

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 19.2
(ID # 25636)

MEETING DATE:
Tuesday, September 17, 2024

FROM : OFFICE OF ECONOMIC DEVELOPMENT

SUBJECT: OFFICE OF ECONOMIC DEVELOPMENT: Adopt Resolution No. 2024-188, Approving the Issuance by the California Statewide Communities Development Authority of Tax-Exempt and Taxable Revenue Obligations for the Benefit of Loma Linda University Medical Center. All Districts. [\$0] (Clerk to set for Public Hearing September 17, 2024 at 9:30 am)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing with the Board of Supervisors per Section 147(f) of the Internal Revenue Code of 1986; and
2. Adopt Resolution No. 2024-188, approving the issuance by the California Statewide Communities Development Authority of taxable and/or tax-exempt revenue obligations for the benefit of Neighborhood Healthcare and/or a Related or Successor Entity to finance, refinance, and reimburse the cost of healthcare facilities in the County of Riverside; and
3. Authorize the Director of the Office of Economic Development, or designee, to take necessary steps to implement Resolution No. 2024-188, including, but not limited to, signing subsequent essential and relevant documents.

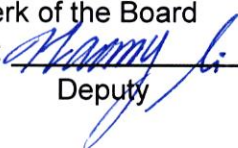
ACTION:


Suzanne Holland, Director of Office of Economic Development 8/27/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Gutierrez and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Washington, Perez and Gutierrez
Nays: None
Absent: Spiegel
Date: September 17, 2024
xc: OED

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment: N/A	
			For Fiscal Year: 24/25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Loma Linda University Medical Center (LLUMC) operates some of the largest clinical programs in the United States in areas such as neonatal care and outpatient surgery and is recognized as the international leader in infant heart transplantation and proton treatments for cancer. Each year, the institution admits more than 33,000 inpatients and serves roughly half a million outpatients. LLUMC is the only level one regional trauma center for Inyo, Mono, Riverside, and San Bernardino counties.

The proposed financing by the California Statewide Communities Development Authority (CSCDA) will be comprised of two series of bonds to be issued for projects in Riverside and San Bernardino counties for the benefit of Loma Linda University Medical Center’s many operations including Loma Linda University Medical Center – Murrieta and other partner medical facilities.

Up to \$50 million of bonds issued will be tax-exempt, and the proceeds thereof, together with other funds, are expected to be used to finance improvement, renovation, and equipping of facilities and pay the costs of issuing the bonds. Up to \$75 million in bonds will be taxable, and the proceeds thereof, together with other funds, are expected to be used to refinance bond debt and pay the costs of issuing the Bonds.

In Riverside County, approximately \$15,000,000 of bond proceeds will be used for improvements to the Murrieta Hospital, and \$5,000,000 will be used for software related expenditures at medical facilities partnering with LLUMC in Moreno Valley. Major components of the Project include seismic safety improvements, cancer center expansion, proton therapy equipment upgrades, electronic medical record expansion and upgrades, and emergency generator installation.

In order for the interest on the Bonds to be tax-exempt, Section 147(f) of the Internal Revenue Code requires that the governmental unit where the project is located hold a public hearing on the issuance of the obligations and approve the issuance of the obligations following such hearing. CSCDA has requested that the Board approve the issuance of the obligations by the CSCDA in order to satisfy the public approval requirement of section 147(f) of the Code. CSCDA will be the conduit issuer, and the obligations will not represent a general obligation of the County of Riverside.

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No fiscal impacts to the County are associated with this action. Conduit revenue obligations are a special, limited obligations of CSCDA payable solely through the LLUMC's repayment of the loan from the CSCDA, which repayment is used to pay the principal of and interest on the Bonds. As such, any Bonds issued by the CSCDA will not be a direct obligation of CSCDA, the County, or any member of the CSCDA. Neither the faith or credit, nor the taxing power of the County, any member of the CSCDA, the State or any political subdivision is pledged to the repayment of the Bonds.

County Counsel has reviewed and approved as to form Resolution Number 2024-188 and staff recommends approval of the resolution.

Impact on Residents and Businesses

Assisting LLUMC with this financing process will facilitate seismic safety improvements, cancer center expansion, proton therapy equipment upgrades, electronic medical record expansion and upgrades, and emergency generator installation within the County of Riverside and upgrade medical services to be provided to residents.

ATTACHMENTS:

- Resolution No. 2024-188
- TEFRA Public Notice



Aaron Gettis, Chief of Deputy County Counsel 9/5/2024

BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

RESOLUTION NO. 2024-188

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE APPROVING THE ISSUANCE OF ONE OR MORE SERIES OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY REVENUE BONDS (LOMA LINDA UNIVERSITY MEDICAL CENTER) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$127,000,000, OF WHICH A PORTION OF THE PROCEEDS WILL BE USED BY LOMA LINDA UNIVERSITY MEDICAL CENTER TO FINANCE AND REFINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, RENOVATION AND/OR EQUIPPING OF CAPITAL PROJECTS LOCATED IN THE COUNTY OF RIVERSIDE AND CERTAIN OTHER MATTERS RELATING THERETO HEREIN SPECIFIED.

FORM-APPROVED COUNTY COUNSEL
BY: *Stephanie K Nelson* 9/15/24
DATE: _____
STEPHANIE K NELSON

WHEREAS, Loma Linda University Medical Center, a nonprofit religious corporation (the "Corporation"), has requested that the California Statewide Communities Development Authority (the "Authority") participate in the issuance of its qualified 501(c)(3) bonds, as defined in Section 145 of the Code for hospitals or other healthcare facilities, in one or more series, in an aggregate principal amount not to exceed \$127,000,000 (the "Bonds"), of which all or a portion of the proceeds will be used to finance and refinance the acquisition, construction, improvement, renovation and/or equipping of certain capital projects (the "Project") owned by one of or a combination of the Corporation and Loma Linda University Medical Center – Murrieta, all located within the County of Riverside (the "County"); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance by the Authority of one or more series of federally tax-exempt Bonds in an aggregate principal amount not to exceed \$75,000,000 (the "Tax-Exempt Bonds") must be approved by the County because the Project is located within the territorial limits of the County; and

WHEREAS, the Board of Supervisors of the County (the "Board of Supervisors") is the elected legislative body of the County and is one of the applicable elected representatives required to approve the issuance of the Tax-exempt Bonds under Section 147(f) of the Code; and

1 **WHEREAS**, the Authority has requested that the Board of Supervisors (i) approve the issuance
2 of one or more series of the Tax-Exempt Bonds by the Authority for the purposes of financing the
3 portion of the Project to be paid from proceeds of the Tax-Exempt Bonds (the “Tax-Exempt Project”)
4 in order to satisfy the public approval requirement of Section 147(f) of the Code, and (ii) approve the
5 issuance of one or more series of the Bonds for the purposes of financing and refinancing the Project
6 to satisfy the requirements of Section 9 of the Amended and Restated Joint Exercise of Powers
7 Agreement, dated as of June 1, 1988 (the “Agreement”), among certain local agencies, including the
8 County; and

9 **WHEREAS**, the Authority is also requesting that the Board of Supervisors approve the
10 issuance of any refunding bonds hereafter issued by the Authority for the purpose of refinancing the
11 Bonds which financed and refinanced the Project (the “Refunding Bonds”) but only in such cases where
12 federal tax laws would not require additional consideration or approval by the Board of Supervisors;
13 and

14 **WHEREAS**, pursuant to Section 147(f) of the Code, the Board of Supervisors has, following
15 notice duly given, held a public hearing on September 17, 2024 regarding the issuance of the Tax-
16 Exempt Bonds to finance the Tax-Exempt Project; and

17 **WHEREAS**, the Board of Supervisors now desires to approve the issuance of
18 the Bonds and Refunding Bonds by the Authority to finance and refinance the Project.

19 **NOW, THEREFORE, BE IT RESOLVED**, by the BOARD OF SUPERVISORS OF
20 THE COUNTY OF RIVERSIDE as follows:

21 Section 1. The Board of Supervisors hereby approves the issuance of the Bonds and
22 Refunding Bonds by the Authority for the purposes of financing and refinancing the Project. It is the
23 purpose and intent of the Board of Supervisors that this resolution constitute (i) approval of the issuance
24 of one or more series of the Tax-Exempt Bonds by the Authority, for the purposes of Section 147(f) of
25 the Code by the applicable elected representative of the issuer of the Tax-Exempt Bonds and the
26 governmental unit having jurisdiction over the area in which the Project is located, in accordance with
27 said Section 147(f), and (ii) approval of the issuance of one or more series of the Bonds and Refunding
28 Bonds by the Authority for the purposes of Section 9 of the Agreement.

 Section 2. The officers of the County are hereby authorized and directed, jointly and
severally, to do any and all things and to execute and deliver any and all documents which they deem

1 necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this
2 resolution and the financing transaction approved hereby.

3 Section 3. This resolution shall take effect immediately upon its adoption.
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1 PASSED AND ADOPTED by the Board of Supervisors of the County of Riverside,

2 State of California, by the following vote:

3 AYES: Jeffries, Washington, Perez, and Gutierrez

4 NOES: None

5 ABSENT: Spiegel

6 *****

7 STATE OF CALIFORNIA)
8) ss.
9 County of Riverside)

10 I, Kimberly Rector, Clerk of the BOARD OF SUPERVISORS OF THE COUNTY OF
11 RIVERSIDE, State of California, hereby certify the foregoing to be a full, true and correct copy of
12 the record of the action taken by the Board of Supervisors, by vote of the members present, as the same
13 appears in the Official

14 Minutes of said Board at its meeting of September 17, 2024.

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16 
17 Chuck Washington, Chair
18 Board of Supervisors

19 ATTEST:
20 Kimberly Rector
21 Clerk of the Board

22 By 
23 Deputy
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Sacramento, CA 95814

Publication: The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc: 0011685074

FILE NO. 0011685074

PROOF OF PUBLICATION

I am a citizen of the United States. I am over the age of eighteen years and not party to or interested in the above-entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper of general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

08/26/2024

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Date: August 26, 2024.
At: Riverside, California

Signature

**COUNTY OF RIVERSIDE
NOTICE OF A PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that on September 17, 2024, a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986 (the "Code") will be held with respect to the proposed issuance by the California Statewide Communities Development Authority from time to time of its qualified 501(c)(3) bonds, as defined in Section 145 of the Code for hospitals or other healthcare facilities, in one or more series in an aggregate amount not to exceed \$75,000,000 (the "Bonds"). Loma Linda University Medical Center (the "Corporation") will use a portion of the proceeds of the Bonds to finance the acquisition, construction, improvements, renovation and/or equipping of capital projects owned by one of or a combination of the Corporation and Loma Linda University Medical Center - Murrieta (the "Murrieta Hospital") at the locations described below, all of which are in California:

28062 and 28078 Baxter Road, Murrieta (\$15,000,000 maximum principal amount);

23520, 26520 and 26600 Cactus Avenue, Moreno Valley; 4095 County Circle Drive, Riverside; 9990 County Farm Road, Riverside; 4065 County Circle Drive, Riverside; 3055 W. Ramsey Street, Banning; 2813 S. Main Street, Corona; 880 N. State Street, Hemet; 47-923 Oasis Street, Indio; 8876 Mission Blvd., Jurupa Valley; 2499 E. Lakeshore Drive, Lake Elsinore; 191 North Sunrise Way, Palm Springs; 308 East San Jacinto Avenue, Perris; 450 San Jacinto Avenue, Perris; 7140 Indiana Avenue, Riverside; and 5256 Mission Blvd., Riverside (\$5,000,000 maximum principal amount);

8876 Mission Blvd., Jurupa Valley; 2813 S. Main Street, Corona; 5256 Mission Blvd., Riverside; 7140 Indiana Avenue, Riverside; 450 E. San Jacinto Avenue, Perris; 2499 E. Lakeshore Drive, Lake Elsinore; 3055 W. Ramsey Street, Banning; 880 N. State Street, Hemet; 191 North Sunrise Way, Palm Springs; 47-923 Oasis Street, Indio; 47-470 Van Buren Street, Indio; 84110 Manila Avenue, Indio; 82934 Civic Center Drive, Indio; and 332 West Hobsonway, Blythe (\$5,000,000 maximum principal amount).

Each of the Corporation and the Murrieta Hospital is a nonprofit religious corporation and an organization described in Section 501(c)(3) of the Code.

The hearing will commence at 9:30 a.m. or as soon thereafter as the matter can be heard, and will be held in the Riverside County Administrative Center Board Chambers located at 4080 Lemon Street, 1st Floor, Riverside, California 92501. Interested persons wishing to express their views on the issuance of the Bonds or on the nature and location of the facilities proposed to be financed and refinanced may attend the public hearing or, prior to the time of the hearing, submit written comments.

Additional information concerning the above matter may be obtained from and written comments should be addressed to the County of Riverside, Clerk of the Board of Supervisors, 4080 Lemon Street, 1st Floor, Riverside California 92501, (951) 955-1069, Email: cob@rivco.org, or may be submitted at <https://www.rivcocob.org/web-comments>.

Accommodations under the Americans with Disabilities Act are available upon request. Requests must be made at least 72 hours prior to meeting. Later requests will be accommodated to the extent feasible. Please call the Clerk of the Board of Supervisors at (951) 955-1069, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

Dated: August 26, 2024

COUNTY OF RIVERSIDE