



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: Treasurer – Tax  
Collector  
Department No.: 065  
For Agenda Of: 3/20/07  
Placement: Administrative  
Estimated Tme:  
Continued Item: No  
If Yes, date from:  
Vote Required: Select\_Vote

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TO: Board of Supervisors

FROM: Department Name & Phone Bernice James, Treasurer – Tax Collector  
Director(s) 568 - 2490  
Contact Info: Name & Phone Stacey Matson, Investment & Debt Officer  
568 - 2158

SUBJECT: **California Statewide Communities Development Authority Conduit Financing of  
Tax-Exempt Private Activity Bonds On Behalf of Options Family of Services**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Debt Advisory Committee

**Recommended Actions:**

Consider and Adopt a Resolution Approving the Conduit Issuance of the California Statewide Communities Development Authority (CSCDA) Revenue Bonds, for Options Family of Services (Options), in a Principal Amount Not to Exceed \$3,800,000.

**Summary Text:**

Federal law provides a process for a qualified 501(c)(3) organization to participate in a tax-exempt financing under Section 147(f) of the Internal Revenue Code. The County has the limited role of approving the financing, but is not a party to the issuance and assumes no liability by its approval. The Tax and Equity Fiscal Responsibility Act of 1982 (TEFRA), requires the legislative body of the local agency in which the project will be located to hold the TEFRA hearing in order for the bonds to be tax-exempt.

CSCDA, as the conduit issuer of tax-exempt bonds for Options, has requested that the Santa Barbara County Board of Supervisors hold the required TEFRA hearing and adopt a resolution approving the issuance of the tax-exempt bonds.

This item was considered by the Santa Barbara County Debt Advisory Committee on February 23, 2007 and was approved for recommendation to the County Board of Supervisors.

**Background:**

Options provides assistance to the developmentally disabled in Santa Barbara County. They provide more than 200 clients per day with residential services, day programs, vocational training, employment services and crisis assistance.

CSCDA is requesting that the County hold the required TEFRA public hearing so that tax-exempt non-profit private activity bonds, in an amount not to exceed \$3,800,000, may be issued by CSCDA. Options will use the funds from this bond issuance to refinance existing bank loans incurred to finance improvements to two facilities located within the County of Santa Barbara. The facilities located within the County of Santa Barbara are located at:

- 4087 Hillview, Santa Maria (unincorporated area of the County)
- 937 W Alvin, Santa Maria (incorporated City)

In addition, six facilities located within the County of San Luis Obispo are also included in the financing. The County of Santa Barbara is not being asked to approve the financing with regards to the facilities located in the County of San Luis Obispo. A separate TEFRA Hearing has been scheduled with the County of San Luis Obispo for the facilities located there.

The bonds would be tax-exempt private activity bonds per the Internal Revenue Code and require the approval of the elected body of the governmental entity having jurisdiction over the area where the project to be financed is located. Although one of the facilities indicated above is located within the City of Santa Maria, the Board of Supervisors has jurisdiction over the entire unincorporated and incorporated areas of the County for this purpose.

Options has obtained a loan guarantee from the Office of Statewide Health Planning and Development of the State of California. The loan guarantee will impose the State's credit rating upon the financing, currently "A+" by Standard & Poor's Rating Services. The loan insurance provided by the Office of Statewide Health Planning and Development is made to Options based upon certain assessments of the entity. No property of the County is in any way subject to any security interest and there is no recourse against the County in the event of a default by Options.

In March of 1990 the County adopted Resolution 90-166 which established the County as a member of the CSCDA. This joint powers authority was created by the California State Association of Counties and the League of California Cities to assist cities, counties, and non-profit organizations in addressing their financing needs.

The County has participated in similar hearings on behalf of the Samarkand Retirement Facility, the Devereux Foundation, and People's Self-Help Housing.

**Performance Measure:**

N/A

**Fiscal and Facilities Impacts:**

Budgeted:

**Fiscal Analysis:**

Narrative:

There is no financial impact to the County. CSCDA will act as issuer and perform all of the necessary legal and administrative responsibilities associated with the financing. Options is responsible for all debt service payments. This financing does not impact the credit rating of the County.

**Staffing Impacts:**

**Legal Positions:**

**FTEs:**

**Special Instructions:**

Please return four signed originals to the Treasurer – Tax Collector, Attention: Stacey Matson.

**Attachments:**

RESOLUTION OF THE BOARD OF SUPERVISORS OF SANTA BARBARA COUNTY  
APPROVING THE ISSUANCE OF THE CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY REVENUE BONDS

**Authored by:**

Stacey Matson, Investment & Debt Officer, Office of the Treasurer – Tax Collector

**cc:**