

RESOLUTION NO. 44-24

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CAMBRIA COMMUNITY HEALTH CARE DISTRICT ORDERING AN
ELECTION TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION
BONDS, ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER,
AND REQUESTING CONSOLIDATION WITH OTHER ELECTIONS
OCCURRING ON NOVEMBER 5, 2024**

WHEREAS, the Board of Directors (the "Board") of the Cambria Community Healthcare District (the "District"), in the County of San Luis Obispo, State of California (the "County"), is authorized to order elections within the District and to designate the specifications thereof;

WHEREAS, pursuant to California Health and Safety Code Sections 32000 et seq. (the "Act"), the Board is specifically authorized to order elections for the purpose of submitting to the electors the question of whether general obligation bonds of the District (the "Bonds") shall be issued and sold for the purpose of raising money for the purposes hereinafter set forth;

WHEREAS, the Board considers special assessments to be inadvisable for such purposes;

WHEREAS, the Board deems it necessary and advisable to submit a bond proposition to the electors of the District which, if approved as set forth herein, would permit the District to issue and sell its Bonds;

WHEREAS, under existing law, approval of the Bonds requires at least 2/3 of the voters in the District voting on the proposition to vote in favor; and

WHEREAS, Assembly Constitutional Amendment No. 1 ("ACA1") has qualified for the November 5, 2024 Statewide ballot and would, among other things, change existing law to authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure if the proposition proposing that tax is approved by at least 55% of the voters of the city, county, city and county, or special district, as applicable, and the proposition includes specified accountability requirements; and

WHEREAS, the foregoing amendments effectuated by ACA1, if approved at the November 5, 2024 Statewide ballot, would apply to any proposition authorizing general obligation bonds of a city, county, city and county, or special district that is submitted at the same election as ACA1; and

WHEREAS, the District intends for the proposition to approve the Bonds to comply with all of the provisions of ACA1 so that, if ACA1 is approved on November 5, 2024, approval of the Bonds would require at least 55% of the voters in the District voting on the proposition to vote in favor, rather than at least 2/3 of voters in the District voting on the proposition;

WHEREAS, pursuant to the California Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on November 5,

2024, and to request the Registrar of Voters for San Luis Obispo County (the "County Registrar") to perform certain election services for the District;

WHEREAS, it is desirable that the election to determine whether the Bonds shall be issued and sold be consolidated with such elections held on the same day in the District;

WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure and the Board wishes at this time to declare its official intent to reimburse the expenditures referenced herein from the proceeds of bonds issued pursuant to voter authorization;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Cambria Community Healthcare District the following;

Section 1. The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold in one or more series from time to time for the purposes set forth in the ballot measure set forth hereto as Appendix A and Appendix B.

Pursuant to Health and Safety Code Section 32301, an election shall be held within the boundaries of the Cambria Community Health Care District on November 5, 2024 (the "Election"), for the purpose of submitting to the registered voters of the District the ballot measure (the "Proposition"):

The Bonds proposed to be issued and sold shall bear interest at a rate or rates per annum not exceeding the statutory maximum, payable at the time or times permitted by law, and the term of the Bonds shall not exceed 30 years from the date of issuance of the Bonds or the date of issuance of any series thereof. The aggregate principal amount of Bonds proposed to be issued under the Proposition shall not exceed \$5,900,000.

The District Administrator (or any interim officer or any designee thereof) is hereby authorized and directed to make any changes to the text of the Proposition or its abbreviated form as required to comply with the intent of this Resolution, the requirements of election officials or requirements of law.

The Full Text of the Proposition, which commences with the heading "BOND AUTHORIZATION" and includes all of the text thereafter on Appendix A, shall be printed in the voter information pamphlet provided to voters, with such measure designation as is assigned to the measure.

Section 2. Pursuant to Section 1 of Article XIII A of the Constitution of the State of California and Health and Safety Code Section 32302, the Proposition shall become effective if more than two-thirds of the votes cast on the Proposition are in favor thereof, in the event that ACA1 is not approved by voters. Pursuant to ACA1, in the event it is approved by voters, the Proposition shall become effective if more than 55% of votes cast on the Proposition are in favor thereof.

Section 3. This Resolution shall stand as the order to the County Registrar to call the Election within the boundaries of the District on November 5, 2024. The County Registrar is hereby requested, pursuant to Section 32301 of the Health and Safety Code, to take all steps to call and hold the Election in accordance with law and these specifications. This order of election and the foregoing specifications of the election order are made pursuant to the Act. Pursuant to the Elections Code, the Board of Supervisors of the County is required to permit the County Registrar to render all services specified by Section 10418 of the Elections Code relating to the election for which services the District agrees to reimburse the County.

The Board of Supervisors of the County is requested to order consolidation of the Election with such other elections as may be held on the same day in the District.

Section 4. The Secretary of the Board is hereby directed to deliver, no later than August 9, 2024 (which is at least 88 days prior to the date set for the Election), a copy of this Resolution to (a) the County Registrar and (b) to the Clerk of the Board of Supervisors of the County.

Section 5. The Administrator of the District is hereby authorized to prepare or cause to be prepared a tax rate statement (the "Tax Rate Statement") conforming to the requirements of Elections Code Section 9401 and to file the Tax Rate Statement with the County Registrar. The Tax Rate Statement shall be in substantially the form attached hereto as Appendix C.

The County Registrar is hereby requested to include the Tax Rate Statement in all official publications pertaining to the Proposition, pursuant to the terms of Elections Code Section 9402.

Section 6. The County Registrar is hereby requested to transmit a copy of the Proposition to County Counsel with a request that the respective County Counsel prepare an impartial analysis thereof.

Section 7. One or more members of the Board are hereby authorized, but not directed, to prepare and file with the County Registrar a ballot argument in favor of the Proposition pursuant to the requirements of Elections Code Section 9501. The Secretary of the Board is hereby directed to submit a copy of the ballot argument, if the same is filed pursuant to Section 10 above, to the County Registrar of Voters of the County on or before the deadline date fixed by the County Registrar.

Section 8. In accordance with ACA1 and Sections 53410 and 53411 of the California Government Code, the Board hereby adopts the following accountability requirements relating to the Bonds:

- a. The proceeds from the sale of the Bonds shall be used only for the Projects specified in this Resolution, and not for any other purpose, including District employee salaries and other operating expenses.
- b. The District hereby certifies that it has evaluated alternative funding sources for the Projects.
- c. The District shall create a separate account into which Bond proceeds shall be deposited.

- d. The District shall conduct or cause an annual, independent performance audit to ensure that the Bond funds are expended in accordance with the Project list, and such audits will be posted in a manner that is easily accessible to the public.
- e. The District shall conduct or cause an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the public infrastructure Projects, and such audits will be posted in a manner that is easily accessible to the public.
- f. The District shall appoint an independent citizens' oversight committee to ensure that Bond proceeds are expended only for the purposes described in the measure approved by the voters.
- g. The District's Administrator will file with the Board an annual report as required by Government Code Section 53411 no later than the first December 31 following the first issuance of the Bonds and at least once a year thereafter.

Section 9. The Board presently intends and reasonably expects to have tax-exempt obligations (the "Obligations") issued on its behalf no later than 18 months of (i) the date of the expenditure of moneys, if any, made with respect to the Projects or (ii) the date upon which the Project for which expenditures are to be reimbursed is placed in service or abandoned, whichever is later (but in no event more than 3 years after the date the original expenditure of such moneys is paid), and to allocate all or a portion of the proceeds thereof to reimbursable expenditures in connection with the Projects, as may be qualified under the provisions of Section 1.150-2 of the Treasury Regulations of the Internal Revenue Service (the "Reimbursable Expenditures"). All of the Reimbursable Expenditures covered by this Section were paid not earlier than 60 days prior to the date of this Resolution or constitute preliminary expenditures within the meaning of Section 1.150-2 of the Treasury Regulations. The Board intends to allocate within 30 days after the date of issue of the Obligations, the proceeds therefrom to reimburse the District for the Reimbursable Expenditures. With respect to the proceeds of the Obligations allocated to reimburse the District for prior expenditures, the Board hereby covenants not to employ an abusive device under Treasury Regulation Section 1.148-10, including using within one year of the reimbursement allocation, the funds corresponding to the proceeds of the Obligations in a manner that results in the creation of replacement proceeds, as defined in Treasury Regulation Section 1.148-1, of the Obligations or another issue of tax- exempt obligations.

The above provisions are made solely for the purpose of establishing compliance with the requirements of said Section 1.150-2 of the Treasury Regulations. This provision does not bind the District or the Board to make any expenditure, incur any indebtedness, or proceed with the financing, acquisition or construction of the Projects.

Section 10. This Resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED by the Board of Directors of the Cambria Community Healthcare District at a regular meeting thereof held this 28th day of May, 2024, by the following vote:

AYES: 4
NOES:
ABSENT: 1
ABSTAIN:

Signed: 
Secretary

APPENDIX A

ABBREVIATED FORM OF BOND MEASURE

"To replace the 67-year-old ambulance station/ healthcare facility to meet current County codes and standards and improve safety and security for residents, emergency responders, and visitors, shall Cambria Community Healthcare District's measure be adopted authorizing \$5,900,000 of bonds at legal rates, generating on average \$423,300 annually at rates of approximately \$7.90 per \$100,000 assessed value, while bonds are outstanding, with annual audits, independent citizens' oversight committee, NO money for salaries and all funds spent locally?"

Bonds 4 Yes

Bonds No

APPENDIX B

FULL TEXT OF BOND MEASURE

The full text of bond measure to be printed in the election material begins below the following line. Letter designation of measure shall be assigned and input by the County Registrar.

BOND AUTHORIZATION

By approval of this proposition by the requisite number of registered voters voting on the proposition, the Cambria Community Healthcare District (the "District") shall be authorized to issue and sell bonds of up to \$5,900,000 in aggregate principal amount (the "Bonds") to provide financing for the facilities projects listed in the Bond Project List below, subject to all of the accountability safeguards specified below.

ACCOUNTABILITY SAFEGUARDS

The provisions in this section are specifically included in this proposition in order that the District's voters and taxpayers may be assured that their money will be spent wisely to address specific facilities needs of the District.

- The proceeds from the sale of the Bonds shall be used only for the Projects specified in this Resolution, and not for any other purpose, including District employee salaries and other operating expenses.
- The District has evaluated alternative funding sources for the Projects.
- The District shall create a separate account into which Bond proceeds shall be deposited.
- The District shall conduct or cause an annual, independent performance audit to ensure that the Bond funds are expended in accordance with the Project list, and such audits will be posted in a manner that is easily accessible to the public.
- The District shall conduct or cause an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the public infrastructure Projects, and such audits will be posted in a manner that is easily accessible to the public.
- The District shall appoint an independent citizens' oversight committee to ensure that Bond proceeds are expended only for the purposes described in the measure approved by the voters.
- The District's Administrator will file with the Board an annual report as required by Government Code Section 53411 no later than the first December 31 following the first issuance of the Bonds and at least once a year thereafter.

FURTHER SPECIFICATIONS

Specific Purposes. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, and shall constitute the specific purposes of the bonds, and

proceeds of the bonds shall be spent only for such purposes, pursuant to Government Code Section 53410.

Rate of Interest. The bonds shall bear interest at a rate per annum not exceeding the statutory maximum, payable at the time or times permitted by law.

Term of Bonds. The number of years the whole or any part of the bonds are to run shall not exceed the legal limit, though this shall not preclude bonds from being sold which mature prior to the legal limit.

BOND PROJECT LIST

The specific projects authorized to be financed pursuant to the Proposition (the "Projects") are described below. Listed projects will be completed as needed according to Board-established priorities, and the order in which such projects appear on the Bond Project List is not an indication of priority for funding or completion. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Until all project costs and funding sources are known, the Board cannot determine the amount of bond proceeds available to be spent on each project, nor guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Completion of certain projects may be subject to further government approvals or appropriation by State officials and boards, to local environmental review, and to input from the public. For these reasons, inclusion of a project on this list is not a guarantee that the project will be funded or completed. The following types of projects are authorized at all existing sites of the District and all sites that may be acquired by the District in the future:

- Replace existing 67-year-old ambulance station with a modern facility that meets current County codes and standards.
- Make safety and security improvements for ambulance crews and medication storage facilities.
- Provide housing for two 24-hour ambulance crews to improve 911 ambulance response times.
- Provide whole-facility solar energy with battery and emergency generator back-up.
- Provide central heating to ambulance bays that can double as evacuation collection points for people in the event of disasters such as wildfires, earthquakes or floods.
- House ambulances indoors to extend their useful lives.

Each project is assumed to include its share of architectural, engineering, and similar planning costs, program/project management, staff training expenses and a customary contingency for unforeseen design and construction costs. In addition to the listed projects stated above, the list also includes installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary relocation of dislocated District activities caused by construction projects. The budget for each project is an estimate and may be affected by factors beyond the District's control. The final cost of each project will be determined as plans and construction documents are finalized, construction bids are received, construction contracts are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be

completed. Necessary site preparation/restoration may occur in connection with new construction, including ingress, egress, curb, gutter and sidewalk if required, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to bond projects and the costs of issuing the bonds. Bond proceeds shall only be expended for the specific purposes identified herein.

The Full Text of Measure ends at the above line.

APPENDIX C

TAX RATE STATEMENT

An election will be held in the Cambria Community Health Care District (the "District") on November 5, 2024, to authorize the sale of up to \$5,900,000 in general obligation bonds of the District (the "Bonds") to finance the acquisition and improvement of real property for healthcare related purposes. If such Bonds are authorized and sold, the principal thereof and interest thereon will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400-9404 of the California Elections Code. This information is based upon the best estimates and projections presently available from official sources, upon experience within the District and other demonstrable factors.

1. The best estimate from official sources of the average annual tax rate that would be required to be levied to fund the bond issue over the entire duration of the bond debt service, based on estimated assessed valuations available at the time of the filing of this statement is \$7.90 per \$100,000 of assessed valuation of all property to be taxed. The final fiscal year in which the tax is anticipated to be collected is 2049-50.

2. The best estimate of the highest tax rate that would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing this statement, is \$7.90 per \$100,000 of assessed valuation. This rate is projected to apply in each fiscal year that the bonds are outstanding.

3. The best estimate from official sources of the total debt service, including the principal and interest, that would be required to be repaid if all the Bonds are issued and sold, is \$11,005,995.

These estimates are based on projections derived from information obtained from official sources, and are based on the assessed value (not market value) of taxable property on the County's official tax rolls. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions. The attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which amounts are not maximum amounts and durations and are not binding upon the District. The actual debt service, tax rates and the years in which they will apply may vary depending on the timing of bond sales, the par amount of bonds sold at each sale and actual increases in assessed valuations. The timing of the bond sales and the amount of bonds sold at any given time will be determined by the District based on the need for project funds and other considerations. Actual assessed valuations will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.



Administrator
Cambria Community Health Care District