

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY  
STAFF SUMMARY AND RECOMMENDATION**

**HELP II Loan Program**

**Mayers Memorial Hospital (“MMH”)  
Amendment to Resolution No. HII-271  
January 14, 2013**

**Background:**

In June 2012, the Authority approved a HELP II loan for MMH in the amount of \$685,310<sup>1</sup> to be secured by a second position lien behind Cal-Mortgage on MMH real property. MMH incorrectly identified the address for the real property in its application, but the error was not discovered until after the Authority had already approved the resolution. Consequently, staff requests the Authority approve an amendment to the existing resolution noting the change of real property address from 20597 Commerce Way, Burney, California 96013 to 20641-20647 Commerce Way, Burney, California 96013.

MMH submitted an appraisal dated November 27, 2012 for the correct property address of 20641-20647 Commerce Way which identifies an appraised value of \$4,570,000. This fair market value leads to an acceptable loan to value ratio of 93.7% (includes the first lien held by Cal-Mortgage in the amount of \$3.6 million, as well as the Authority’s pending HELP II loan of \$685,310).

**Recommendation:**

Staff recommends the Authority amend Resolution No. HII-271 to change the address of its security interest from a second lien position on the real property located at 20597 Commerce Way, Burney, California 96013 to a second lien position on the real property located at 20641-20647 Commerce Way, Burney, California 96013. All other provisions and conditions of the HELP II loan will remain the same and in full effect.

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<sup>1</sup> Loan proceeds will be used to acquire, configure and install a new electronic health records system, as well as to replace aging equipment.

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY**

**The HELP II Loan Program**

**Amendment to Resolution No. HII-271**

**Approval of Change in Security on an Outstanding HELP II Loan**

WHEREAS, the California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the provisions of the California Health Facilities Financing Authority Act (the “Act”) to provide secured or unsecured loans to participating health institutions to finance or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, or equipping of a health facility;

WHEREAS, the Authority established the HELP II Loan Program (the “Program”) to provide loans to participating health institutions as authorized by the Act;

WHEREAS, on June 28, 2012 Mayers Memorial Hospital (the “Borrower”), a California nonprofit corporation and participating health institution, was approved for a Program loan in the amount of \$658,310 under Resolution No. HII-271; and

WHEREAS, Borrower has requested a modification of one of the loan conditions required under Resolution No. HII-271 to correct the address of the real property identified as security for the Program loan due to an inadvertent error by the Borrower, and the Authority staff recommends approval of the modification as hereinafter set forth;

NOW THEREFORE BE IT RESOLVED by the California Health Facilities Financing Authority, as follows:

Section 1. The Authority approves the amendment to Resolution No. HII-271 to correct the address of the real property identified as security for the Program loan from 20597 Commerce Way, Burney, California 96013 to 20641-20647 Commerce Way, Burney, California 96013.

Section 2. All other provisions of Resolution No. HII-271 shall remain the same.

Section 3. This amendment to Resolution No. HII-271 shall be in effect until June 28, 2013.

Date of Approval: \_\_\_\_\_