



Agenda

Tuesday, November 14, 2017

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

1. **CALL TO ORDER**
 ROLL CALL – Clerk to the Board

2. **APPROVAL OF MINUTES**
 Approval of the minutes from the November 7, 2017 regular meeting.

3. **CONSENT CALENDAR**
 A. Consideration of approving inducement resolution 17-08I for Hope on Broadway, L.P., City and County of Los Angeles; up to \$25,000,000 of revenue bonds.

4. **NEW BUSINESS**
 A. Consideration of approving resolution 17-16A for Centro De Salud De La Comunidad De San Ysidro, Inc., City of San Ysidro, County of San Diego; up to \$11,500,000 of revenue bonds. (Staff – Caitlin Lanctot)

5. **PUBLIC COMMENT**
 Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.

6. **STAFF UPDATES**

7. **ADJOURNMENT**
 Adjourn as the California Public Finance Authority.



2. **APPROVAL OF MINUTES**

Approval of the minutes from the November 7, 2017 regular meeting.



Action Summary

Tuesday, November 7, 2017

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

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1. **CALL TO ORDER**
ROLL CALL – Clerk to the Board
MEMBERS PRESENT: JOE NEVES, DOUG VERBOON, CRAIG PEDERSEN, RICHARD FAGUNDES
MEMBERS ABSENT: RICHARD VALLE

2. **APPROVAL OF MINUTES**
Approval of the minutes from the October 31, 2017 regular meeting.
ACTION: APPROVED AS PRESENTED (DV/RF/JN/CP-Aye, RV-Absent)

3. **CONSENT CALENDAR**
A. Consideration of approving an inducement resolution 17-07I:
 1. Reliant – PGBW, LP (The Plaza Senior Apartments) City of San Bernardino, County of San Bernardino, up to \$30,000,000 of revenue bonds.
 2. Reliant – PGBW, LP (The Greenery Apartments) City of Woodland, County of Yolo; up to \$20,000,000 of revenue bonds.
 3. Reliant – PGBW, LP (Bigby Villas Apartments) City of Fresno, County of Fresno; up to \$32,000,000 of revenue bonds.
 4. Reliant – PGBW, LP (Westgate Gardens Apartments) City of Fresno, County of Fresno; up to \$18,000,000 of revenue bonds.**ACTION: APPROVED AS PRESENTED (DV/RF/JN/CP-Aye, RV-Absent)**

4. **NEW BUSINESS**
A. Consideration of approving resolution 17-15A for Southeast Senior Housing Preservation, LP (E. Boyd Esters Manor Apartments), City of Compton, County of Los Angeles; up to \$12,500,000 of revenue bonds. (Staff – Caitlin Lancot)
ACTION: APPROVED AS PRESENTED (DV/JN/RV/RF/CP-Aye)

Action Summary

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5. PUBLIC COMMENT

*Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item. **None***

6. STAFF UPDATES

None

7. ADJOURNMENT

The meeting was adjourned at 11:19 a.m.



3. CONSENT CALENDAR

A. Consideration of approving inducement resolution 17-08I for Hope on Broadway, L.P., City and County of Los Angeles; up to \$25,000,000 of revenue bonds.

RESOLUTION NO. 17-08I

A RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY SETTING FORTH THE AUTHORITY'S OFFICIAL INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS TO UNDERTAKE THE FINANCING OF VARIOUS MULTIFAMILY RENTAL HOUSING PROJECTS AND RELATED ACTIONS

WHEREAS, California Public Finance Authority (the "Authority") is authorized and empowered by the Title 1, Division 7, Chapter 5 of the California Government Code to issue mortgage revenue bonds pursuant to Part 5 (commencing with Section 52000) of the California Health and Safety Code (the "Act"), for the purpose of financing multifamily rental housing projects; and

WHEREAS, the borrowers identified in Exhibit A hereto and/or related entities (collectively, the "Borrowers") have requested that the Authority issue and sell multifamily housing revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing the acquisition and rehabilitation or construction as set forth in Exhibit A, of certain multifamily rental housing developments identified in Exhibit A hereto (collectively, the "Projects"); and

WHEREAS, the Authority, in the course of assisting the Borrowers in financing the Projects, expects that the Borrowers have paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Projects within 60 days prior to the adoption of this Resolution and prior to the issuance of the Bonds for the purpose of financing costs associated with the Projects on a long-term basis; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Projects with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Projects (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and condition as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed the amount with respect to each Project set forth in Exhibit A; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued on behalf of for-profit borrowers in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (the "Committee") for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such application;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Authority hereby determines that it is necessary and desirable to provide financing for the Projects (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act, as shall be authorized by resolution of the Authority at a meeting to be held for such purpose, in aggregate principal amounts not to exceed the amounts set forth in Exhibit A. This action is taken expressly for the purpose of inducing the Borrowers to undertake the Projects, and nothing contained herein shall be construed to signify that the Projects comply with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any program participant, officer or agent of the Authority will grant any such approval, consent or permit that may be required in connection with the acquisition and construction or rehabilitation of the Projects, or that the Authority will make any expenditures, incur any indebtedness, or proceed with the financing of the Project.

Section 3. This resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures.

Section 4. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to the Committee for an allocation from the state ceiling of private activity bonds to be issued by the Authority for each of the Projects in an amount not to exceed the amounts set forth in Exhibit A, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

PASSED AND ADOPTED by the California Public Finance Authority this 14th day of November, 2017.

The undersigned, an Authorized Signatory of the California Public Finance Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on November 14, 2017.

By: _____
Authorized Signatory

EXHIBIT A

| Project Name | Project Location | Project Description (units) | New Construction/ Acquisition and Rehabilitation | Legal Name of initial owner/operator | Bond Amount |
|---------------------|---|------------------------------------|---|---|--------------------|
| Hope on Broadway | City of Los Angeles, County of Los Angeles | 50 | New Construction | Hope on Broadway, LP | \$25,000,000 |



4. NEW BUSINESS

A. Consideration of approving resolution 17-16A for Centro De Salud De La Comunidad De San Ysidro, Inc., City of San Ysidro, County of San Diego; up to \$11,500,000 of revenue bonds. (Staff – Caitlin Lanctot)



DATE: NOVEMBER 14, 2017

APPLICANT: CENTRO DE SALUD DE LA COMUNIDAD DE SAN YSIDRO, INC.

AMOUNT: UP TO \$11.5 MILLION OF A TAX EXEMPT LOAN

PURPOSE: FINANCE AND REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF HEALTH CARE FACILITIES

PRIMARY ACTIVITY: HEALTH CARE FACILITIES

LEGAL STRUCTURE: 501(C)(3) CORPORATION

Background:

Centro De Salud De La Comunidad De San Ysidro, Inc. (doing business as San Ysidro Health Center) (the “Borrower” or “SYHC”) is a community health center with a mission statement to "protect, promote, and improve the health and well-being of our community's traditionally underserved and culturally diverse people". Incorporated as a non-profit corporation in 1971, SYHC’s first clinic site was a small two room clinic with a volunteer staff of 3 nurses and 2 physicians two afternoons per week.

Today, SYHC is a Federally Qualified Health Center with a staff of over 1,200 employees. SYHC provides comprehensive primary care services (medical, dental, and behavioral health) to over 89,000 unduplicated patients annually. SYHC’s service delivery network includes medical clinics, dental clinics, behavioral health centers, HIV care centers, school-based health centers, mobile units, senior health center complex, and WIC Nutrition Centers throughout San Diego County’s South and Central/Southeastern Regions. SYHC’s main clinic campus is located in San Ysidro, just one mile from the U.S.-Mexico border. SYHC continues to grow as an organization, especially with the opening of its first PACE (Program for the All-Inclusive Care for the Elderly) site, San Diego PACE, in San Ysidro, CA (2015) and the acquisition of Chaldean Middle Eastern Social Services in El Cajon, CA (2016). The latter also results in the expansion of SYHC’s service area into San Diego County’s East County Region.

Description of Proposed Project:

The Borrower is seeking approximately \$11.5 million to finance and refinance the acquisition, construction, improvement, renovation and equipping of healthcare facilities, specifically its headquarters. The purpose of the financing is to retire an approximately \$6.5 million taxable loan used to acquire the land and existing building and to provide funds for the construction of improvements to the building as well as furnishings and equipment for the building.

TEFRA Information:

A TEFRA hearing will be held by the County of San Diego on November 14, 2017.

A TEFRA hearing was held by Kings County on November 7, 2017.

Financing Structure:

The loan will be privately placed and will mature in no more than 25 years. The fixed rate loan will be unrated and purchased by ZB, N.A. dba California Bank & Trust. The financing will comply with California Public Finance Authority's issuance policies.

Estimated Sources and Uses:

Sources:

| | | |
|------------------------------|----|----------------|
| Tax-Exempt Bond Proceeds | \$ | 10,100,000 |
| Borrower Equity Contribution | \$ | <u>824,074</u> |
| Total Sources: | \$ | 10,924,074 |

Uses:

| | | |
|--|----|--------------|
| Cost of Issuance | \$ | 218,975 |
| Refinance Taxable Loan | \$ | 6,520,000 |
| Funding of Improvements, Furnishings and Equipment | \$ | 4,180,370 |
| Rounding | \$ | <u>4,729</u> |
| Total Uses: | \$ | 10,924,074 |

Recommendations:

Based on the overall Project public benefit detailed on Attachment 1, it is recommended that the Board of Directors approve the Resolution as submitted to the Board, which:

1. Approves the issuance of the Loan;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Board or authorized signatory to sign all necessary documents.

Attachment 1

Public Benefit:

SYHC serves a predominantly Latino population with high rates of poverty, uninsured individuals and families with low education levels and non-English speaking heads of households. In 2015, SYHC served 89,662 unduplicated patients with the following demographic highlights:

- 77% of SYHC patients were Latino (69,254 / 89,662)
- 91% of patients lived at or below 200% of Federal Poverty Level (81,831 / 89,662)
- 31% of patients were uninsured (27,378 / 89,662)
- 57% of patients have Medi-Cal coverage (51,017 / 89,662)
- 36% of patients were children age >1 to 17 years old (32,314 / 89,662)

As a Federally Qualified Health Center, SYHC's primary care services are available to low income and uninsured individuals, regardless of their ability to pay. SYHC's primary care program is augmented by health promotion services (e.g., health education, adolescent health programs, early cancer detection, etc.), enabling services (e.g., transportation assistance, Affordable Care Act enrollment services, etc.), and social support services (e.g., WIC nutrition services, Family Resource Center, etc.).

RESOLUTION NO. 17-16A

CALIFORNIA PUBLIC FINANCE AUTHORITY

A RESOLUTION AUTHORIZING THE ISSUANCE OF A TAX-EXEMPT LOAN IN A PRINCIPAL AMOUNT NOT TO EXCEED \$11,500,000.00 TO FINANCE AND REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION AND EQUIPPING OF HEALTH CARE FACILITIES FOR CENTRO DE SALUD DE LA COMUNIDAD DE SAN YSIDRO, INC. (DOING BUSINESS AS SAN YSIDRO HEALTH CENTER) AND OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), Kings County and the Housing Authority of Kings County (the "Charter Members") entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Public Finance Authority (the "Authority") was organized;

WHEREAS, the County of San Diego (the "County") has joined the Authority by a resolution adopted by its Board of Supervisors and the Authority has authorized the County to become an Additional Member pursuant to the provisions of the Agreement;

WHEREAS, the Authority is authorized by its Agreement and under the Act to, among other things, issue bonds, notes or other evidences of indebtedness in connection with, and to make loans to assist in the financing of certain projects;

WHEREAS, Centro De Salud De La Comunidad De San Ysidro, Inc. (doing business as San Ysidro Health Center), a California nonprofit public benefit corporation (the "Corporation"), wishes to finance and refinance the acquisition, construction, improvement, renovation and equipping of health care facilities (the "Project") owned and operated by the Corporation and located in the County;

WHEREAS, the Corporation is requesting the assistance of the Authority in financing and refinancing the Project;

WHEREAS, pursuant to a Master Loan Agreement (the "Master Loan Agreement"), among the Authority, ZB N.A. dba California Bank & Trust (the "Purchaser") and the Corporation, the Authority will issue the California Public Finance Authority Tax-Exempt Loan ((Centro De Salud De La Comunidad De San Ysidro, Inc.) Series 2017 (the "Loan") for the purpose, among others, of financing and refinancing the Project;

WHEREAS, pursuant to the Master Loan Agreement the Authority will loan the proceeds of the Loan to the Corporation for the purpose, among others, of financing and refinancing the Project;

WHEREAS, there have been made available to the Board of Directors of the Authority the following documents and agreements:

- (1) A proposed form of the Master Loan Agreement; and
- (2) A proposed form of Assignment Agreement.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the California Public Finance Authority, as follows:

Section 1. Pursuant to the Act and the Master Loan Agreement, the Authority is hereby authorized to issue its tax-exempt loan designated as the “California Public Finance Authority 2017 Tax-Exempt Loan (Centro De Salud De La Comunidad De San Ysidro, Inc.)” in an aggregate principal amount not to exceed eleven million five hundred thousand dollars (\$11,500,000.00). The Loan shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Master Loan Agreement. The Loan shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Board of Directors of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 15-01C of the Authority, adopted on July 14, 2015 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 2. The proposed form of Master Loan Agreement, as made available to the Board of Directors, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Master Loan Agreement in substantially said form, with such changes and insertions therein as any member of the Board of Directors, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The dated date, maturity date or dates, interest rate or rates or methods of determining rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Loan shall be as provided in the Master Loan Agreement, as finally executed.

Section 3. The proposed form of the Assignment Agreement, as made available to the Board of Directors, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Assignment Agreement, in substantially said form, with such changes and insertions therein as any member of the Board of Directors, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Board of Directors of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Loan, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 5. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Board of Directors of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Loan are hereby ratified, confirmed and approved.

Section 6. Notwithstanding anything to the contrary in this Resolution, no documents referenced in this Resolution may be executed and delivered until the County of San Diego and Kings County have held the hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, if required by said Section, to provide financing and refinancing for the Project.

Section 7. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Public Finance Authority this 14th day of November, 2017.

I, the undersigned, an Authorized Signatory of the California Public Finance Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on November 14, 2017.

By: _____
Authorized Signatory
California Public Finance Authority