

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # 9:15 am

Urgent

Routine

AGENDA DATE October 24, 2006

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Public Hearing to Consider the Approval of Issuance Not to Exceed \$7,000,000 of California Enterprise Development Authority Revenue Bonds for the Benefit of the Community Hospice, Inc.

STAFF RECOMMENDATIONS:

1. Conduct the scheduled Public Hearing at 9:15 am on October 24, 2006 to receive public comment.
2. Adopt the attached resolution approving the issuance by the California Enterprise Development Authority (the "Authority") not to exceed \$7,000,000 of the Authority's revenue bonds (the "Bonds") for the benefit of the Community Hospice, Inc. (the "Corporation").

FISCAL IMPACT:

The Board of Supervisors' approval of the issuance of the bonds by the Authority for the benefit of the Corporation will not have a fiscal impact on the County. Conduit revenue bonds are issued by public agencies in California and other states, where the proceeds of the bonds are lent to for profit or nonprofit entities to finance capital assets in accordance with the requirements of the Internal Revenue Code of 1986. These bonds are a special, limited obligation of the Authority payable solely through the Corporation's repayment of the loan from the Authority which repayment is used to pay the principal and interest on the bonds.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2006-857

On motion of Supervisor Mayfield, Seconded by Supervisor O'Brien

and approved by the following vote,

Ayes: Supervisors: O'Brien, Mayfield, DeMartini, and Chairman Simon

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: Grover

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACT (Continued):

As such, any bonds issued by the Authority will not be a direct obligation of the Authority, the County or any member of the Authority. 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.

DISCUSSION:

The Authority is a public agency of the State of California, created pursuant to Chapter 5, Division 7, title 1 of the California Government Code and a Joint Powers Agreement, dated as of June 1, 2006 (the "JPA Agreement"), by and among the cities of Eureka, Lancaster and Selma. The JPA Agreement permits other public agencies with the State to become associate members of the Authority by adoption of a resolution authorizing associate membership in the Authority and the execution and delivery of an Associate Membership Agreement with the Authority. The Authority was organized to provide financing assistance for profit and nonprofit entities within the jurisdictions of the Authority's members through the issuance of tax-exempt and taxable obligations. The Authority will loan the proceeds of the bonds to the Corporation to, among other things, refinance or reimburse the Corporation for the cost of acquiring, constructing, improving, rehabilitating, equipping and furnishing an administrative facility located at 4368 Spyles Way, Modesto, California 95356 and a community hospice facility located at 2201 Euclid Avenue, Hughson, California 95326.

The Debt Advisory Committee approved the Community Hospice, Inc. request at there September 21, 2006 meeting and recommend the Board of Supervisor's consideration. On October 3, 2006 the Board of Supervisor's approved setting the public hearing. The Community Hospice, Inc. properly noticed the public hearing in a newspaper of general circulation in Stanislaus County. Interest on the bonds will be tax-exempt, such public hearing and approval of the bonds by the Board of Supervisors is required by the Internal Revenue Code of 1986. This is a refinancing of a commercial construction loan.

POLICY ISSUES:

Board of Supervisors conducting of the scheduled public hearing and approval of the resolution to issue bonds is consistent with the Board's priority of effective partnership.

STAFFING IMPACTS:

Existing staff of the Debt Advisory Committee including Chief Executive Office and County Counsel have and will assist in completing the necessary staff work.

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
STATE OF CALIFORNIA

Date: October 24, 2006

No. 2006-857

On motion of Supervisor Mayfield, Seconded by Supervisor O'Brien, and approved by the following vote,

Ayes: Supervisors: O'Brien, Mayfield, DeMartini, and Chairman Simon

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: Grover

9:15 a.m.

THE FOLLOWING RESOLUTION WAS ADOPTED:

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS APPROVING THE ISSUANCE BY CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY OF NOT TO EXCEED \$7,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S REVENUE BONDS FOR THE BENEFIT OF COMMUNITY HOSPICE, INC. FOR THE PURPOSE OF FINANCING OR REFINANCING THE COST OF THE ACQUISITION, CONSTRUCTION, REHABILITATION, INSTALLATION AND EQUIPPING OF CERTAIN PROPERTY, PROVIDING THE TERMS AND CONDITIONS FOR SUCH BONDS AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED

WHEREAS, Community Hospice, Inc., a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Borrower") has requested that California Enterprise Development Authority (the "Authority") issue its revenue bonds in an aggregate principal amount not to exceed \$7,000,000 (the "Bonds") for the benefit of the Borrower pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State, (commencing with Section 6500) (the "Act") to (1) finance the cost of or reimburse the Borrower for acquiring, constructing, improving, rehabilitating, equipping and furnishing an administrative facility located at 4368 Spyles Way, Modesto, California 95356 and a community hospice facility located at 2201 Euclid Avenue, Hughson, California 95326 (the "Facilities"), (2) fund the cost of any insurance premium, letter of credit fees or other credit enhancement costs with respect to the financing, (3) pay capitalized interest with respect to the financing, (4) fund a reserve fund, if necessary, with respect to the financing and (5) pay certain costs of issuance in connection with the financing (collectively, the "Project"); and

WHEREAS, the issuance of the Bonds by the Authority must be approved by the governmental unit on behalf of which the Bonds are issued and a governmental unit having jurisdiction over the territorial limits in which the Facilities are located pursuant to the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code");

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk
Stanislaus County Board of Supervisors,
State of California,

Christine Ferraro

By:

File No.

WHEREAS, the Facilities are located within the territorial limits of the County of Stanislaus (the "County") and the Board of Supervisors of the County (the "Board of Supervisors") is the elected legislative body of the County; and

WHEREAS, the Authority and the Borrower have requested that the Board of Supervisors approve the issuance of the Bonds by the Authority and the financing of the Project with the proceeds of the Bonds pursuant to Section 147(f) of the Code; and

WHEREAS, it is intended that this Resolution shall comply with the public approval requirements of Section 147(f) of the Code that this Resolution is neither intended to nor shall it constitute an approval by the Board of Supervisors of the Project for any other purpose; and

WHEREAS, a public hearing was held by the Board of Supervisors on this 24th day of October, 2006, at the public hearing which commenced at the hour of 9:15 am, at 1010 Tenth Street, Board of Supervisors Chambers, Stanislaus, California, 95354, following duly published notice thereof in a newspaper of general circulation in the County of Stanislaus, on October 10, 2006, and all persons desiring to be heard have been heard.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Supervisors of the County of Stanislaus as follows:

Section 1. The Board of Supervisors hereby approves the issuance of the Bonds, which Bonds may be tax-exempt or taxable as approved by the Authority in its resolution, in an amount not to exceed \$7,000,000 to finance the costs of the Project. This resolution shall constitute "host" approval of the issuance of the Bonds within the meaning of Section 147(f) of the Code and shall constitute the approval of the issuance of the Bonds within the meaning of the Act; provided, however, that this Resolution shall not constitute an approval by the Board of Supervisors of the Project for any other purposes, including compliance thereof with CEQA, nor does it constitute an approval of the underlying credit or financial structure of the Bonds.

Section 2. All actions heretofore taken by the officers, employees and agents of the County with respect to the approval of the Bonds are hereby approved, confirmed and ratified, and the officers and employees of the County and their authorized deputies and agents are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents which they or bond counsel may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution.

Section 3. This Resolution shall take effect from and after its adoption.

RESOLVED FURTHER, the Clerk of the Board of Supervisors of the County of Stanislaus shall certify the adoption of this Resolution, and thenceforth and thereafter the same shall be in full force and effect.

Approved as to Form and Legality

Michael H. Krausnick,
County Counsel

By Dean Wright
Dean Wright, Esq.,
Deputy County Counsel