



# 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:** September 27, 2022

**26**

**TO:** Board of Supervisors

### SUBJECT

**NOTICED PUBLIC HEARING: ISSUANCE OF TAX-EXEMPT AND/OR TAXABLE REVENUE OBLIGATIONS BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY FOR THE BENEFIT OF THE ELIZABETH HOSPICE, INC. AND/OR SUCCESSOR ENTITY IN AN AGGREGATE MAXIMUM AMOUNT NOT TO EXCEED \$10,000,000 (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 revenue obligations in an aggregate principal amount not to exceed \$10,000,000 (the “Obligations”), for the benefit of The Elizabeth Hospice, Inc., a California nonprofit public benefit corporation (the “Borrower”). The Borrower has applied for the financial assistance of the Authority. The proceeds of the Obligations will be used to finance the cost of the acquisition, construction, installation, furnishing and equipping of the real property located at 800 West Valley Parkway, Escondido, California 92025 (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 wishing to issue 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 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.

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.

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**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 THE ELIZABETH HOSPICE, INC. IN AN AGGREGATE MAXIMUM STATED PRINCIPAL AMOUNT OF \$10,000,000 FOR THE PURPOSE OF FINANCING THE COST OF ACQUISITION, CONSTRUCTION, INSTALLATION, EQUIPPING AND FURNISHING 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 obligations. The Obligations will be used to finance the cost of acquisition, construction, improvement, furnishing and equipping of the facilities located in San Diego County and pay certain expenses incurred in connection with the issuance of the Obligations. The Obligations will allow the Borrower to continue to provide palliative and hospice care to patients as well as grief counseling and support for both patients and their families.

**SUSTAINABILITY IMPACT STATEMENT**

The proposed action would enhance the delivery of medical and emotional support to patients and families in the San Diego community facing the challenges associated with an advanced life-limiting illness. The proposed action will also allow the Borrower to consolidate its administrative functions into a single location, increase the efficiency with which it delivers services, reduce its debt service costs for its capital facilities and use the savings to further its reach to members of the community needing hospice care and palliative care.

**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

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### **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.

### **BACKGROUND**

#### **California Enterprise Development Authority (“CEDA”)**

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.

#### **The Elizabeth Hospice, Inc. (“Borrower”)**

More than 40 years ago, Elizabeth “Betty” Bulen, a nurse, invited three of her friends, Betty Benz, Ann Elizabeth Warren, and Kay Elizabeth Austin, to work with her in establishing an organization of compassionate volunteers devoted to offering hospice care and palliative care to the terminally ill and their families. To strengthen this vision, Betty Bulen and Betty Benz visited St. Christopher’s Hospice in London. Inspired by what they saw, they began offering their first volunteer training. In 1978, they incorporated, naming this new entity, The Elizabeth Hospice, Inc., which shares the name of all the founders.

The Borrower provides medical and emotional support to patients and families facing challenges associated with life ending illness and restoring hope to family members feeling lost and alone. Borrower offers medical and emotional support, as well as spiritual support, regardless of the patient’s ability to pay. The Borrower’s hospice and palliative care services have touched the lives of more than 115,000 people in San Diego County and Southwest Riverside County.

The Borrower’s mission is to enhance the quality of life for those nearing life’s end and to provide support for those who are grieving. The Borrower’s core beliefs include access to quality palliative care, tailored medical, emotional and spiritual support to the patient and the family, and support for the bereaved, while respecting the values of the larger society in which we operate.

As a nonprofit organization, the Borrower invests in resources to help patients live each day fully and comfortably by providing effective pain control and symptom management. The Borrower supports the patient and family at this critical time, neither prolonging life nor hastening death and honoring self-determined life closure decisions.

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**Project**

The proceeds of the Obligations loaned to Borrower will be used to finance the cost of the acquisition, construction, installation, furnishing and equipping of the real property located at 800 West Valley Parkway, Escondido, California 92025, consisting of a 26,945 square foot office building which will serve as Borrower's headquarters.

**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 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 CEDA for the Borrower to finance the cost to improve its facilities.

Respectfully submitted,



HELEN N. ROBBINS-MEYER  
Chief Administrative Officer

**ATTACHMENT(S)**

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