

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)
EXECUTIVE SUMMARY AND RECOMMENDATION**

The Beacon House Association of San Pedro (“BHA”)

Amendment to Resolution Number 362

September 29, 2011

PRIOR AMOUNT APPROVED:	\$1,550,000
PRIOR APPROVAL DATE:	April 28, 2011
EXPECTED RATING:	A- (Standard & Poor’s) based on Cal-Mortgage Insurance
CREDIT ENHANCEMENT:	Cal-Mortgage Insurance
UNDERWRITER:	Wulff, Hansen & Co
LOCATION:	San Pedro, CA, San Bernardino County

PURPOSE OF THE REQUEST:

The Beacon House Association of San Pedro (“BHA”) is seeking the Authority’s approval to extend a previously granted authorization to sell bonds from October 28, 2001 (the expiration date of BHA’s original resolution) to on or before April 28, 2012.

BACKGROUND:

At the April 28, 2011 board meeting, the Authority approved Resolution Number 362 which authorized BHA to offer bonds in the tax-exempt market (for varied purposes) in an amount not to exceed \$1.55 million. BHA has not yet had the opportunity to issue the bonds. Though interest rates are improving and BHA may soon enter the market, interest rates have not been at the levels needed to meet Cal-Mortgage’s interest savings requirement of 4%.

Though BHA may soon enter the market, BHA seeks an additional six month window in which to do so to give BHA additional time to maximize their interest savings. Staff recommends the Authority approve an extension of the expiration date of the authorization to sell bonds from October 28, 2001 to on or before April 28, 2012.

FINANCIAL REVIEW:

Staff reviewed FY 2010 audited financial statements and has determined there have been no material changes in BHA's financial position since the board approved Resolution Number 362 on April 28, 2011.

RECOMMENDATION:

Staff recommends the Authority approve amended Resolution Number 362 for The Beacon House Association of San Pedro to extend the expiration date to sell bonds from October 28, 2011 to on or before April 28, 2012, subject to all prior provisions and conditions previously approved in said resolution which remain unchanged and in full effect.

EXHIBIT 1

FINANCING TEAM

Trustee and Escrow Agent: U.S. Bank National Association

Trustee's Counsel: Dorsey & Whitney LLP

Rating Agency: Standard & Poor's Rating Services

Issuer's Financial Advisor: Public Finance Management

Borrower's Counsel: Jennings, Strouss & Salmon, P.L.C.

Bond Counsel: Quint & Thimmig LLP

Underwriters: Wulff, Hansen & Co.