

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # \*B-2

Urgent

Routine

AGENDA DATE February 9, 2016

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval to Set a Public Hearing on March 1, 2016 at 9:10 a.m., Pursuant to the Tax and Equity Fiscal Responsibility Act (TEFRA) Relating to the Proposed Issuance by the California Municipal Finance Authority of Conduit Revenue Bonds for Use by Golden Valley Health Centers

STAFF RECOMMENDATIONS:

Set a public hearing on March 1, 2016 at 9:10 a.m., pursuant to the Tax and Equity Fiscal Responsibility Act (TEFRA) relating to the proposed issuance by the California Municipal Finance Authority of conduit revenue bonds for use by Golden Valley Health Centers.

FISCAL IMPACT:

The California Municipal Finance Authority (CMFA) will handle all noticing requirements for this Tax and Equity Fiscal Responsibility Act (TEFRA) Hearing. Administrative costs of staff time associated with processing Golden Valley Health Centers' request to hold the TEFRA public hearing on their behalf for the issuance of conduit revenue bonds will be recovered from CMFA through a sharing of their issuance fee with the County when the bonds close. The payment to the County is anticipated to be approximately \$4,750.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2016-75

On motion of Supervisor Withdraw, Seconded by Supervisor O'Brien  
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withdraw, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

**FISCAL IMPACT: (Continued)**

Conduit revenue bonds are issued by public agencies in California and other states, where the proceeds of the bonds are lent to for profit or nonprofit entities to finance capital assets in accordance with the requirements of the Internal Revenue Code of 1986. These bonds are a special limited obligation of the Authority payable solely through the borrower's repayment of the loan from the Authority, which repayment is used to pay the principal and interest on the bonds. The County is in no way obligated on the debt.

**DISCUSSION:**

The CMFA was created on January 1, 2004 pursuant to a joint exercise of powers agreement to promote economic, cultural, and community development through the financing of economic development and charitable activities throughout California. The CMFA was formed to assist local governments, non-profit organizations and businesses with the issuance of taxable and tax-exempt bonds aimed at improving the standard of living in California. To date, over 200 municipalities including cities and towns, counties and special districts, have become members of CMFA. Counties comprise 31 of these municipalities and include the following near to Stanislaus County: Alameda, Contra Costa, Fresno, Kern, Kings, Monterey, Sacramento, San Bernardino, San Joaquin, Tulare and Ventura.

The Joint Exercise of Powers Agreement (JPA) permits other public agencies to become members of the Authority by adoption of a resolution authorizing membership in the Authority to be executed by the Chairman of the Board of Supervisors. The JPA agreement provides that the CMFA is a public entity, separate and apart from each member executing such agreement. The debts, liabilities and obligations of the CMFA do not constitute debts, liabilities or obligations of the members executing such agreement.

Golden Valley Health Centers requested that the CMFA serve as the municipal issuer of tax-exempt revenue bonds in an aggregate principal amount not to exceed \$9.5 million. The proceeds of the bonds will be used first to prepay an outstanding loan from Wells Fargo Bank, N.A., the proceeds of which were used to finance the construction of a primary health care center (the "Florida Suites") at 1510 Florida Avenue, Modesto, California (the "2011 Project"). In addition, the bond proceeds will also be used to finance the following:

- Renovation of the Florida Suites to create three new care suites,
- Build out of 8,100 square feet of leased space at 1200 West Main Street, Turlock, California, to be used by GVHC as a primary health care center,

Approval to Set a Public Hearing on March 1, 2016 at 9:10 a.m., Pursuant to the Tax and Equity Fiscal Responsibility Act (TEFRA) Relating to the Proposed Issuance by the California Municipal Finance Authority of Conduit Revenue Bonds for Use by Golden Valley Health Centers

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- Build out of 2,880 square feet of leased space at 5201 First Street, Empire, California, to be used by GVHC as a primary health care center,
- Acquisition and renovation of an 8,308 square foot facility at 1920 Memorial Drive, Ceres, California, to be used by GVHC as a primary health care center

Collectively, the financing proceeds of the bonds are dedicated to the “2016 Project” and, with the 2011 Project, the “Project”.

The bonds to be issued by the CMFA will be the sole obligation of the borrower, Golden Valley Health Centers; the County will not be liable for repayment of the bonds under any circumstances.

**POLICY ISSUES:**

The Board of Supervisors is asked to set the TEFRA Public Hearing in accordance with the Internal Revenue Code of 1986, and to consider that this action is in support of the Board’s priority of Effective Partnerships.

**STAFFING IMPACTS:**

Existing staff of the Debt Advisory Committee, including Chief Executive Office and County Counsel, have and will assist in completing the necessary support for the TEFRA Hearing. There are no other staffing impacts associated with this item.

**CONTACT PERSON:**

Patricia Hill Thomas, Assistant Chief Executive Officer. Telephone (209) 525-6333

**ATTACHMENTS:**

Attachment A – Notice of Public Hearing

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Tuesday, March 1, 2016, at 9:10 a.m., a public hearing, as required by section 147(f) of the Internal Revenue Code of 1986, will be held by the Board of Supervisors of the County of Stanislaus (the "County") with respect to the proposed issuance by the California Municipal Finance Authority (the "Authority") of its revenue bonds in an amount not to exceed \$9,500,000 (the "Bonds"). The proceeds of the Bonds will be loaned by the Authority to the Golden Valley Health Centers, a California nonprofit, public benefit corporation ("GVHC"), and used, in part, to

(a) prepay an outstanding loan from Wells Fargo Bank, N.A., the proceeds of which were used to finance the construction of a primary health care center (the "Florida Suites") at 1510 Florida Avenue, Modesto, California; and

(b) finance:

(i) the renovation of the Florida Suites to create three new care suites,

(ii) the build out of 8,100 square feet of leased space at 1200 West Main Street, Turlock, California, to be used by GVHC as a primary health care center,

(iii) the build out of 2,880 square feet of leased space at 5201 First Street, Empire, California, to be used by GVHC as a primary health care center, and

(iv) the acquisition and renovation of an 8,308 square foot facility at 1920 Memorial Drive, Ceres, California, to be used by GVHC as a primary health care center.

The Bonds and the obligation to pay principal of and interest thereon and any redemption premium with respect thereto do not constitute indebtedness or an obligation of the County, the Authority, the State of California or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them. The Bonds shall be a limited obligation of the Authority, payable solely from certain revenues duly pledged therefor and generally representing amounts paid by GVHC and secured by a deed of trust over certain of GVHC's property.

The hearing will commence at 9:10 a.m., or as soon thereafter as the matter can be heard, and will be held in the County-City Chambers, located in the basement of 1010 10th Street, Modesto, California. Interested persons wishing to express their views on the issuance of the Bonds or on the nature and location of the facilities proposed to be refinanced may attend the public hearing or, prior to the time of the hearing, submit written comments.

Additional information concerning the above matter may be obtained from, and written comments should be addressed to, Patricia Hill Thomas, Assistant Chief Executive Officer of the County of Stanislaus, 1010 10th Street, Suite 6800, Modesto, CA 95354 (209) 525-6333.

Date: February 9, 2016

**DECLARATION OF PUBLICATION  
(C.C.P. S2015.5)**

**COUNTY OF STANISLAUS  
STATE OF CALIFORNIA**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am a printer and principal clerk of the publisher of **THE MODESTO BEE**, which has been adjudged a newspaper of general circulation by the Superior Court of the County of STANISLAUS, State of California, under the date of **February 25, 1951, Action No. 46453**. The notice of which the annexed is a printed copy has been published in each issue thereof on the following dates, to wit:

**FEBRUARY 15, 2016**

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that this declaration was executed at **MODESTO, California** on

**FEBRUARY 15, 2016**

*Cynthia A. Adams*

(Signature)

**Notice of Public Hearing**  
NOTICE IS HEREBY GIVEN that on Tuesday, March 1, 2016, a public hearing, as required by section 147(1) of the Internal Revenue Code of 1986, will be held by the Board of Supervisors of the County of Stanislaus (the "County") with respect to the proposed issuance by the California Municipal Finance Authority (the "Authority") of its revenue bonds in an amount not to exceed \$9,500,000 (the "Bonds"). The proceeds of the Bonds will be loaned by the Authority to the Golden Valley Health Centers, a California nonprofit public benefit corporation ("GVHC"), and used, in part, to:

- (a) prepay an outstanding loan from Wells Fargo Bank, N.A., the proceeds of which were used to finance the construction of a primary health care center (the "Florida Suites") at 1510 Florida Avenue, Modesto, California; and
- (b) finance:
  - (i) the renovation of the Florida Suites to create three new care suites;
  - (ii) the build out of 8,196 square feet of leased space at 1200 West Main Street, Turlock, California, to be used by GVHC as a primary health care center;
  - (iii) the build out of 2,880 square feet of leased space at 501 First Street, Empire, California, to be used by GVHC as a primary health care center; and
  - (iv) the acquisition and renovation of an 8,308 square foot facility at 1728 Memorial Drive, Ceres, California, to be used by GVHC as a primary health care center.

The Bonds and the obligation to pay principal of and interest thereon and any redemption premium with respect thereto do not constitute indebtedness or an obligation of the County, the Authority, the State of California or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them. The Bonds shall be a limited obligation of the Authority, payable solely from certain revenues duly pledged thereto and generally representing amounts paid by GVHC and secured by a deed of trust over certain of GVHC's property.

The hearing will commence at 9:05 a.m. or as soon thereafter as the matter can be heard, and will be held in the County City Chambers, located in the basement of 1010 10th Street, Modesto, California. Interested persons wishing to express their views on the issuance of the Bonds or on the nature and location of the facilities proposed to be financed may attend the public hearing or, prior to the time of the hearing, submit written comments.

Additional information concerning the above matter may be obtained from Thomas E. Boze, Esq., Assistant County Counsel, (209) 525-4376, bozet@stancounty.com. Prior to the time of the hearing, interested persons may submit written comments addressed to the Clerk of the Board of Supervisors of the County of Stanislaus, 1019 10th Street, Suite 6700, Modesto, CA 95324.

Date: February 15, 2016  
MOD-2130513/2/15