



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

VACANT
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: June 3, 2025

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TO: Board of Supervisors

SUBJECT

NOTICED PUBLIC HEARING (TEFRA): APPROVE THE ISSUANCE OF REVENUE AND REFUNDING BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE BENEFIT OF HUMANGOOD – CALIFORNIA OBLIGATED GROUP, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$205,000,000 OF WHICH NOT TO EXCEED \$80,000,000 IS FOR PROJECTS IN SAN DIEGO COUNTY (DISTRICTS: 3 and 5)

OVERVIEW

The County has received a request from the California Municipal Finance Authority (“CMFA” or the “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 revenue bonds in an aggregate principal amount not to exceed \$205,000,000, which includes multiple municipalities throughout California, (the “Bonds”). The County Board is being asked to approve the issuance of revenue bonds in an aggregate amount not to exceed \$80,000,000 to finance and refinance expenditures for various renovations to existing infrastructure and upgrades to housing units and amenities at the following continuing care communities owned and operated by HumanGood SoCal (the “Borrower”) and located in the County of San Diego (the “County”): White Sands located at 7450 Olivetas Avenue, La Jolla, California, 92037 and Redwood Terrace located at 710 West 13th Avenue, Escondido, California, 92025.

The Board of Supervisors previously held a Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) hearing and approved a TEFRA resolution for this financing on December 15, 2015 (22). The project has since finished construction. The Authority is seeking approval for an issuance of an amount not to exceed \$40,000,000 to finance renovations to existing infrastructure, and upgrades to housing units and amenities at White Sands La Jolla and Redwood Terrace Escondido. The Authority is also seeking approval for an amount not to exceed \$40,000,000 for the refunding of outstanding bonds related to the December 15, 2015 (22) financing. HumanGood is seeking separate TEFRA approvals from other jurisdictions for other projects within the aggregate principal amount not to exceed \$205,000,000.

The Authority is authorized to assist in financing for nonprofit public benefit organizations or for-profit corporations with a public benefit project wishing to issue revenue bonds, including the Borrower. To initiate such a financing, the Borrower is asking the County of San Diego, a member

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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 issuance of the Bonds. Although the Authority will be the issuer of the Bonds for the Borrower, the financing cannot proceed without the approval of an applicable legislative body.

Looking forward, County staff are reviewing the TEFRA administrative process and benchmarking other jurisdictions to streamline the hearing process while ensuring opportunities for the public to participate and comment. County staff plans to present the new process to the Board of Supervisors in the first quarter of the 2025-26 fiscal year.

Today's recommendations will provide the Authority with the required authorization to pursue its determination to issue the Bonds on behalf of the Borrower for the Project.

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 OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY REVENUE AND REFUNDING BONDS, SERIES 2025 (HUMANGOOD – CALIFORNIA OBLIGATED GROUP) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$205,000,000 OF WHICH NOT TO EXCEED \$80,000,000 IS FOR THE PURPOSE OF FINANCING OR REFINANCING THE CONSTRUCTION, FURNISHING AND EQUIPPING OF WHITE SANDS LA JOLLA AND REDWOOD TERRACE AND CERTAIN OTHER MATTERS RELATING THERETO

EQUITY IMPACT STATEMENT

The Authority was established to assist in financing nonprofit public benefit organizations or for-profit corporations with a public benefit project wishing to issue or reissue bonds. The Bonds issued will be used to finance and refinance expenditures for various renovations to existing infrastructure and upgrades to housing units and amenities at the continuing care communities located at 7450 Olivetas Avenue, La Jolla, California, 92037 and 710 West 13th Avenue, Escondido, California, 92025.

SUSTAINABILITY IMPACT STATEMENT

The proposed action would result in economic, social, health and wellbeing benefits for the community by allowing the Borrower to continue to provide high quality, independent, assisted living for seniors in the communities of La Jolla and Escondido. The proposed action will

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contribute to County of San Diego Sustainability Goal No. 2 by providing just and equitable access by increasing investment in underserved communities of San Diego County.

FISCAL IMPACT

If approved, the proposal will result in approximately \$991 of unanticipated revenue to be used to reimburse the County for staff costs associated with this non-County financing. There will be no change in net General Fund cost and no additional staff years.

The Borrower will be responsible for the payment of all present and future costs in connection with the issuance of the financing related to the Project. The County will incur no obligation of indebtedness as a result of today's actions.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

The Debt Advisory Committee, composed of the Chief Financial Officer, Auditor and Controller, and the Treasurer-Tax Collector, concurs with this recommendation.

BACKGROUND

California Municipal Finance Authority (“CMFA” or “Authority”)

The CMFA provides tax-exempt financing for qualified projects located throughout the State of California. The Authority's mission is to support economic development, job creation, and social programs throughout the State. By assisting nonprofit public benefit organizations and/or for-profit corporations with various tax-exempt financing programs, the Authority is able to support programs that improve the health and welfare of California residents. The Authority finances a broad range of facilities including nonprofit projects such as education, health care and cultural facilities, affordable multi-family and senior housing, manufacturing facilities and equipment, solid waste, water, wastewater treatment facilities and infrastructure projects and government sponsored financing.

HumanGood SoCal

The HumanGood family of entities is the result of the combination, via corporate affiliations and mergers, of multiple organizations with rich histories of serving older adults and their families. Two members of the California Obligated Group, HG NorCal and HG SoCal, formerly known as American Baptist Homes of the West and Southern California Presbyterian Homes, respectively, originally founded systems of life plan communities throughout the American West.

American Baptist Homes of the West began in 1949 with the establishment of Pilgrim Haven Retirement Community in Los Altos, California. American Baptist Homes of the West's original

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purpose was to provide quality housing and health care for retired ministers and missionaries but grew quickly to include older people regardless of occupation or religious affiliation. From one community serving nine residents in 1949, American Baptist Homes of the West and its affiliates expanded to 12 life plan communities in five states and 32 affordable housing communities in California and Washington.

Southern California Presbyterian Homes began in 1955 when the leaders of three Southern California presbyteries of the Presbyterian Church recognized the need for communities that would support older adults in their aging journeys. Beginning with the acquisition of properties in La Jolla and Bradbury to serve as the homes to White Sands La Jolla and Royal Oaks, the organization grew to encompass six life plan communities and 27 affordable housing communities throughout California. From 2011 to February 2017, Southern California Presbyterian Homes and its affiliates were branded as “be.group”.

American Baptist Homes of the West and Southern California Presbyterian Homes successfully affiliated in May 2016, combining to become California’s largest nonprofit provider of senior housing and services and one of the ten largest organizations of its kind in the nation. On July 10, 2017, the combined organization officially launched its new brand and trademark, HumanGood. To align with the new branding, the organization’s corporate parent was renamed “HumanGood,” American Baptist Homes of the West became “HG NorCal,” and Southern California Presbyterian Homes became “HG SoCal.”

On June 30, 2019, HumanGood became affiliated with Philadelphia Presbytery Homes and Services for the Aging (“Presby”), a senior living system based in Philadelphia that has provided senior living options to a diverse population for more than 60 years. Since Presby’s opened Rosemont, its first senior living community, in 1955, it has grown to provide continuing care and affordable housing for more than 3,000 residents ages 62 and older, across more than 30 communities throughout the greater Philadelphia area and Delaware. Upon HumanGood’s affiliation with Presby’s, John Cochrane, HumanGood’s President and CEO became the President and CEO of the Presby’s entities, and HumanGood became the sixth largest national nonprofit senior living provider in the United States.

The affiliated entities that share the HumanGood brand now serve nearly 13,000 residents in 116 communities across California, Arizona, Nevada, Washington, Idaho, Pennsylvania and Delaware.

Project

The Board of Supervisors previously held a Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) hearing and approved a TEFRA resolution for this financing on December 15, 2015 (22). The project has since finished construction. The Authority is seeking approval for an issuance of an amount not to exceed \$40,000,000 to finance renovations to existing infrastructure, and

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upgrades to housing units and amenities at White Sands La Jolla and Redwood Terrace Escondido. The Authority is also seeking approval for an amount not to exceed \$40,000,000 for the refunding of outstanding bonds related to the December 15, 2015 (22) financing. HumanGood is seeking separate TEFRA approvals from other jurisdictions for other projects within the aggregate principal amount not to exceed \$205,000,000.

The proceeds of the Bonds will be used for the (1) financing and refinancing of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of land and facilities located at the following addresses in the County of San Diego: (a) 7450 Olivetas Ave., La Jolla, California, known as White Sands La Jolla and (b) 710 West 13th Ave., Escondido, California, known as Redwood Terrace (the “San Diego Project”), and (2) paying of certain expenses incurred in connection with the issuance of the Bonds; the Project which is owned and operated by the Borrower.

Public Benefit

White Sands La Jolla and Redwood Terrace facilities will provide high quality, independent, assisted living for seniors in the communities of La Jolla and Escondido, California.

County Involvement

Section 147(f) of the Internal Revenue Code requires that an applicable elected body, with respect to the Project, hold a public hearing and approve the issuance and delivery of the Bonds. The Board of Supervisors of the County of San Diego, as an applicable elected body, is requested to (1) hold a public hearing at which all those interested in speaking with respect to the financing of the Project can be heard and (2) approve the issuance of Bonds. The Borrower shall be responsible for the payment of all present and future costs in connection with the issuance of the Bonds.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today’s proposed action supports the Community: Quality of Life Strategic Initiative in the County of San Diego’s 2025-2030 Strategic Plan by providing high quality, independent, assisted living for seniors at 7450 Olivetas Ave., La Jolla, California, known as White Sands La Jolla and 710 West 13th Ave., Escondido, California, known as Redwood Terrace.

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ebony N. Shelton', written in a cursive style.

EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

1. RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY REVENUE AND REFUNDING BONDS, SERIES 2025 (HUMANGOOD – CALIFORNIA OBLIGATED GROUP) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$205,000,000 OF WHICH NOT TO EXCEED \$80,000,000 IS FOR THE PURPOSE OF FINANCING OR REFINANCING THE CONSTRUCTION, FURNISHING AND EQUIPPING OF WHITE SANDS LA JOLLA AND REDWOOD TERRACE AND CERTAIN OTHER MATTERS RELATING THERETO
2. NOTICE OF PUBLIC HEARING
3. PROJECT APPLICATION FOR BONDS