



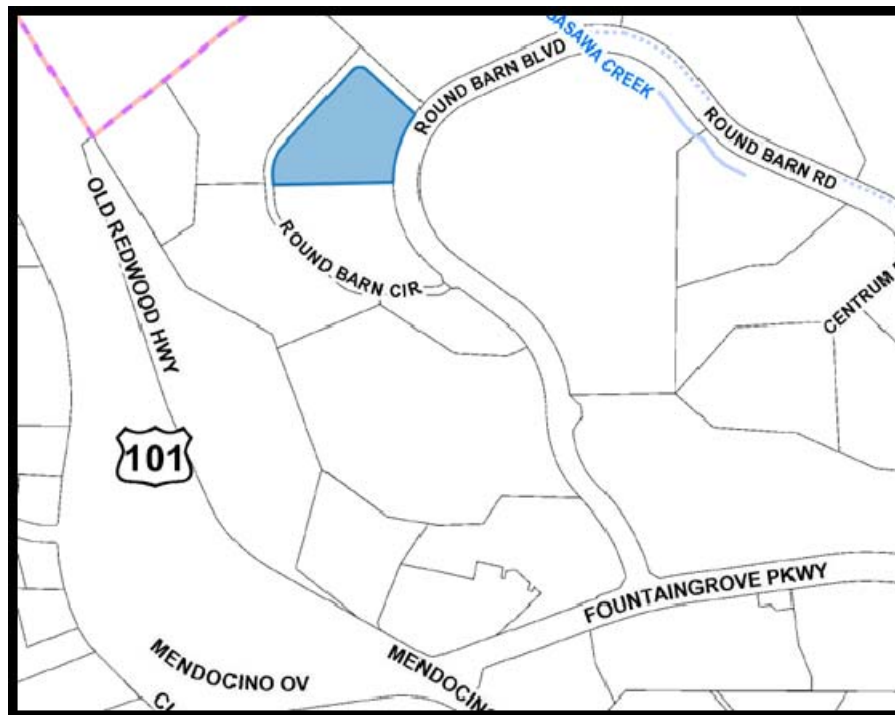
TEFRA HEARING SANTA ROSA COMMUNITY HEALTH CENTERS 3569 ROUND BARN CIRCLE

City Council Meeting
May 31, 2016

Deborah Lauchner
Chief Financial Officer

CURRENT

- SRCHC provides healthcare services to uninsured and underinsured patients.
- Nine sites around the City of Santa Rosa, including this site, serving 50,000 patients.



CURRENT

- In 2010, California Municipal Finance Authority (CMFA) issued tax exempt revenue bonds to purchase site and improve building for health clinic and administrative offices.
- CMFA is a Joint Powers Authority – City is a member – that assists local governments, non-profit organizations and businesses with the issuance of bonds.

PROPOSED

- Issuance of tax exempt refunding revenue bonds in an amount not to exceed \$15M.
- Sole purpose: pay off the existing bonds and refinance with lower interest rates.
- No fiscal impact on the General Fund - All financial obligations responsibility of SRCHC.
- Bonds insured by the State of California Cal-Mortgage program.

TEFRA HEARING

- TEFRA: The issuance of private activity bonds must be approved by the governing body in whose jurisdiction the project is located following a public hearing, which is often referred to as a TEFRA Public Hearing because it is held in accordance with the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982, Section 147(f) of the Internal Revenue Code of 1986.

BENEFIT

- Refinancing at a lower interest rate will
 - Reduce the overall cost of providing medical care to uninsured and underinsured patients.
 - Save \$5-\$6 million in financing costs.
- CMFA will grant to the City's general fund a portion of the issuance fee, in this case approximately \$7,500, depending on the final bond issuance amount.

RECOMMENDATION

- Approve the issuance by the California Municipal Finance Authority of tax exempt revenue bonds for Santa Rosa Community Health Centers in an amount not to exceed \$15,000,000 to refund the outstanding Insured Revenue Bonds (Southwest Community Health Center), Series 2010, for the property located at 3569 Round Barn Circle.

QUESTIONS?