



Legislation Text

File #: 2020-0639, **Version:** 2

To: Sonoma County Board of Supervisors
Department or Agency Name(s): Economic Development Board
Staff Name and Phone Number: Ethan Brown 565-7589
Vote Requirement: Majority
Supervisorial District(s): Fifth District

Title:

Adoption of Resolution for the West County Health Centers, Inc. Tax Exempt Bond Financing

Recommended Action:

Conduct a public hearing and adopt a resolution to approve a tax-exempt bond financing in an amount not to exceed \$9,500,000 to be issued by the California Municipal Finance Authority to the benefit of West County Health Centers, Inc. (Fifth District)

Executive Summary:

This public hearing is being conducted to approve a resolution to authorize the California Municipal Finance Authority (the "CMFA") to approve a tax exempt bond financing in an amount not to exceed \$9,500,000 to be issued to the benefit of the West County Health Centers, Inc. (the "Borrower").

The Borrower has requested that the California Municipal Finance Authority (the "CMFA") participate in the issuance of the tax-exempt bonds in one or more series in an aggregate principal amount not to exceed \$9,500,000. The proceeds of the Bonds will be used to enable the Borrower to finance the construction of a new 10,000 square foot clinic to replace the Russian River Health Center destroyed by fire in 2015, to be located at 16375 First Street, Guerneville, CA 95446 (the "Project").

Discussion:

The CMFA is a joint powers agency created to promote economic, cultural and community development, through the financing of economic development and charitable activities throughout California. To date, over 300 municipalities, including the County of Sonoma, have become members of CMFA. In order to initiate a financing, the member participant of the CMFA in which the proposed facilities will be located must (i) conduct a public hearing and (ii) approve the Authority's issuance of indebtedness. Therefore, although the CMFA will be the issuer of the obligation for the Borrower, the financing cannot proceed without the County of Sonoma's approval of the financings.

The purpose of the public hearing is to satisfy Federal Internal Revenue Service requirement of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), that as a condition to issuing bonds, the approval of the elected governmental offices of the jurisdiction where the facility is located be obtained following a public hearing. The hearing allows the public an opportunity to review and make comments regarding the proposed tax exempt financing for the project.

The Board of Supervisors has been requested to hold the hearing for the Project located in the unincorporated community of Guerneville. The Board has conducted similar hearings for entities in Sonoma County, with the most recent being for the Windsor Mobile Country Club in November 2016.

The Board's approval of the financing does not in any way pledge the credit or revenues of the County to the financing. County Counsel and Jones Hall (counsel for Authority) the resolution and agree that it does not pledge County credit or revenues.

Related Documents prepared by Brian Quint of Quint & Thimmig LLP.

Prior Board Actions:

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

No fiscal impact. Conduit revenue bonds are a special, limited obligation of the Authority payable solely through the payment of principal and interest from the borrower. Neither the faith or credit, nor the taxing power of the County, any member of the Authority, the State or any political subdivision is pledged to the repayment of the bonds.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

Attachments:

Resolution of the Board of Supervisors

Related Items "On File" with the Clerk of the Board:

TEFRA Hearing Notice