

**COUNTY OF SAN DIEGO  
BOARD OF SUPERVISORS  
TUESDAY, OCTOBER 19, 2021**

**MINUTE ORDER NO. 18**

**SUBJECT: NOTICED PUBLIC HEARING:  
ISSUANCE OF REVENUE OBLIGATIONS BY THE CALIFORNIA  
ENTERPRISE DEVELOPMENT AUTHORITY FOR THE BENEFIT OF  
COMMUNITY HEALTH SYSTEMS, INC. IN AN AGGREGATE MAXIMUM  
AMOUNT NOT TO EXCEED \$7,000,000 (DISTRICT: 5)**

**OVERVIEW**

The County has received a request from the California Enterprise Development Authority (“CEDA” or “Authority”) to conduct a public hearing as required by the Internal Revenue Code and to approve the Authority’s issuance of one or more series of tax-exempt and/or taxable revenue obligations in an aggregate principal amount not to exceed \$7,000,000 (the “Revenue Obligations”), for the benefit of Community Health Systems, Inc. (the “Borrower”), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986. The Borrower has applied for the financial assistance of the Authority. A portion of the proceeds (not to exceed \$3,500,000) will be used to finance and refinance the cost of acquisition, construction, improvement, furnishing and equipping of property located at 1328 South Mission Road, Fallbrook, California 92028, consisting of a commercial medical office building, and paying certain costs of issuance in connection with the financing and other related costs. The remaining portion of the proceeds will be used to finance and refinance the cost of acquisition and improvements of a second commercial medical office building located outside of San Diego County.

The Authority is authorized to assist in financing of nonprofit public benefit organizations or for-profit corporations with a public benefit project wishing to issue or reissue Revenue Obligations, including the Borrower. In order to initiate such a financing, the Borrower is asking the County of San Diego, a member jurisdiction in which the project resides to: (1) conduct a public hearing to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code; and (2) approve the Authority’s reissuance of the Revenue Obligations. Although the Authority will be the issuer of the Revenue Obligations for the Borrower, the financing cannot proceed without the approval of one of the applicable legislative bodies.

Today’s recommendations will provide the Authority with the required authorization to pursue its determination to issue the Revenue Obligations on behalf of the Borrower.

**RECOMMENDATION(S)**

**CHIEF ADMINISTRATIVE OFFICER**

1. Pursuant to Section 147(f) of the Internal Revenue Code, hold a public hearing regarding the financing of the Project.

2. Adopt a Resolution entitled:

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING THE ISSUANCE BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY OF ITS REVENUE OBLIGATIONS FOR THE BENEFIT OF COMMUNITY HEALTH SYSTEMS, INC. IN AN AGGREGATE MAXIMUM STATED PRINCIPAL AMOUNT OF \$7,000,000 FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, FURNISHING AND EQUIPPING OF FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR SUCH REVENUE OBLIGATIONS AND OTHER MATTERS RELATING THERETO.

**EQUITY IMPACT STATEMENT**

California Enterprise Development Authority was established to assist in financing of nonprofit public benefit organizations or for-profit corporations with a public benefit project wishing to issue or reissue revenue obligations. The revenue obligations issued will be used to finance and refinance the cost of acquisition, construction, improvement, furnishing and equipping of property located at 1328 South Mission Road, Fallbrook, California 92028, consisting of a commercial medical office building. This facility will assist the Borrower to deliver quality healthcare services to vulnerable communities.

**FISCAL IMPACT**

If approved, the proposal will result in approximately \$1,030 of unanticipated revenue to be used to reimburse the County for costs associated with this non-County financing.

The Borrower will be responsible for the payment of all present and future costs in connection with the financing. The County will incur no obligation of indebtedness as a result of these actions.

**BUSINESS IMPACT STATEMENT**

N/A

**ACTION:**

ON MOTION of Supervisor Fletcher, seconded by Supervisor Vargas, the Board of Supervisors closed the Hearing and took action as recommended, adopting Resolution No. 21-165, entitled: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING THE ISSUANCE BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY OF ITS REVENUE OBLIGATIONS FOR THE BENEFIT OF COMMUNITY HEALTH SYSTEMS, INC. IN AN AGGREGATE MAXIMUM STATED PRINCIPAL AMOUNT OF \$7,000,000 FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, FURNISHING AND EQUIPPING OF FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR SUCH REVENUE OBLIGATIONS AND OTHER MATTERS RELATING THERETO.

AYES: Vargas, Anderson, Fletcher, Desmond

ABSENT: Lawson-Remer

State of California)  
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER  
Clerk of the Board of Supervisors



**Signed**  
**by** Andrew Potter