



**COUNTY OF SAN LUIS OBISPO  
BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE December 15, 2020	(3) CONTACT/PHONE Ted Bench, Senior Planer (805) 781-5701	
(4) SUBJECT Request to adopt a resolution approving the issuance of tax-exempt bonds by the California Municipal Finance Authority for the Community Health Centers of the Central Coast, Inc. Exempt from CEQA. Districts 1, 2 and 4.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> <li>1. Receive public comments under the requirements of the Tax and Equity Fiscal Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended (the Code).</li> <li>2. Adopt the resolution approving the issuance of the Bonds by the CMFA for the benefit of Community Health Centers of the Central Coast, Inc. (the Borrower), to provide for the financing of the Project, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500 (et. seq.).</li> </ol>			
(6) FUNDING SOURCE(S) Planning and Building Department Budget	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) Districts 1, 2 and 4			



## COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Ted Bench, Senior Planner

VIA: Airlin Singewald, Planning Division Manager

DATE: December 15, 2020

SUBJECT: Request to adopt a resolution approving the issuance of tax-exempt bonds by the California Municipal Finance Authority for the Community Health Centers of the Central Coast, Inc. Exempt from CEQA. Districts 1, 2 and 4.

### **RECOMMENDATION**

It is recommended that the Board:

1. Receive public comments under the requirements of the Tax and Equity Fiscal Responsibility Act (TEFRA) and the Internal Revenue Code of 1986, as amended (the Code).
2. Adopt the resolution approving the issuance of the Bonds by the CMFA for the benefit of Community Health Centers of the Central Coast, Inc. (the Borrower), to provide for the financing of the Project, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500 (et. seq.).

### **DISCUSSION**

The California Municipal Finance Authority (CMFA) is a finance authority that supports economic development and charitable activities. CMFA raises funds by issuing taxable and tax-exempt bonds. Cities and counties are under no financial risk from the CMFA bonds but they must approve the issuance of the bonds for local projects. The CMFA has confirmed that placing this item on the consent agenda with a public comment period will satisfy the applicable codes for conducting a public hearing (a TEFRA hearing).

In order for all or a portion of the CMFA Bonds to qualify as tax-exempt Bonds, the County of San Luis Obispo must conduct a public hearing (the TEFRA Hearing) providing for the members of the community an opportunity to speak in favor of or against the use of tax-exempt Bonds for the financing of the Project. Prior to such TEFRA Hearing, reasonable notice must be provided to the members of the community. Following the close of the TEFRA Hearing, the Board of Supervisors must adopt the attached resolution approving the issuance of the CMFA Bonds for the financing of the Project.

The Community Health Centers of the Central Coast (CHCCC) has 15 health clinics within the County. CHCCC has requested funds from CMFA to support the five clinics at the following locations:

- 1276 Tamsen Drive, Cambria (relocate from 2515 Main St. to a larger office with expanded services)
- 150 Tejas Place, Nipomo
- 260 Station Way, Arroyo Grande
- 1330 Las Tablas Road, Templeton
- 416 Spring Street, Paso Robles

CHCCC (the borrower) has requested that the CMFA serve as the municipal issuer of the bonds in an aggregate principal amount not to exceed \$50,000,000. The proceeds of the Bonds will be used as follows: (a) approximately \$1,787,945 to finance renovations to a health clinic at 1276 Tamsen Drive in Cambria (the Cambria Project), (b) approximately \$14,276,427 to refinance a loan made by U.S. Bank, N.A. to the Borrower in 2018 to finance a health clinic at 150 Tejas Place in Nipomo (the Nipomo Project), (c) approximately \$259,345 to refinance a loan made by Pacific Premier Bank to the Borrower in 2017 to finance capital equipment a health clinic at 150 Tejas Place in Nipomo (the Nipomo Project), (d) approximately \$3,704,989 to refinance a loan made by Pacific Premier Bank to the Borrower in 2015 to finance a health clinic at 260 Station Way in Arroyo Grande (the Arroyo Grande Project), (e) approximately \$20,000,000 to refinance a loan made by the United States Department of Agriculture (the "USDA") and a related loan that is 90% guaranteed by the USDA made by Dougherty Mortgage, LLC (succeeded by Colliers International), the proceeds of which financed a health clinic located at 1330 Las Tablas Road, in Templeton, California (the Templeton Project).and (f) approximately \$5,356,981 to refinance a loan made by Pacific Premier Bank to the Borrower in 2014 to finance a health clinic at 416 Spring Street in Paso Robles (the Paso Robles Project and, with the Cambria Project, the Nipomo Project, the Arroyo Grande Project and the Templeton Project collectively, the "Project")

**OTHER AGENCY INVOLVEMENT/IMPACT**

County Counsel has reviewed and approved the attached resolution.

**FINANCIAL CONSIDERATIONS**

There is no direct or indirect financial impact to the County of San Luis Obispo as a result of this proposed financing. The CMFA will issue tax-exempt bonds on behalf of the Project. The tax-exempt bonds are payable solely out of the revenues derived by the Borrower from the applicable project. No financial obligations are place on the County for project financing costs or debt repayment.

The Board of Directors of the California Foundation for Stronger Communities, a California non-profit public benefit corporation (the "Foundation"), acts as the Board of Directors for the CMFA. Through its conduit issuance activities, the CMFA shares a portion of the issuance fees it receives with its member communities and donates a portion of these issuance fees to the Foundation for the support of local charities. With respect to the County of San Luis Obispo, it is expected that 25% of the issuance fee will be granted by the CMFA to the general fund of the County. Such grant may be used for any lawful purpose of the County.

**RESULTS**

Adoption of the attached resolution allows CMFA to issue bonds that would finance the improvement to five public health clinics and therefore would lead to a well-governed, livable community.

## **ATTACHMENTS**

- 1 Resolution Approving the Issuance of Revenue Bonds by CMFA
- 2 Location Maps