



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

DATE: April 26, 2022

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TO: Board of Supervisors

SUBJECT

NOTICED PUBLIC HEARING: ISSUANCE OF REVENUE OBLIGATIONS BY THE CALIFORNIA PUBLIC FINANCE AUTHORITY FOR THE BENEFIT OF CENTRO DE SALUD DE LA COMUNIDAD DE SAN YSIDRO, INC. (DBA SAN YSIDRO HEALTH) IN AN AGGREGATE MAXIMUM AMOUNT NOT TO EXCEED \$28,000,000 (DISTRICT: 1)

OVERVIEW

The County has received a request from the California Public Finance Authority (“CalPFA” 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 revenue obligations in an aggregate principal amount not to exceed \$28,000,000 (the “Obligations”), for the benefit of Centro de Salud de la Comunidad de San Ysidro, Inc. dba San Ysidro Health, a California non-profit community health center (the “Borrower” or “SYH”). The Borrower has applied for the financial assistance of the Authority. The proceeds of the Obligations will be used to finance, refinance and/or reimburse the cost of the acquisition, construction, improvement, equipping and furnishing of facilities, including but not limited to (1) an approximately 23,780 square foot, one-story medical office building occupied and used by the Corporation to operate a Program of All-Inclusive Care for the Elderly (PACE) located at 880 Third Avenue, Chula Vista, California 91911; (2) a community health clinic known as the Maternal & Child Health Center located at 4050 Beyer Boulevard, San Ysidro, California 92173; and (3) a community health clinic known as San Ysidro Health San Diego PACE/Senior Health Services located at 3364 Beyer Boulevard, San Ysidro, California 92173 (collectively, the “Project”). A portion of such proceeds of the Obligations will be used to pay the costs of issuance and other related costs in connection with the financing.

The Authority is authorized to assist in financing for nonprofit public benefit organizations or for-profit corporations with a public benefit project, 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 issuance of the Obligations. Although the Authority will be the issuer of the Obligations for the Borrower, the financing cannot proceed without the approval of an applicable legislative body.

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Today's recommendations will provide the Authority with the required authorization to pursue its determination to issue the Obligations 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 CALIFORNIA PUBLIC FINANCE AUTHORITY REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$28,000,000 FOR THE PURPOSE OF FINANCING AND REFINANCING THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, REHABILITATION, EQUIPPING AND FURNISHING OF HEALTHCARE AND RELATED FACILITIES FOR CENTRO DE SALUD DE LA COMUNIDAD DE SAN YSIDRO, INC. (DBA SAN YSIDRO HEALTH).

EQUITY IMPACT STATEMENT

As a Federally Qualified Health Center, San Ysidro Health's ("SYH") 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.).

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 issuance of the financing. The County will incur no obligation of indebtedness as a result of these actions.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

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

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BACKGROUND

California Public Finance Authority (“CalPFA”)

CalPFA is a political subdivision of the State of California established under the Joint Exercise of Powers Act for the purpose of issuing tax-exempt and taxable conduit bonds for public and private entities throughout California. CalPFA was created by Kings County and the Housing Authority of Kings County, California. CalPFA’s mission is to promote economic, cultural, and community development opportunities that create temporary and permanent jobs, affordable housing, community infrastructure and improve the overall quality of life in local communities. By assisting nonprofit corporations with various tax-exempt financing programs, CalPFA is able to support programs that improve the health and welfare of California residents. CalPFA finances a broad range of facilities including nonprofit projects such as health care, education and affordable housing.

Centro de Salud de la Comunidad de San Ysidro, Inc. dba San Ysidro Health (“Borrower” or “SYH”)

SYH is a Federally Qualified Health Center with a staff of over 2,100 employees. SYH provides comprehensive primary care services (medical, dental, and behavioral health) to over 109,500 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 centers, and WIC Nutrition Centers throughout San Diego County’s South and Central/Southeastern Regions. SYH’s main clinic campus is located 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), its second PACE location, in Chula Vista, CA (2019), its third PACE location in El Cajon, CA (2020) and its fourth PACE location, in Vista, CA (2021). SYH also acquired the Chaldean Middle Eastern Social Services in El Cajon, CA (2016), and recently completed a merger with the Mountain Health and Community Services (2020) which resulted in the addition of six new clinic locations and the expansion of SYH’s service areas as far east as Campo, CA and as far north as Escondido, CA.

Project

The Borrower is seeking to refinance and repay certain debt used for the acquisition, construction, improvement, renovation and equipping of the following: (1) an approximately 23,780 square foot, one-story medical office building occupied and used by the Corporation to operate a Program of All-Inclusive Care for the Elderly (PACE); (2) a community health clinic known as the Maternal & Child Health Center; and (3) a community health clinic known as San Ysidro Health San Diego PACE/Senior Health Services.

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 Obligations. 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

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the Project can be heard and (2) approve the issuance of the Obligations. The Borrower shall be responsible for the payment of all present and future costs in connection with the issuance of the Obligations.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action supports the Community Strategic Initiative in the County of San Diego's 2022-2027 Strategic Plan by supporting and allowing the issuance of Obligations by CalPFA to finance the costs of the acquisition, construction and development of healthcare facilities.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

1. County Resolution
2. Notice of Public Hearing
3. CalPFA Project Application for Bond