



AGENDA ITEM: March 28, 2006

Item # _____

SUBJECT: Public Hearing for Consideration of a Resolution Approving the Issuance of Bonds by the California Statewide Communities Development Authority for Family Healthcare Network

REQUEST: That the Board of Supervisors:

1. Conduct a public hearing on March 28, 2006 allowing members of the public to comment on the proposed Projects for Family Health Care Network, and
2. Approve the Resolution Approving the Issuance of Bonds by the California Statewide Communities Development Authority for Family Healthcare Network

SUMMARY: The County has received a request from the California Statewide Communities Development Authority to conduct a public hearing as required by the Internal Revenue Code in order to issue tax-exempt revenue bonds in an aggregate amount not to exceed \$9.0 million on behalf of Family Healthcare Network (FHCN).

The bonds would be tax-exempt private activity bonds for the purposes of the Internal Revenue Code and, as such, require the approval of the elected body of the governmental entity having jurisdiction over the area where the project to be financed is located. The County will not be under any obligation to repay the Bond indebtedness.

In order for the Authority to issue such Bonds, the County must (1) conduct a public hearing allowing members of the public to comment on the proposed Project, and (2) approve of the Authority's issuance of Bonds on behalf of the proposed financing. The Authority requests a certification of this resolution. Although the Authority (not the County) will be the issuer of the tax-exempt revenue bonds for the Project, the financing cannot proceed without the County approving of the Authority's issuance of indebtedness.

The Authority is a California joint exercise of powers authority, organized and existing under the laws of the State of California (specifically, California Government Code Section 6500 and following), and is sponsored by the League of California Cities and the California State Association of Counties. Under the California Government Code, cities and counties are authorized to form by agreement a governmental entity that combines the powers of such entities to perform certain governmental functions specifically outlined in the Agreement. With respect to the Authority, over 460 California cities, counties and special districts have entered into and executed the Agreement to become a member of the Authority, including the County of Tulare. The Authority is authorized to assist in the financing of 501(c)(3) nonprofit projects.

FHCN will use the proceeds of the Bonds for the following projects located in Tulare County:

1. Refinance a loan incurred to finance the construction of the Borrower's Oak Center facility, located at 400 East Oak Avenue in Visalia, California;
2. Refinance a loan incurred to finance the construction of the Borrower's Porterville facility, located at 1107 West Poplar Avenue in Porterville, California;
3. Refinance a loan incurred to acquire and install a modular building at the Borrower's Goshen facility, located at 30979 Road 67 in Goshen, California;
4. Refinance a loan incurred to acquire sonogram machine installed at the Borrower's Visalia Bridge facility, located at 501 North Bridge Street in Visalia, California;
5. Finance the construction of renovations to the Borrower's Porterville facility located at 1107 West Poplar Avenue in Porterville, California;
6. Finance the construction of a building expansion, a storage building and a parking lot adjacent to the Borrower's existing Porterville facility to be located at 1137 West Poplar Avenue in Porterville, California, and;
7. Finance construction of an expansion of the Corporation's Cutler-Orosi facility located at 12586 Avenue 408 in Orosi, California.

FINANCING:

There is no direct or indirect financial impact to the County of Tulare as a result of this proposed financing. The Authority will issue tax-exempt revenue bonds on behalf of the Project. The tax-exempt revenue bonds are payable solely out of the revenues derived by the Borrower. No financial obligations are placed on the County for project financing costs or debt repayment.

INVOLVEMENT OF OTHER COUNTY DEPARTMENTS: County Counsel has reviewed the materials.

ADMINISTRATIVE SIGN-OFF:

C. Brian Haddix
County Administrative Officer

BH:KB:ph

Attachment

Cc: Jerry Messinger, Auditor/Controller
Kathleen Bales-Lange, County Counsel

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF ISSUANCE OF BONDS) Resolution No. _____
BY THE CALIFORNIA STATEWIDE)
COMMUNITIES DEVELOPMENT AUTHORITY)
FOR FAMILY HEALTHCARE NETWORK)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOREGOING WAS ADOPTED BY THE BOARD OF
SUPERVISORS, AT AN OFFICIAL MEETING HELD _____ BY THE
FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: C. BRIAN HADDIX
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

Conducted a public hearing on March 28, 2006 allowing members of the public to comment on the proposed Projects for Family Health Care Network, and approved the Resolution Approving the Issuance of Bonds by the California Statewide Communities Development Authority for Family Healthcare Network.

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

**RESOLUTION AUTHORIZING THE)
ISSUANCE AND SALE OF REVENUE)
BONDS BY THE CALIFORNIA)
STATEWIDE COMMUNITIES)
DEVELOPMENT AUTHORITY IN AN)
AGGREGATE PRINCIPAL AMOUNT)
NOT TO EXCEED \$8,800,000 FOR)
THE FINANCING AND REFINANCING)
OF FACILITIES FOR FAMILY)
HEALTHCARE NETWORK)**

Resolution No. _____

WHEREAS, the California Statewide Communities Development Authority (the "Authority"), a joint exercise of powers agency established pursuant to the laws of the State of California and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the "JPA Agreement") among certain local agencies throughout the State of California, has proposed to issue and sell revenue bonds (the "Bonds") in an aggregate principal amount not to exceed \$8,800,000 for the purpose of making a loan to Family HealthCare Network, a California nonprofit public benefit corporation (the "Corporation"); and,

WHEREAS, the County of Tulare (the "County") is a member of the Authority;

WHEREAS, a portion of the proceeds of the Bonds will be used by the Corporation to (a) (i) refinance a loan incurred to finance the construction of the Corporation's Oak Center facility, located at 400 East Oak Avenue in Visalia, California, (ii) refinance a loan incurred to finance the construction of the Corporation's Porterville facility, located at 1107 West Poplar Avenue in Porterville, California, (iii) refinance a loan incurred to acquire and install a modular building at the Corporation's Goshen facility, located at 30979 Road 67 in Goshen, California, (iv) refinance a loan incurred to acquire sonogram machine installed at the Corporation's Visalia Bridge facility, located at 501 North Bridge Street in Visalia, California, (v) finance the construction of renovations to the Corporation's Porterville facility located at 1107 West Poplar Avenue in Porterville, California, (vi) finance the construction of a building expansion, a storage building and a parking lot adjacent to the Corporation's existing Porterville facility to be located at 1137 West Poplar Avenue in Porterville, California, and (vii) finance construction of an expansion of the Corporation's Cutler-Orosi facility located at 12586 Avenue 408 in Orosi, California, all facilities owned and operated or to be owned and operated by the Corporation in connection with the provision its community health care services, (b) fund a reserve fund for the Bonds, and (c) pay the costs of issuance of the Bonds;

WHEREAS, the interest on the Bonds may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Bonds are approved in accordance with Section 147(f) of the Code;

WHEREAS, pursuant to Section 9 of the JPA Agreement, the Authority may only issue the Bonds with the approval of the governing body of the jurisdiction in which the Project is located;

WHEREAS, the Authority has requested the Board of Supervisors of the County (the "Board") to approve the issuance and sale of the Bonds in order to satisfy the public approval requirements of section 147(f) of the Code and the requirements of the JPA Agreement;

WHEREAS, on March 14, 2006, the County caused a notice stating that a public hearing with respect to the issuance of the Bonds would be held by the Board on March 28, 2006, to appear in the Visalia Times-Delta which is a newspaper of general circulation in the County;

WHEREAS, the Board has held the public hearing described above on March 28, 2006, and an opportunity was provided for persons to comment on the issuance and sale of the Bonds and the Project; and

WHEREAS, the Board is the elected legislative body of the County and is the applicable elected representative required to approve the issue within the meaning of section 147(f) of the Code and the JPA Agreement;

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Tulare, as follows:

Section 1. The Board hereby approves the issuance and sale of the Bonds by the Authority. It is the purpose and intent of the Board that this Resolution constitute approval of the Bonds by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located in accordance with section 147(f) of the Code and Section 9 of the JPA Agreement.

Section 2. The approval of the issuance and sale of the Bonds by the County is neither an approval of the underlying credit issues of the proposed Project nor an approval of the financial structure of the Bonds.

Section 3. This resolution shall take effect immediately upon its passage.

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FORGOING WAS ADOPTED BY THE BOARD OF
SUPERVISORS, AT AN OFFICIAL MEETING HELD _____ BY THE
FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: C. BRIAN HADDIX
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk