



# 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 14, 2021

**05**

**TO:** Board of Supervisors

### SUBJECT

**NOTICED PUBLIC HEARING: ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE BENEFIT OF HUMANGOOD, HUMANGOOD NORCAL, HUMANGOOD SOCAL OR HUMANGOOD FRESNO IN AN AGGREGATE MAXIMUM AMOUNT NOT TO EXCEED \$150,000,000 (DISTRICTS: 3 & 4)**

### OVERVIEW

The County has received a request from the California Municipal Finance Authority (“CMFA” 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 bonds in an aggregate principal amount not to exceed \$150,000,000 (the “Bonds”), for the benefit of HumanGood, HumanGood NorCal, HumanGood SoCal or HumanGood Fresno, each a California nonprofit public benefit corporation (the “Borrower”). The Borrower has applied for the financial assistance of the Authority. The proceeds of the Bonds will be used to finance or reimburse the cost of constructing, building, remodeling, renovating, rehabilitating, upgrading, furnishing and equipping certain of the Borrower’s continuing care retirement communities located in several jurisdictions throughout the state of California, including in the County of San Diego and to pay a portion of the interest on the Bonds, to provide working capital to the Borrower, to fund a debt service reserve fund and to pay certain expenses incurred in connection with the issuance of the Bonds. A portion of the proceeds of the Bonds in a principal amount not to exceed \$55,000,000 will be used to finance expenditures for various renovations and upgrades to the continuing care retirement communities located in the County of San Diego: White Sands located at 7450 Olivetas Avenue, La Jolla, California, 92037 (\$25,000,000) and Redwood Terrace located at 710 West 13th Avenue, Escondido, California, 92025 (\$30,000,000).

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 Bonds, 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.

**SUBJECT:** NOTICED PUBLIC HEARING: ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE BENEFIT OF HUMANGOOD, HUMANGOOD NORCAL, HUMANGOOD SOCIAL OR HUMANGOOD FRESNO IN AN AGGREGATE MAXIMUM AMOUNT NOT TO EXCEED \$150,000,000 (DISTRICTS: 3 & 4)

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 THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY REVENUE BONDS, SERIES 2021 (HUMANGOOD) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$150,000,000 FOR THE PURPOSE OF FINANCING THE CONSTRUCTION, FURNISHING AND EQUIPPING OF WHITE SANDS LA JOLLA AND REDWOOD TERRACE AND CERTAIN OTHER MATTERS RELATING THERETO

**EQUITY IMPACT STATEMENT**

California Municipal Finance 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 bonds. The Bonds will be used to finance or reimburse the cost of remodeling, renovating, furnishing and equipping two continuing care facilities located in San Diego County. The Bonds will assist the Borrower to continue to offer high quality senior living care to its residents and future residents.

**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 Assistant Chief Administrative Officer, the Deputy Chief Administrative Officer/Chief Financial Officer, Auditor and Controller, and the Treasurer-Tax Collector, concurs with this recommendation.

**SUBJECT:** NOTICED PUBLIC HEARING: ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE BENEFIT OF HUMANGOOD, HUMANGOOD NORCAL, HUMANGOOD SOCAL OR HUMANGOOD FRESNO IN AN AGGREGATE MAXIMUM AMOUNT NOT TO EXCEED \$150,000,000 (DISTRICTS: 3 & 4)

## **BACKGROUND**

### **California Municipal Finance Authority (“CMFA”)**

The California Municipal Finance Authority 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 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.

### **HumanGood (“Borrower”)**

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, HumanGood NorCal and HumanGood 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 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.

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 “HumanGood NorCal,” and Southern California Presbyterian Homes became “HumanGood SoCal.”

**SUBJECT: NOTICED PUBLIC HEARING: ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE BENEFIT OF HUMANGOOD, HUMANGOOD NORCAL, HUMANGOOD SOCAL OR HUMANGOOD FRESNO IN AN AGGREGATE MAXIMUM AMOUNT NOT TO EXCEED \$150,000,000 (DISTRICTS: 3 & 4)**

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 proceeds of the Bonds will be loaned to HumanGood, HumanGood NorCal, HumanGood SoCal or HumanGood Fresno. The proceeds of the Bonds will be applied, together with other available funds, (a) to finance or reimburse the cost of constructing, building, remodeling, renovating, rehabilitating, upgrading, furnishing and equipping certain of the Borrower's continuing care retirement communities located in several jurisdictions throughout the state of California, including in the County of San Diego, (b) to pay a portion of the interest on the Series 2021 Bonds, if deemed necessary or advisable by the Authority or the Borrower, (c) to provide working capital to the Borrower, if deemed necessary or advisable by the Authority or the Borrower, (d) to fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrower, and (e) to pay certain expenses incurred in connection with the issuance of the Bonds.

Public approval by each local jurisdiction has been or will be obtained following a public notice and public hearing regarding the Bonds and the Communities financed in that local jurisdiction. A portion of the proceeds of the Bonds in a principal amount not to exceed \$25,000,000 will be used to finance expenditures for various renovations to existing infrastructure and upgrades to housing units and amenities at the following continuing care retirement community located in the County of San Diego: White Sands located at 7450 Olivetas Avenue, La Jolla, California, 92037. A portion of the proceeds of the Bonds in a principal amount not to exceed \$30,000,000 will be used to finance expenditures for various renovations to existing infrastructure and upgrades to housing units and amenities at the following continuing care retirement community located in the County of San Diego: Redwood Terrace located at 710 West 13th Avenue, Escondido, California, 92025.

**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 Revenue 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 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.

**SUBJECT:** NOTICED PUBLIC HEARING: ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE BENEFIT OF HUMANGOOD, HUMANGOOD NORCAL, HUMANGOOD SOCIAL OR HUMANGOOD FRESNO IN AN AGGREGATE MAXIMUM AMOUNT NOT TO EXCEED \$150,000,000 (DISTRICTS: 3 & 4)

**LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**

Today's proposed action supports the Operational Excellence Strategic Initiative in the County of San Diego's 2021-2026 Strategic Plan by supporting and allowing the issuance of Obligations by CMFA for the Borrower to finance the cost to renovate certain continuing care facilities.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Helen N. Robbins-Meyer", written in a cursive style.

HELEN N. ROBBINS-MEYER  
Chief Administrative Officer

**ATTACHMENT(S)**

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

**SUBJECT:** NOTICED PUBLIC HEARING: ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE BENEFIT OF HUMANGOOD, HUMANGOOD NORCAL, HUMANGOOD SOCIAL OR HUMANGOOD FRESNO IN AN AGGREGATE MAXIMUM AMOUNT NOT TO EXCEED \$150,000,000 (DISTRICTS: 3 & 4)

**AGENDA ITEM INFORMATION SHEET**

**REQUIRES FOUR VOTES:** ☐ Yes ☒ No

**WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED**  
☐ Yes ☒ No

**PREVIOUS RELEVANT BOARD ACTIONS:**  
N/A

**BOARD POLICIES APPLICABLE:**  
N/A

**BOARD POLICY STATEMENTS:**  
N/A

**MANDATORY COMPLIANCE:**  
N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):**  
N/A

**ORIGINATING DEPARTMENT:** Finance and General Government Group

**OTHER CONCURRENCE(S):** Debt Advisory Committee

**CONTACT PERSON(S):**

Tanya Eames  
Name  
(619) 531-6225  
Phone  
Tanya.Eames@sdcounty.ca.gov  
E-mail

Michele Crichlow  
Name  
(619) 531-6403  
Phone  
Michele.Crichlow@sdcounty.ca.gov  
E-mail