



Agenda

Tuesday, March 26, 2019

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 March 12, 2019 regular meeting.

3. **NEW BUSINESS**

- a. Consideration of revised CalPFA Fee Schedule (Staff – Michael LaPierre).
- b. Consideration of approving resolution 19-04A for Centro De Salud De La Comunidad De San Ysidro, Inc., City of San Ysidro, County of San Diego; up to a \$4,900,000 tax-exempt loan. (Staff – Caitlin Lanctot).

4. **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.

5. **STAFF UPDATES**

6. **ADJOURNMENT**

Adjourn as the California Public Finance Authority.



CALIFORNIA
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2. **APPROVAL OF MINUTES**

Approval of the minutes from the March 12, 2019 regular meeting.



Action Summary

Tuesday, March 12, 2019

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
ALL MEMBERS PRESENT

2. **APPROVAL OF MINUTES**

Approval of the minutes from the February 26, 2019 regular meeting.
ACTION: APPROVED AS PRESENTED (DV/RF/RV/CP/JN-Aye)

3. **NEW BUSINESS**

- a. Consideration of approving resolution 19-03A for Reliant – East Bay, LP, City of Hayward, County of Alameda, City of Hercules and City of Antioch, County of Contra Costa; up to a \$60,000,000 revenue note. (Staff – Caitlin Lanctot)
ACTION: APPROVED AS PRESENTED (DV/RF/RV/CP/JN-Aye)

4. **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***

5. **STAFF UPDATES**

None

6. **ADJOURNMENT**

The meeting was adjourned at 11:59 a.m.



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1. NEW BUSINESS

- a. Consideration of revised CalPFA Fee Schedule (Staff – Michael LaPierre).
- b. Consideration of approving resolution 19-04A for Centro De Salud De La Comunidad De San Ysidro, Inc., City of San Ysidro, County of San Diego; up to a \$4,900,000 tax-exempt loan. (Staff – Caitlin Lanctot).



**CALIFORNIA
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California Public Finance Authority Fees

Bond Program	Issuance Fee Deposit*	Issuance Fee		Annual Administration Fee****
		Up to \$20 Million	Over \$20 Million	
Affordable Housing	\$5,000	17.5 bps	\$35,000 plus 5 bps on amount over \$20 Million	5 bps**
501(c)(3) Nonprofit***	\$5,000	17.5 bps on the first \$10 million plus 5 bps on amount over \$10 million		1.5 bps
Other Exempt Facilities / Airports / Solid Waste	\$5,000	17.5 bps	\$35,000 plus 10 bps on amount over \$20 Million	5 bps
Industrial Development (IDBs)	\$5,000	\$20,000	Not Applicable	10 bps
Taxable	\$5,000	15 bps	\$30,000 plus 5 bps on amount over \$20 Million	1.5 bps
Municipal	\$5,000	12.5 bps	\$25,000 plus 2.5 bps on amount over \$20 Million	1.5 bps
Bond Program	Issuance Fee Deposit*	Issuance Fee		Annual Administration
Public Private Partnerships (Ownership)	\$5,000	45 bps (min. \$100,000)		20 bps

* Issuance Fee Deposit is due and payable upon submission of application and will be applied to the issuance fee paid at closing. Note the Authority reserves the right to retain the issuance fee deposit for projects that do not complete the bond issuance process.

** Annual Administration Fee for affordable housing bonds assessed against outstanding bond principal on interest payment date. Minimum fee for each affordable housing project is \$4,000 (note a \$1,000 annual compliance monitoring fee will replace the existing annual administration fee throughout the CDLAC compliance period after the qualified project period has expired).

*** 501(c)(3) Nonprofit Financings: issuance fee will be capped at \$75,000 per issuance.

**** California Public Finance Authority Community Benefit Program

CalPFA shares a portion of its annual administrative fee with each public agency that facilitates public hearing proceedings ("TEFRA") on behalf of CalPFA. CalPFA will share 10% of its annual administrative fee for affordable housing, industrial development or other exempt facility bond projects with each public agency over the life of the bond term. CalPFA will also share 15% of its annual administration fee for 501(c)(3) nonprofit bond projects with each public agency over the life of the bond term. See CalPFA Community Benefit Program under Policies and Fees for more details.

Kings County Based Transactions

All bond financed projects located within Kings County, CA will receive a 25% discount off the standard CalPFA Issuance Fee as stated above.



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DATE: MARCH 26, 2019

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

AMOUNT: UP TO \$4.9 MILLION 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) (the “Borrower” or “SYH”) 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, SYH’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, SYH is a Federally Qualified Health Center with a staff of over 1,200 employees. SYH provides comprehensive primary care services (medical, dental, and behavioral health) to over 89,000 unduplicated patients annually. SYH’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. SYH’s main clinic campus is in San Ysidro, just one mile from the U.S.-Mexico border. SYH 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 SYH’s service area into San Diego County’s East County Region.

Description of Proposed Project:

The Borrower is seeking approximately \$4.9 million to finance and refinance the acquisition, construction, improvement, renovation and equipping of healthcare facilities, specifically constructing improvements and making renovations to, and furnishing and equipping, the Adult Medicine and Dental Clinics (comprising approximately 17,598 square feet) at the Corporation’s Main Clinic facility located at 4004 Beyer Boulevard, San Ysidro, California.

TEFRA Information:

A TEFRA hearing will be held by the County of San Diego on March 26, 2019.

A TEFRA hearing is being held by Kings County on March 26, 2019.

Financing Structure:

The loan will be privately placed and will mature in no more than 11 ½ years. The fixed rate loan will be unrated and purchased by Zionsbancorporation, 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	\$	4,900,000
Borrower Equity Contribution	\$	<u>51,200</u>
Total Sources:	\$	4,951,200

Uses:

Cost of Issuance	\$	149,200
Funding of Improvements, Furnishings and Equipment	\$	4,800,000
Rounding	\$	<u>2,000</u>
Total Uses:	\$	4,951,000

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:

SYH 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, SYH served 89,662 unduplicated patients with the following demographic highlights:

- 77% of SYH 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, SYH's primary care services are available to low income and uninsured individuals, regardless of their ability to pay. SYH'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. 19-04A

CALIFORNIA PUBLIC FINANCE AUTHORITY

A RESOLUTION AUTHORIZING THE ISSUANCE OF A TAX-EXEMPT LOAN IN A PRINCIPAL AMOUNT NOT TO EXCEED \$4,900,000.00 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) 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), 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, Zionsbancorporation, 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 2019 (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, pursuant to Section 5852.1 of the California Government Code, the Authority, as a conduit financing provider, has received certain representations and good faith

estimates from the Corporation and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

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, executed by the Authority and accepted by the Purchaser (the “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 2019 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 (\$4,900,000.00). The Loan shall be issued and secured in accordance with the terms of the Master Loan Agreement.

Section 2. The proposed form of Master Loan Agreement, as made available to the Board of Directors, is hereby approved. Any member of the Board of Directors of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 18-01C of the Authority, adopted on December 4, 2018 (each, an “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 26th day of March, 2019.

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 and properly noticed regular meeting of the Board of Directors of the Authority, at which a quorum was acting and present throughout, held in accordance with law on March 26, 2019.

By: _____
Authorized Signatory
California Public Finance Authority

EXHIBIT A

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the “Corporation”) identified below has provided the following required information to California Public Finance Authority (the “Authority”) as conduit financing provider, prior to the Authority’s regular meeting (the “Meeting”) of its board of directors (the “Board”) at which Meeting the Board will consider the authorization of conduit revenue obligations (the “Obligations”) as identified below.

1. Name of Corporation: CENTRO DE SALUD DE LA COMUNIDAD DE SAN YSIDRO, INC., D/B/A San Ysidro Health.
2. Authority Meeting Date: March 26, 2019.
3. Name of Obligations: CALIFORNIA PUBLIC FINANCE AUTHORITY 2019 TAX-EXEMPT LOAN (CENTRO DE SALUD DE LA COMUNIDAD DE SAN YSIDRO, INC.)
4. Private Placement Lender or Bond Purchaser, Underwriter or Placement Agent (mark one) engaged by the Corporation provided the Corporation with the required good faith estimates relating to the Obligations as follows:
 - (A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 4.0639%
 - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$134,200.
 - (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$4,820,000.
 - (D) The total payment amount, which means the sum total of all payments the Corporation will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$6,311,549.
5. The good faith estimates provided above were presented to the governing board of the Corporation, or presented to X the official or officials or committee designated by the governing board of the Corporation to obligate the Corporation in connection with the Obligations or, in the absence of a governing board, presented to the official or officials

of the Corporation having authority to obligate the Corporation in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Corporation.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: March 26, 2019