade actively participates in community service projects throughout the year. Such projects range from volunteering at food banks and neighborhood cleanup, to traveling to Costa Rica to help build schools.

### The Project

The proceeds of the Obligations will be loaned to the Borrower for the following purposes: (i) finance and refinance the costs relating to the acquisition, construction, renovation, rehabilitation, improvement and/or equipping of its educational facilities located at 450 Somerset Street, San Francisco, California 94134, in an amount up to \$2,000,000 (“Somerset Campus”) and 2558 Mission Street, San Francisco, California 94110 in an amount up to \$18,000,000 (“Mission Campus” and, together with Somerset Campus, the “Project”) and (ii) pay various transaction costs and related costs.

### Financing Information

Assuming all required approvals are obtained, the Authority expects to issue the Obligations in an amount not to exceed \$20 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

Bond Analyst, Office of Public Finance