



San Bernardino County

Legislation Text

File #: 5099, Agenda Item #: 75

REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS OF SAN BERNARDINO COUNTY AND RECORD OF ACTION

November 16, 2021

FROM

MATTHEW ERICKSON, County Chief Financial Officer, Finance and Administration

SUBJECT

Community Health Systems, Inc. Tax Equity and Fiscal Responsibility Act Financing

RECOMMENDATION(S)

1. Conduct a Tax Equity and Fiscal Responsibility Act public hearing regarding the issuance of one or more series of revenue bonds in an aggregate principal amount not to exceed \$3.5 million, for the purpose of financing, refinancing, or reimbursing the cost of the acquisition, design, development, construction, renovation, improvement, furnishing, and equipping of certain healthcare facilities located in Bloomington.
2. Adopt Resolution approving the issuance of one or more series of revenue bonds in an aggregate principal amount not to exceed \$3.5 million, for the purpose of financing, refinancing, or reimbursing the cost of the acquisition, design, development, construction, renovation, improvement, furnishing, and equipping of certain healthcare facilities located in Bloomington.

(Presenter: Matthew Erickson, County Chief Financial Officer, 387-5423)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Provide for the Safety, Health and Social Service Needs of County Residents.

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

Bonds issued under this resolution are limited obligations of the California Enterprise Development Authority (CEDA) payable solely out of the revenues and receipts derived from the loan made by CEDA to the borrower, Community Health System, Inc. Pursuant to Section 4.1 of the joint exercise of powers agreement governing CEDA, in which the County is a member, the bonds do not constitute a debt of the County nor do the bonds represent a pledge of the faith and credit of the County.

BACKGROUND INFORMATION

This item will allow Community Health Systems, Inc. to finance, refinance, or reimburse the cost of the acquisition, design, development, construction, renovation, improvement, furnishing, and equipping of certain healthcare facilities located in Bloomington.

Community Health Systems, Inc. was established in 1984 to deliver high quality healthcare services to those who are under-served, uninsured, or under-insured. Community Health Systems, Inc. has been a champion for health services, including women's health and prenatal care, pediatric services, dental and vision care,

chiropractic care and behavioral health services. The improvements pertain to healthcare facilities located at 18601 Valley Boulevard, Bloomington, California.

Pursuant to the Federal Internal Revenue code, a public hearing must be conducted by the governmental entity having jurisdiction over the area in which the project is or will be located. Further, since the Community Health System, Inc. is working with CEDA to issue the bonds, the approving body must be a member of CEDA. The County meets both of these requirements.

The bonds, when issued, will be limited obligations of CEDA payable solely out of revenues and receipts derived from a loan agreement between CEDA and Community Health System. The financing will be structured so neither CEDA nor the County has financial liability. The bonds will not represent a pledge of faith or credit of the County.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Steven O'Neill, Interim County Counsel, 387-5455) on November 1, 2021; Finance (Amanda Trussell, Principal Administrative Analyst, 387-5423) on September 29, 2021; Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on November 1, 2021.