



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

PALOMA AGUIRRE
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: June 9, 2026

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TO: BOARD OF SUPERVISORS

SUBJECT:

APPROVE THE ISSUANCE OF REVENUE OBLIGATIONS BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY FOR THE BENEFIT OF HERALD CHRISTIAN HEALTH CENTER AND/OR A SUCCESSOR ENTITY IN AN AGGREGATE MAXIMUM STATED PRINCIPAL AMOUNT NOT TO EXCEED \$4,500,000 (DISTRICT: 4)

OVERVIEW

The County of San Diego (“County”) has received a request from the California Enterprise Development Authority (“Authority”) 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 \$4,500,000 (the “Revenue Obligations”), for the benefit of Herald Christian Health Center, a California nonprofit public benefit corporation or a related or successor entity (the “Borrower”).

The Borrower has applied for financial assistance from the Authority. The Authority will loan the proceeds of the Revenue Obligations to the Borrower pursuant to one or more loan agreements (the “Loan Agreement”). The proceeds of the Revenue Obligations will be applied by the Borrower to finance, refinance and/or reimburse the cost of acquisition, development, construction, equipping and furnishing of a healthcare center, located at 7808 Clairemont Mesa Boulevard, San Diego, California 92111 (the “Project”). A portion of the proceeds of the Revenue Obligations will be used to pay the costs of issuance and other related costs in connection with the financing. The Borrower is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”) and will own and operate the Project in connection with its mission of providing affordable, high quality and holistic healthcare to low-income, uninsured and underserved communities, particularly focusing on immigrants with limited English proficiency. The Revenue Obligations will be paid entirely from repayments by the Borrower under the Loan Agreement.

The Authority is authorized to assist in the financing of nonprofit public benefit organizations or for-profit corporations with a public benefit project wishing to issue or reissue bonds, notes or other evidences of indebtedness, including the Borrower. In order to initiate such a financing, the Borrower is asking the County, a member jurisdiction in which the Project is located to approve the Authority’s issuance 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.

SUBJECT: APPROVAL OF THE ISSUANCE OF REVENUE OBLIGATIONS BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY FOR THE BENEFIT OF HERALD CHRISTIAN HEALTH CENTER AND/OR A SUCCESSOR ENTITY IN AN AGGREGATE MAXIMUM STATED PRINCIPAL AMOUNT NOT TO EXCEED \$4,500,000 (DISTRICT: 4)

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**

Adopt a Resolution entitled:

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING THE ISSUANCE OF CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,500,000 FOR THE PURPOSE OF FINANCING AND/OR REFINANCING THE ACQUISITION, DEVELOPMENT, CONSTRUCTION, EQUIPPING AND FURNISHING OF A HEALTHCARE FACILITY LOCATED IN THE COUNTY OF SAN DIEGO.

EQUITY IMPACT STATEMENT

The 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, refinance and/or reimburse the cost of acquisition, development, construction, equipping and furnishing of the property located at 7808 Clairemont Mesa Boulevard, San Diego, California 92111. The financing of this facility will help ensure that affordable healthcare is available in San Diego County to meet the needs of underserved communities.

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 comprehensive and affordable quality healthcare to diverse and underserved communities. The proposed action would result in economic, social, and educational benefits for the community, and will contribute to the County of San Diego's Sustainability Goal No. 2, by providing just and equitable access to healthcare services through 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 of San Diego (County) for staff time 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 financing. The County will incur no obligation of indebtedness as a result of these actions.

BUSINESS IMPACT STATEMENT

N/A

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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 in order to permit the Authority to issue Revenue Obligations on behalf of the Borrower.

BACKGROUND

California Enterprise Development Authority (“Authority”)

The California Enterprise Development Authority provides tax-exempt loans and leases 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 of California. By assisting nonprofit 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.

Herald Christian Health Center (“Borrower”)

Herald Christian Health Center is a nonprofit, Federally Qualified Health Center in Southern California, primarily serving low-income, underinsured and immigrant communities in San Diego County and the San Gabriel Valley. Founded in 2007, the Borrower provides primary medical care, pediatric care, women’s health, dental, optometry, and behavioral health services, regardless of ability to pay.

Project

The Project consists of the financing of the acquisition, development, construction, equipping and furnishing of a healthcare clinic located at 7808 Clairemont Mesa Boulevard, San Diego, California 92111. Some of the services provided in this clinic include Medical, Dental, Optometry, Behavioral Health, Acupuncture, and After-Hours Care. The Borrower employs approximately 32 individuals at this location.

Public Benefit

The Borrower’s mission is to provide quality, affordable holistic health care services to the uninsured and underserved. The Project will allow the Borrower to continue providing low-income healthcare for County residents.

County Involvement

Section 147(f) of the Internal Revenue Code requires that an applicable elected body, with respect to the Project, approve the issuance and delivery of the Revenue Obligations following a public hearing for the Project. The Board of Supervisors of the County of San Diego, as an applicable elected body, is requested to approve the issuance of Revenue Obligations. The Borrower shall be responsible for the payment of all present and future costs in connection with the issuance of the Revenue Obligations.

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The Authority will be issuing the Revenue Obligations in an aggregate principal not to exceed \$8,500,000 and is seeking approval pursuant to Section 147(f) of the Internal Revenue Service for the Project located in San Diego County in an amount not to exceed \$4,500,000. The Authority and the Borrower will be seeking a separate Tax Equity Fiscal Responsibility Act of 1982 approval from the City of El Monte for the remaining \$4,000,000 for the benefit of the Borrower for a project located in the City of El Monte.

The Authority published a notice of public hearing on May 14, 2026 in the Public Notices section of its website which is designed to inform members of the general public about the public hearings to be held by the Authority, pursuant to Section 147(f) of the Code. The notice listed May 21, 2026 as the public hearing date with respect to the issuance of the Bonds for the Project.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action supports the Equity: Health Strategic Initiative in the County of San Diego's 2026-2031 Strategic Plan by supporting and allowing the issuance of Revenue Obligations by CEDA for the Borrower to finance, refinance and/or reimburse the cost of acquisition, development, construction, equipping and furnishing of healthcare facilities located at 7808 Clairemont Mesa Boulevard, San Diego, California 92111.

Respectfully submitted,

Handwritten signature in blue ink, appearing to read "EBONY N. SHELTON FOR".

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 CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,500,000 FOR THE PURPOSE OF FINANCING AND/OR REFINANCING THE ACQUISITION, DEVELOPMENT, CONSTRUCTION, EQUIPPING AND FURNISHING OF A HEALTHCARE FACILITY LOCATED IN THE COUNTY OF SAN DIEGO
2. TRANSCRIPT OF PUBLIC HEARING
3. PROOF OF NOTICE OF PUBLIC HEARING
4. CEDA PROJECT APPLICATION FOR REVENUE OBLIGATIONS