

**CHFFA REVENUE BOND FINANCING PROGRAM
EXECUTIVE SUMMARY**

<p>Applicant: AltaMed Health Services Corporation (“AltaMed”) 2040 Camfield Avenue Los Angeles, CA 90040 Los Angeles County</p>	<p>Amount Requested – Bonds: \$109,000,000 Amount Requested – Notes: \$ 21,000,000 Requested Loan Term – Bonds: Up to 40 years Requested Loan Term – Notes: Up to 7 years Authority Meeting Date: July 30, 2015 Resolution Number: 405</p>																
<p>Project Sites: <i>(See Exhibit 4)</i></p>																	
<p>Facility Type: Non-profit corporation operating community clinics; Government Code 15432(d)(6)</p>																	
<p>Prior Borrower: Yes, participant in Pooled Loan Program 1985 Series B. Loans paid in full.</p>																	
<p>Background: AltaMed is a non-profit community health center founded in 1969 as a volunteer-staffed, storefront clinic in East Los Angeles, CA. AltaMed has since grown into the largest unaffiliated non-profit Federally Qualified Health Center (FQHC) in California with 23 primary care clinics, six oral health service sites, and six <i>Program of All-inclusive Care for the Elderly (PACE)</i> sites. AltaMed provides medical and dental services to predominantly low-income Latino, multi-ethnic and underserved communities throughout Los Angeles and Orange Counties. <i>(See Exhibit 5 for additional background, governance, and licensing information)</i></p>																	
<p>Use of Proceeds: Bond proceeds will be used to finance various projects including the purchase of facilities, construction of new facilities, renovation of existing facilities, reimbursement of prior property purchases and capital expenditures, and refinancing of certain existing indebtedness. Note proceeds will be used to finance and refinance the purchase of equipment.</p>																	
<p>Type of Issue – Bonds: Private placement fixed and variable rate bonds Type of Issue – Notes: Private placement of tax-exempt equipment notes Credit Enhancement: None Expected Credit Rating: Unrated – (please see Guideline discussion on page 6) Financing Team: <i>See Exhibit 1 to identify possible conflicts of interest</i></p>																	
<p>Financial Overview: AltaMed’s income statement appears to exhibit strong growth in operating revenue and overall income. AltaMed’s balance sheet appears to be in a solid position with a consistent ability to service its debt obligations and a 2014 pro-forma debt service coverage ratio of 5.9x. AltaMed’s debt-to-unrestricted net assets ratio; however, increases significantly with the new money issuance.</p>																	
<p>Estimated Sources of Funds:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Par amount of bond proceeds</td> <td style="width: 50%; text-align: right;">\$109,000,000</td> </tr> <tr> <td>Par amount of equipment note proceeds</td> <td style="text-align: right;">21,000,000</td> </tr> <tr> <td>Total Estimated Sources</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$130,000,000</td> </tr> </table>	Par amount of bond proceeds	\$109,000,000	Par amount of equipment note proceeds	21,000,000	Total Estimated Sources	\$130,000,000	<p>Estimated Uses of Funds:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Project fund</td> <td style="width: 50%; text-align: right;">\$ 103,954,000</td> </tr> <tr> <td>Equipment</td> <td style="text-align: right;">21,000,000</td> </tr> <tr> <td>Refinance existing debt</td> <td style="text-align: right;">3,646,000</td> </tr> <tr> <td>Financing costs</td> <td style="text-align: right;">1,400,000</td> </tr> <tr> <td>Total Estimated Uses</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 130,000,000</td> </tr> </table>	Project fund	\$ 103,954,000	Equipment	21,000,000	Refinance existing debt	3,646,000	Financing costs	1,400,000	Total Estimated Uses	\$ 130,000,000
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<p>Due Diligence: Staff has received and reviewed the Eligibility, Legal Review, Religious Due Diligence, Savings Pass Through, Community Service Obligation, Iran Contracting Act Certification, and CEQA documentation. All documentation satisfies the Authority’s requirements.</p>																	
<p>Staff Recommendation: Staff recommends the Authority approve Resolution Number 405 in an amount not to exceed \$130,000,000 subject to the conditions in the resolution. Macias Gini & O’Connell, LLP, the Authority’s financial analyst, and Fieldman, Rolapp & Associates, Inc., the Authority’s financial advisor, concur with the Authority’s staff recommendation.</p>																	

I. PURPOSE OF FINANCING:

As part of its overall expansion plans, AltaMed will use proceeds from the issuance of bonds and notes to take advantage of current low interest rates while preserving capital. Bond proceeds will be used to finance various projects including the purchase of leased facilities, construction of new facilities, renovation of existing facilities, reimbursement of prior property purchases and capital expenditures, and refinancing of certain existing indebtedness. Note proceeds will be used to finance and refinance the purchase of equipment.

***Project Fund* \$103,954,000**

The Project Fund includes funds for property acquisition, construction/renovation, and reimbursement of prior expenditures as more particularly described below.

***Property Acquisition* \$30,052,000**

AltaMed will exercise its purchase option under the lease terms for its headquarters building located at 2040 Camfield Avenue, Commerce, CA. The purchase will include the associated land for the headquarters building, a parking area for employees and visitors, an extension to the headquarters building and land, and a parking structure for employees and visitors related to the headquarters building extension.

AltaMed will purchase three community clinics that they currently lease from third parties. The three facilities include, AltaMed Medical and Dental Group – West Covina, AltaMed Medical and Dental Group – 1st Street, and AltaMed Medical Group – Santa Ana, Bristol. The clinics range in size from 9,240 square feet to 29,841 square feet and provide medical, dental, radiology, and health education services. The Santa Ana facility also provides an Insurance Resource Center and administrative offices.

***Construction/Renovation* 35,279,000**

Construction

After the purchase of the headquarters building is complete, AltaMed will complete leasehold improvements for an existing three-story 93,873 square foot building for use as administrative offices, and an exterior parking lot on 0.86 acres. At a minimum, a three-story 68,824 square foot parking garage will be constructed as part of a separate administrative office expansion located at 5401 Telegraph Rd., Los Angeles, CA.

AltaMed will construct AltaMed Medical Group – Huntington Park, AltaMed PACE – Huntington Park, and AltaMed Medical & Dental Group – South Gate. The facilities range from 12,393 square feet to 28,000 square feet and provide a total of 54 medical exam rooms and nine dental exam rooms.

Renovation

Once the purchase of West Covina, East Los Angeles, and Santa Ana is complete, AltaMed will renovate each facility. The scope of work will include full interior renovations of existing medical clinics, added dental and x-ray services, a new pharmacy, new or upgraded fire alarm systems, exterior paint, window replacement, HVAC system upgrade, and parking lot resurfacing.

AltaMed will renovate four facilities it currently owns, which includes AltaMed Medical Group – Commerce, AltaMed Medical and Dental Group – Boyle Heights, AltaMed Medical and Dental Group – Huntington Beach, and AltaMed Medical and Dental Group – Santa Ana, Main. The facilities range in size from 10,853 square feet to 22,500 square feet, and provide services including medical, dental, radiology, mental health, and health education. The Commerce, Boyle Heights, and Huntington Beach locations will have full interior renovations completed. The Santa Ana location will have interior upgrades to the existing medical clinic, a full renovation of the existing dental area to convert to the Insurance Resource Center, renovation of the existing pharmacy, and convert remaining office space to an urgent care clinic with radiology, lab, and four medical exam rooms.

AltaMed will renovate three PACE facilities, known as AltaMed PACE – Covina, AltaMed PACE – South Los Angeles, and AltaMed PACE – East Los Angeles. The facilities range in size from 15,000 square feet to 26,285 square feet, and provide services including physical therapy, occupational therapy, dementia, personal care, home environment training, optometry, and radiology. Each facility will receive full exterior and interior renovations with the exception of PACE South Los Angeles, which will receive a 5,000 square foot addition to the site.

AltaMed will also make renovations to an existing satellite administrative office building. AltaMed marketing offices, an existing two-story 9,822 square foot office building located at 249 East Pomona Blvd. in Monterey Park, CA, will receive full interior renovations, exterior painting, and window replacement.

Reimbursement of Prior Expenditures 38,623,000

Bond proceeds will be used to reimburse AltaMed for prior property acquisitions, construction, expansion, remodeling, renovation, and furnishing of certain community clinics and related administrative and parking facilities.

Equipment..... 21,000,000

AltaMed will use note proceeds to finance and refinance the purchase of medical equipment including exam beds, x-ray machines, dental chairs, and other general medical and dental supplies for use at its various community clinics. AltaMed will also purchase furniture and office equipment including desks, tables, chairs, computers, and information technology equipment for use at its various administrative offices.

Refunding of Existing Debt..... 3,646,000

AltaMed will refund a portion of an outstanding line of credit used in connection with the AltaMed PACE – South Los Angeles facility located at 1776 East Century Blvd., Los Angeles, CA 90002.

Financing costs 1,400,000

- *Estimated cost of issuance..... \$1,400,000*

Total Estimated Uses of Funds \$130,000,000

II. GUIDELINES DISCUSSION:

AltaMed Series 2015A Bonds will be an unrated, direct placement with Bank of America, N.A., including its affiliates and other Qualified Institutional Buyers (“QIB”) including Bank of the West and California Bank & Trust. The AltaMed Series 2015B Bonds (collectively, the “Bonds”) will be an unrated, direct placement with Banc of America Public Capital Corp (“BAPCC”). The AltaMed Series 2015 Revenue Notes (the “Notes”) will be an unrated, direct bank placement with BAPCC. The following guidelines have been applied to the issuance of the Bonds and the Notes:

- Must be privately placed with and transferred only to a QIB as defined by SEC Rule 144A, promulgated under the Securities Act of 1933;
- Minimum denomination of \$250,000;
- Unconditional Promise to Pay from Borrower;
- Investor Letter required at issuance;
- Bonds and Notes transfer restrictions must be noted conspicuously on the Bonds or Notes themselves; and
- Bonds and Notes must be physically delivered.

All of the foregoing requirements are designed to maximize the likelihood that the unrated Bonds and Notes will be placed with more sophisticated investors given the higher risk typically perceived to be associated with unrated debt. The Bonds and Notes are not rated at this time because the purchasers do not require the Bonds and Notes to be rated. The purchasers are required to be QIBs under SEC Rule 144A and each will make an independent credit determination to purchase the Bonds and Notes, as applicable. Both of the foregoing will be reflected in their investor letters (or equivalent provisions in the bond purchase agreement).

Staff and Fieldman, Rolapp & Associates, Inc. have reviewed the entirety of this financing package and find it to be acceptable.

III. FINANCIAL STATEMENTS AND ANALYSIS:

AltaMed Health Services Corporation Statement of Activities

Change in unrestricted net assets	For the Year Ended April 30,		
	2014	2013	2012
Unrestricted revenues, gains and other support			
Patient service revenue	\$ 159,155,974	\$ 109,370,021	\$ 97,382,910
Provision for bad debts	(4,821,636)	(2,928,781)	(2,089,737)
Managed care contracts	179,661,968	138,269,644	101,681,269
Government grants and contracts	22,307,603	20,835,316	20,662,129
Pharmacy revenue	16,373,222	12,100,550	7,971,341
Contributions and other support	1,757,191	1,398,895	2,150,555
Other income	1,887,342	1,695,468	2,318,396
Net assets released from restrictions	341,678	1,278,456	27,030
Total operating revenues	376,663,342	282,019,569	230,103,893
Expenses			
Salaries and benefits	132,448,519	114,029,471	110,482,568
Specialty services	66,394,936	53,301,968	38,321,573
Therapeutic services	275,303	305,691	514,645
Administrative services	10,699,620	12,368,713	11,299,904
Medical services	32,385,667	28,372,317	12,050,826
Purchased services	1,237,779	528,510	686,602
Equipment rental, repairs, and maintenance	4,783,189	3,526,338	2,673,021
Insurance	2,354,583	2,052,089	1,680,668
Patient transportation	3,260,073	3,133,070	3,874,219
Postage/printing	1,129,250	1,271,659	884,362
Rent	8,251,424	7,459,509	7,918,035
Staff development	1,695,660	1,114,771	1,509,230
Health promotion/education	3,109,296	2,028,981	1,495,095
Pharmacy/medical supplies	25,418,365	20,796,554	15,616,970
Office/facility and other supplies	2,226,985	2,421,589	2,297,581
Telephone	2,510,540	2,252,529	1,885,370
Travel	-	-	861,224
Utilities and facilities	2,878,767	2,477,634	2,405,113
Minor equipment	1,747,950	1,278,423	2,164,686
Depreciation and amortization	7,640,272	6,494,553	4,946,306
Impairment/amortization of intangible assets			762,300
Interest	698,457	553,758	619,454
Other expenses/interdepartment transfer	2,219,696	1,574,335	399,323
Total expenses	313,366,331	267,342,462	225,349,075
Change in unrestricted net assets before other gains and losses	63,297,011	14,677,107	4,754,818

Continued

Other gains and losses - net

Change in fair value of marketable securities and investments	2,193,817	511,894	(302,503)
Change in fair value of interest rate swap	456,105	23,614	(551,856)
Interest and dividends	1,833,561	1,488,952	1,149,143
Loss from disposal of property and equipment	<u>(116,925)</u>	<u>(1,654,809)</u>	<u>(171,596)</u>
Other gains and losses - net	<u>4,366,558</u>	<u>369,651</u>	<u>123,188</u>

Change in unrestricted net assets	<u>67,663,569</u>	<u>15,046,758</u>	<u>4,878,006</u>
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Changes in temporarily restricted net assets

Contributions and other support	494,634	242,782	1,400,743
Net assets released from restrictions	<u>(341,678)</u>	<u>(1,278,456)</u>	<u>(27,030)</u>
Change in temporarily restricted net assets	<u>152,956</u>	<u>(1,035,674)</u>	<u>1,373,713</u>

Change in net assets	67,816,525	14,011,084	6,251,719
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Net assets

Net assets, beginning of the period	<u>102,352,004</u>	<u>88,340,920</u>	<u>82,089,201</u>
Net assets, end of period	<u>\$ 170,168,529</u>	<u>\$ 102,352,004</u>	<u>\$ 88,340,920</u>

*Unrestricted revenues, gains and other support for FYE April 30, 2014

<u>Payor Source</u>	<u>Percent</u>
Federal and state grants and contracts	6
Patient fees (primarily Medi-Cal & Medicare)	41
Managed care contracts	48
Other	<u>5</u>
Total	100

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AltaMed Health Services Corporation
Statement of Financial Position

	As of April 30,		
	2014	2013	2012
Assets			
Current assets			
Cash and cash equivalents	\$ 46,151,591	\$ 33,907,067	\$ 28,217,155
Marketable securities	59,650,848	22,787,835	23,230,208
Grants and contracts receivable	4,325,086	4,205,738	3,746,462
Patient accounts receivable, net	31,762,564	19,611,319	14,670,201
Managed care receivables	7,349,913	5,378,094	-
Contribution and other receivables	2,119,797	1,516,830	2,209,951
Notes receivable	8,191,747	8,074,943	8,121,260
Inventories	537,703	254,270	378,103
Prepaid expenses	2,103,620	1,479,781	1,239,273
Total current assets	<u>162,192,869</u>	<u>97,215,877</u>	<u>81,812,613</u>
Noncurrent assets			
Property and equipment, net	69,544,349	54,606,141	51,939,484
Loans and accrued interest receivable	11,726,782	7,451,738	3,279,510
Investments	3,215,390	2,420,998	2,803,761
Assets limited as to use	1,269,707	1,269,336	1,269,006
Deposits	676,423	656,406	584,885
Deferred financing costs	95,688	68,730	58,450
Total assets	<u>\$ 248,721,208</u>	<u>\$ 163,689,226</u>	<u>\$ 141,747,709</u>
Liabilities and Net Assets			
Current liabilities			
Bank revolving line of credit	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Accounts payable and accrued expenses	16,057,401	12,199,946	12,895,564
Accrued salaries and employee benefits	6,548,270	7,762,616	6,640,810
Accrued vacation	6,125,981	5,290,647	4,744,677
Estimated payables to third-party payor	10,974,926	4,761,585	-
Claims payable	18,115,034	11,724,080	9,912,754
Grant and contract advances	2,059,670	1,400,757	1,282,337
Current portion of facility lease payable	251,597	407,687	471,921
Current portion of long-term debt	1,117,918	688,036	769,527
Total current liabilities	<u>66,250,797</u>	<u>49,235,354</u>	<u>41,717,590</u>
Noncurrent liabilities			
Facility lease payable, net of current portion	331,522	331,522	635,687
Interest rate swap	1,054,548	1,510,653	1,534,267
Long term debt, net of current portion	9,498,236	9,350,634	9,025,351
Other long-term liabilities	1,417,576	909,059	493,894
Total noncurrent liabilities	<u>12,301,882</u>	<u>12,101,868</u>	<u>11,689,199</u>
Total liabilities	<u>78,552,679</u>	<u>61,337,222</u>	<u>53,406,789</u>

Continued

Net assets

Unrestricted	167,592,063	99,928,494	84,881,736
Temporarily restricted	2,576,466	2,423,510	3,459,184
Total net assets	<u>170,168,529</u>	<u>102,352,004</u>	<u>88,340,920</u>
Total liabilities and net assets	<u>\$ 248,721,208</u>	<u>\$163,689,226</u>	<u>\$ 141,747,709</u>

Financial Ratios:

	Proforma^(a)			
	FYE April 30, 2014	2014	2013	2012
Debt Service Coverage - Operating (x) ^(b)	5.94	39.93	12.10	6.37
Debt Service Coverage - Net (x) ^(b)	6.30	42.36	12.31	6.44
Debt to Unrestricted Net Assets (x)	0.82	0.07	0.11	0.13
Operating Margin (%)		16.80	5.20	2.07
Current Ratio (x)		2.45	1.97	1.96

^(a) Recalculates FY 2014 audited results to include the impact of this proposed financing.

^(b) Debt service coverage ratios were calculated using Maximum Annual Debt Service on Long-Term Indebtness.

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Financial Discussion - Statement of Activities (Income Statement)

AltaMed's income statement appears to exhibit strong growth in operating revenue and overall income during the review period.

AltaMed appears to exhibit significant gains in operating results from FY 2012 to FY 2014 as total revenue grew at a greater rate than total expenses, 63.7% and 39.1%, respectively. Unrestricted net assets from operations grew nearly 209% from FY 2012 to FY 2013, from approximately \$4.8 million to approximately \$14.7 million, respectively, and then grew about 331% in FY 2014 to approximately \$63.3 million. According to AltaMed management, the greatest contributing factor to the increase in unrestricted net assets in FY 2013 and FY 2014 was the receipt of prior period Prospective Payment System (PPS) rate reconciliation settlements in the amount of approximately \$7 million and \$42 million, respectively.

Particular Facts to Note:

- Patient service revenue increased from approximately \$97.4 million in FY 2012 to approximately \$159.2 million in FY 2014. According to AltaMed management, the increase in patient service revenue was due to 30% growth in medical and dental visits, increasing from approximately 470,000 in FY 2012 to approximately 610,000 in FY 2014. The PPS rate reconciliation settlements received in FY 2013 and FY 2014 also contributed to the increase.
- Managed care contracts grew at a significant rate, from approximately \$101.7 million in FY 2012 to approximately \$179.7 million in FY 2014. Membership in the Managed Care/Independent Care Association (IPA) increased from approximately 92,000 in FY 2012 to approximately 142,000 in FY 2014. PACE membership also increased over this same period from approximately 1,000 to approximately 1,600. According to AltaMed management, the membership increases included Medicare, which has a higher rate of reimbursement.
- Specialty services increased 73.3% from approximately \$38.3 million in FY 2012 to approximately \$66.4 million in FY 2014. According to AltaMed management, specialty services increased proportionately to the managed care contract revenues and the related managed care and PACE enrollment growth.
- Medical services experienced a large increase from approximately \$12.1 million in FY 2012 to approximately \$28.4 million in FY 2013, and then slowing to approximately \$32.4 million in FY 2014. According to AltaMed management, medical services increased in FY 2013 due to a transfer of Home Care Givers from employees to contracted services. In FY 2013, the new contract was approximately \$10.2M.

Financial Discussion - Statement of Financial Position (Balance Sheet)

AltaMed appears to be in a solid position with a consistent ability to service its debt obligations. With the sizeable new money issue, the debt-to-unrestricted net assets ratio increases significantly.

AltaMed, historically, appears to have a minimal reliance on debt financing as its debt-to-unrestricted net assets ratio was 0.13x in FY 2012, decreased to 0.11x in FY 2013, and further decreased to 0.07x in FY 2014. AltaMed has generally maintained a total long-term debt liability within the \$9 – \$9.5 million range from FY 2012 to FY 2014. With the new money portion of the issuance, AltaMed's pro-forma debt-to-unrestricted net assets ratio increases significantly to 0.8x. AltaMed continues to display a strong ability to repay its long-term debt with a pro-forma debt service coverage ratio of 5.9x from operating revenue and 6.3x from net revenue, down from 39.9x and 42.4x, respectively in FY 2014. The large increase in the pro-forma debt-to-unrestricted net assets ratio as well as the large decrease in the pro-forma debt service coverage ratio is expected with the sizeable new money issue.

Particular Facts to Note:

- Cash and cash equivalents appeared to demonstrate solid gains each year of the review period; from approximately \$28.2 million in FY 2012 to approximately \$33.9 million in FY 2013, and then to approximately \$46.2 million in FY 2014. Cash and cash equivalents grew 20.2% from FY 2012 to FY 2013 and then grew by another 36.1% in FY 2014. According to AltaMed management, the greatest contributing factor to the increase in cash and cash equivalents in FY 2013 and FY 2014 was the PPS rate reconciliation settlements.
- AltaMed's marketable securities demonstrated significant growth with a gain of nearly 157%, from approximately \$23.2 million in FY 2012 to approximately \$59.7 million in FY 2014. According to AltaMed management, a portion of the annual PPS settlement payments were invested in marketable securities, which contributed to the increases in FY 2013 and FY 2014.
- Patient accounts receivable more than doubled from approximately \$14.7 million in FY 2012 to approximately \$31.8 million in FY 2014. According to AltaMed management, patient accounts receivable increased substantially from FY 2012 to FY 2014 as a direct result of estimated accruals relating to annual PPS reconciliation settlements from the Department of Health Care Services.
- Claims payable nearly doubled over the review period, growing from approximately \$9.9 million in FY 2012 to approximately \$11.7 million in FY 2013, and then to approximately \$18.1 million in FY 2014. According to AltaMed management, claims payable increased in proportion to the increase in managed care and PACE enrollment, which also aligns with the increase in managed care revenues and specialty services expense.

IV. DUE DILIGENCE:

Due diligence has been completed with regard to the following items:

- **Section 15438.5(a) of the Act (Savings Pass Through):** AltaMed properly completed and submitted the “Pass-Through Savings Certification” in addition to a narrative explaining how it addresses the health care needs of its community, and below is a link to AltaMed’s 2014 Annual Report.

http://www.altamed.org/files/Static%20Page%20Files/2014_AnnualReport.pdf

As part of its Community Needs Assessment, AltaMed undertakes an annual strategic planning process that includes a comprehensive review of current market conditions and unmet community health needs. The market assessment identifies opportunities for AltaMed to expand access to medical care and services to communities throughout Southern California. The market assessment also includes historical, current, and projected data and analysis regarding the following community health and market factors:

- Geographic distribution of AltaMed’s patients and members
 - Changes in market size and compositions (e.g. ethnicity, age, and insurance status and type)
 - Disease and chronic conditions prevalence
 - Hospital utilization rates and patterns
 - Health care professional shortages
 - Presence of other Federally Qualified Health Centers and competing medical providers
- **Section 15491.1 of the Act (Community Service Requirement):** AltaMed properly completed and submitted this certification and indicated that Medi-Cal and Medicare patients are accepted.
 - **Compliance with Seismic Regulations:** AltaMed does not own a general acute care hospital, and therefore the seismic regulations requirement does not apply.
 - **Compliance with Section 15455(b) of the Act (California Environmental Quality Act):** AltaMed properly completed and submitted the relevant documentation to meet the CEQA requirement.
 - **Religious Affiliation Due Diligence:** AltaMed properly completed and submitted relevant documentation to meet the religious due diligence requirement.
 - **Legal Review:** AltaMed properly completed and submitted relevant documentation for the Authority’s Legal Questionnaire.
 - **Iran Contracting Act Certificate:** AltaMed properly submitted the certificate to the Authority.

EXHIBIT 1

FINANCING TEAM

AltaMed Health Services Corporation

Borrower/Obligor: AltaMed Health Services Corporation

Issuer's Agent for Sale: California State Treasurer

Issuer's Counsel: Office of the Attorney General

Issuer's Financial Advisor: Fieldman, Rolapp & Associates, Inc.

Issuer's Financial Analyst: Macias, Gini & O'Connell, LLP

Borrower/Obligor Counsel: Seyfarth Shaw, LLP
AltaMed Health Services

Borrower's Real Estate Counsel: Ryan & Associates

Bond/ Special Tax Counsel: Orrick, Herrington & Sutcliffe, LLP

Bond Purchaser: Bank of America, National Association,
including its affiliates and other Qualified
Institutional Buyers including Bank of the
West and California Bank & Trust

Bond Purchaser Counsel: Chapman and Cutler, LLP

Trustee: The Bank of New York Mellon Trust
Company, National Association

Trustee Counsel: The Bank of New York Mellon Trust
Company, National Association

Title Company: Fidelity National Title, National Commercial
Services

Equipment Financing Lender: Banc of America Public Capital Corp

Lender's Counsel: Susan L. Ariel, Attorney at Law

Auditor: Vasquez & Company, LLP

EXHIBIT 2
OUTSTANDING DEBT
AltaMed Health Services Corporation

<u>Date Issued</u>	<u>Original Amount</u>	<u>Amount Outstanding As of April 30, 2014^(a)</u>	<u>Estimated Amount Outstanding after Proposed Financing</u>
-EXISTING LONG-TERM DEBT:			
Certificate of Participation Refunding Pool 2000			
CA Statewide Communities Development Authority ^(b)	\$ 5,661,784	\$ 2,506,008	\$ -
Revenue Bonds Series 2007			
CA Statewide Communities Development Authority	9,012,500	6,051,051	6,051,051
Note Payable - 2013	1,013,320	804,828	804,828
Note Payable - 2014	1,254,267	1,254,267	1,254,267
- PROPOSED NEW DEBT:			
CHFFA Series 2015			130,000,000
- TOTAL DEBT		\$ 10,616,154	\$ 138,110,146

^(a) Includes current portion of long-term debt.

^(b) Paid in full as of June 2015

EXHIBIT 3

UTILIZATION STATISTICS

The following table shows utilization statistics of AltaMed Health Services Corporation for the fiscal years ended April 30, 2012, 2013 and 2014:

	As of April 30,		
	2012	2013	2014
Clinical			
# of Medical Sites	22	23	24
Medical Visits (Annual)	422,014	500,166	544,689
# of Dental Sites	5	6	7
Dental Visits (Annual)	48,030	56,165	65,439
Independent Practice Association (IPA)			
Contracted IPA Physicians	98	110	134
Managed Care Members	83,482	97,964	122,868
Managed Care Bed days (per Thousand)			
Commercial	N/A	197	202
Medi-Cal	N/A	320	440
Senior	N/A	1,168	1,127
Emergency Room Visits (per Thousand)			
Commercial	N/A	174	166
Medi-Cal	N/A	514	552
Senior	N/A	650	654
Program of All-inclusive Care for the Elderly (PACE)			
# of PACE Sites	6	6	6
PACE Members	1,074	1,407	1,597
PACE Bed days (per Thousand)	2,006	1,706	1,265
PACE Emergency Room Visits (per Thousand)	N/A	312	337

EXHIBIT 4

PROJECT SITES

The proposed property acquisitions and capital projects financed with proceeds of the Series 2015A and 2015B bonds will include, but not be limited to, full interior renovations of medical clinics and office buildings, expansion of medical and dental exam rooms, upgraded and new fire alarm systems and HVAC systems, exterior paint, window replacement, parking lot resurfacing, and construction of new facilities and a parking structure.

The expected acquisitions will take place at the facilities located at the following addresses:

- 2219 East First Street, Los Angeles, CA 90033
- 2040 Camfield Avenue, Commerce, CA 90040
- 1300 South Sunset Avenue, West Covina, CA 91790
- 2720 South Bristol Street, Santa Ana, CA 92704

The expected construction, renovations, and upgrades will take place among the facilities listed above as well as facilities located at the following addresses:

- 1776 East Century Boulevard, Los Angeles, CA 90002
- 5425 East Pomona Boulevard, Los Angeles, CA 90022
- 5427 Whittier Boulevard, Los Angeles, CA 90022
- 3945 East Whittier Boulevard, Los Angeles, CA 90023
- 2035 Camfield Avenue, Los Angeles, CA 90040
- 2040 Camfield Avenue, Commerce, CA 90040
- 5401 Telegraph Road, Los Angeles, CA 90040
- 5500 Flotilla Street, Los Angeles, CA 90040
- 1900 East Slauson Avenue, Suite A and Suite B, Huntington Park, CA 90255
- 8627 Atlantic Avenue, South Gate, CA 90280
- 523-535 South 2nd Avenue, Covina, CA 91723
- 249 and 255 East Pomona Boulevard, Monterey Park, CA 91755
- 8041 Newman Avenue, Huntington Beach, CA 92647
- 1400 North Main Street, Santa Ana, CA 92701
- Lot at southwest corner of Slauson Avenue and Alameda Street, Huntington Park, CA 90255
- Lot north of Wright Place and south of Atlantic Avenue (formerly, 8627 Atlantic Avenue and 4850 Wright Place), South Gate, CA 90280

Proceeds from the Series 2015A notes will be used to purchase various medical equipment as well as office furniture and equipment at each of the addresses listed above.

Proceeds of the Series 2015A Bonds will also be used to refund a portion of an outstanding line of credit used in connection with the AltaMed PACE – South Los Angeles facility located at 1776 East Century Blvd., Los Angeles, CA 90002.

EXHIBIT 5

BACKGROUND, GOVERNANCE, AND LICENSURE

Background

AltaMed is a non-profit community health center founded in 1969 as a volunteer staffed, store-front clinic known as the East Los Angeles Barrio Free Clinic. AltaMed has since grown into the largest unaffiliated non-profit FQHC in California providing a medical home through 43 service delivery sites to over 170,000 predominantly low-income Latino families from underserved communities throughout Los Angeles and Orange Counties.

In anticipation of the passage of the 2014 Patient Protection and Affordable Care Act, AltaMed adopted the Patient Centered Medical Home (PCMH) model of service delivery as the framework to provide comprehensive quality care for all of its patients. In July 2011, AltaMed became the first entity to receive PCMH designation from the Joint Commission. In 2013, AltaMed attained National Committee for Quality Assurance Level III PCMH accreditation at all of its clinic sites. Aligned with the PCMH model, AltaMed offers a comprehensive array of health and human services, which includes primary healthcare, dental care, mental health services, specialized pediatric and adolescent care programs, geriatric medicine, healthcare for the frail elderly – PACE, chronic care programs, HIV/AIDS services, youth services, and community outreach and health education.

AltaMed's service area encompasses the Greater Los Angeles Basin and includes the San Gabriel Valley, east and southeast Los Angeles, and northern and central Orange County. Residents of these communities live in medically underserved areas with a large low-income, immigrant population. AltaMed's service regions have been officially identified as Health Professional Shortage Areas with a limited number of primary care providers. The service areas also bear a federal designation as areas with Medically Underserved Populations or as a Medically Underserved Area that includes those who face economic, cultural, or linguistic barriers to health care.

Governance

As a Federally Qualified Health Center, AltaMed is required to have a majority of its Board be "consumer members," which means the members receive patient care from AltaMed. AltaMed endeavors to insure that the remaining Board members are representative of the community demographics and that different professions be represented. The Board is responsible for organizational direction, sets general policy, and provides financial oversight to the organization. The Board meets once per month and complies with all "best practices."

Licensure and Accreditation

AltaMed's facilities are individually licensed by the State of California Department of Public Health to operate and maintain each as a Community Clinic. AltaMed is also accredited by The Joint Commission, which is an independent, non-profit organization that accredits and certifies health care organizations and programs throughout the United States to reflect an organization's commitment to meeting certain performance standards.

RESOLUTION NO. 405

RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING
AUTHORITY AUTHORIZING THE ISSUANCE OF
REVENUE BONDS AND PROGRAM REVENUE NOTES
RELATED TO THE FINANCING AND REFINANCING OF
PROJECTS AND EQUIPMENT AT THE HEALTH FACILITIES OF
ALTAMED HEALTH SERVICES CORPORATION

WHEREAS, the California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California Health Facilities Financing Authority Act (the “Act”) to issue revenue bonds and notes, and loan proceeds thereof to any participating health institution to finance the construction, expansion, remodeling, renovation, furnishing, equipping and acquisition of health facilities (including by reimbursing expenditures made for such purposes), to refinance indebtedness of a participating health institution in connection therewith and to refund any outstanding bonds or any outstanding series or issue of bonds of the Authority; and

WHEREAS, AltaMed Health Services Corporation, is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Corporation”), which owns and operates health facilities in the State of California; and

WHEREAS, the Corporation has requested that the Authority issue one or more series of its revenue bonds or notes in a combined aggregate principal amount not to exceed \$130 million and make one or more loans of the proceeds thereof to the Corporation to (i) finance, including reimburse for, the costs of acquisition, construction, expansion, remodeling, renovation, furnishing and equipping of certain health facilities owned and operated by the Corporation, as more particularly described under the caption “New Project” in Exhibit A hereto (the “New Project”), (ii) refinance certain bank debt incurred in connection with the acquisition, construction, expansion, remodeling, renovation, furnishing and equipping of certain health facilities owned and operated by the Corporation, as more particularly described under the caption “Prior Project” in Exhibit A hereto (the “Prior Project” and, together with the New Project, the “Project”), (iii) finance and refinance the costs of acquisition and installation of certain health care equipment of the Corporation (the “Equipment”), and (iv) pay costs of issuance of the Bonds and Note (each as defined below); and

WHEREAS, the Bonds will be offered for sale to Bank of America, N.A., or any affiliate thereof, or any other purchaser as shall be acceptable to the Executive Director, each of which is a “Qualified Institutional Buyer” as defined under Rule 144A of the Securities Act of 1933 (each, a “Purchaser” and collectively, the “Purchasers”), for the purpose of financing and refinancing the Project; and

WHEREAS, the Note will be purchased, or privately placed with an affiliate or successor company, by Banc of America Public Capital Corp or one of its affiliates (“BAPCC”) for the purpose of financing and refinancing the Equipment; and

WHEREAS, the Authority, BAPCC and the Corporation will enter into a Master Financing Agreement (the “Master Financing Agreement”) and an Equipment Schedule (the

“Schedule,” and together with the Master Financing Agreement, the “Equipment Financing Agreement”) pursuant to which the Authority will issue a Note and BAPCC will purchase such Note to provide financing and refinancing for the Equipment for the Corporation; and

WHEREAS, to the extent required by subdivision (b) of Section 15455 of the Government Code, the Corporation has provided documentation to the Authority demonstrating, to the extent applicable, that each of the Project and the Equipment has complied with Division 13 (commencing with Section 21000) of the Public Resources Code or is not a “project” under such division; and

WHEREAS, approval of the terms of issuance and sale of the Bonds, and the terms of issuance and sale of the Note, and various related matters is now sought;

NOW, THEREFORE, BE IT RESOLVED BY THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY, AS FOLLOWS:

SECTION 1. Pursuant to the Act, revenue bonds of the Authority designated as the (a) “California Health Facilities Financing Authority Revenue Bonds (Altamed Health Services Corporation), Series 2015A” (the “Series 2015A Bonds”), and (b) “California Health Facilities Financing Authority Variable Rate Revenue Bonds (Altamed Health Services Corporation), Series 2015B” (the “Series 2015B Bonds” and, together with the Series 2015A Bonds, the “Bonds”), in a total aggregate principal amount not to exceed \$109 million, are hereby authorized to be issued from time to time, in one or more series or subseries, with such other name or names of the Bonds or series or subseries thereof as designated in the bond indenture pursuant to which the Bonds will be issued. The proceeds of the Bonds shall be used for any or all of the purposes set forth in the third recital above.

SECTION 2. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to enter into agreements to sell the Bonds in one or more series or subseries, on one or more sale dates at any time prior to the first anniversary of the date of this Resolution, at public or private sale, in such aggregate principal amounts (not to exceed the aggregate principal amount set forth in Section 1) and in such series or subseries, at such prices (so long the discount on the Bonds sold shall not exceed 6 percent of the par value thereof) and at such interest rate or rates and upon such other terms and conditions as the Treasurer, with the advice and consent of the Corporation, may determine.

SECTION 3. Pursuant to the Act, a note of the Authority designated as the “California Health Facilities Financing Authority Program Revenue Note (Altamed Health Services Corporation), Series 2015” (the “Note”), in an aggregate principal amount of not to exceed \$21 million, is authorized to be issued. The proceeds of the Note shall be used for the purposes set forth in the fifth recital above.

SECTION 4. The Treasurer is hereby authorized to sell the Note at private sale to BAPCC, at any time and from time to time prior to the first anniversary of the date of this Resolution, in such aggregate principal amount (not to exceed the aggregate principal amount set forth in Section 3) and at such interest rate or rates and upon such other terms and conditions as the Treasurer, with the advice and consent of the Corporation, may determine.

The proposed forms of the following documents:

(i) one or more Loan Agreements relating to the Series 2015A Bonds and one or more Loan Agreements relating to the Series 2015B Bonds (each, a “Loan Agreement” and collectively, the “Loan Agreements”), each between the Authority and the Corporation,

(ii) one or more Bond Indentures relating to the Series 2015A Bonds and one or more Bond Indentures relating to the Series 2015B Bonds (each, a “Bond Indenture” and collectively, the “Bond Indentures”), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “Bond Trustee”),

(iii) one or more Bond Purchase Contracts, including the exhibits thereto, relating to the Bonds sold to a Purchaser (each, a “Purchase Contract” and collectively, the “Purchase Contracts”), each among such Purchaser, the Treasurer and the Authority, and approved by the Corporation,

(iv) the Equipment Financing Agreement relating to the Note, as defined in the sixth recital above, and

(v) an escrow agreement relating to the Note (the “Escrow Agreement”), among the Authority, BAPCC and an escrow agent as shall be acceptable to the Executive Director (the “Escrow Agent”),

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect (i) the issuance of Bonds in one or more subseries of Series 2015A Bonds or Series 2015B Bonds, or (ii) provisions relating to a deed of trust, a bond reserve fund, bond insurance, any other credit and/or liquidity facility and/or another security arrangement, if necessary, for any series or subseries of Bonds) as the officer executing the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof of the Loan Agreements, the Bond Indentures, the Purchase Contracts, the Equipment Financing Agreement and the Escrow Agreement. The Executive Director shall seek the advice of bond counsel and counsel to the Authority with respect to any such insertions, deletions or changes therein.

SECTION 5. The Authority hereby specifically finds and declares that the findings of the Authority set forth in the Loan Agreements and the Equipment Financing Agreement are true and correct.

SECTION 6. The dated dates, maturity dates (with respect to the Bonds, not exceeding 40 years from the respective date of issue, and with respect to the Note, not exceeding 7 years from the date of issue), interest rates, manner of determining interest rates, interest payment dates, series or subseries designation, denominations, forms, registration privileges or requirements, place or places of payment, terms of tender or purchase, terms of redemption, provisions governing transfer and other terms of the Bonds or the Note, shall be as provided in, with respect to the Bonds, the Bond Indentures, and with respect to the Note, the Equipment Financing Agreement, as finally executed.

SECTION 7. The Bonds, when executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or upon direction of the Purchasers in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Said instructions shall provide for the delivery of the Bonds to or upon direction of the Purchasers, as determined and confirmed by the Treasurer, upon payment of the purchase price thereof.

SECTION 8. The Note, when so executed, shall be delivered to BAPCC or its designee and upon payment of the purchase price thereof as confirmed by the Corporation or the Escrow Agent.

SECTION 9. Each officer of the Authority is hereby authorized and directed, for and in the name of and on behalf of the Authority, to do any and all things which they may deem necessary or advisable in order to consummate the issuance, sale, and delivery of the Bonds and Note, and otherwise to effectuate the purposes of this Resolution and the Bond Indentures, Loan Agreements, the Purchase Contracts, the Equipment Financing Agreement, and the Escrow Agreement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation: (a) any tax certificate and agreement and other certifications; and (b) any agreement or commitment letter with respect to the provisions of bond insurance, a letter of credit, a surety bond, a credit facility and/or a liquidity facility for the Bonds.

SECTION 10. The provisions of the Authority's Resolution No. 2014-05 apply to the documents and actions approved in this Resolution. The Acting Executive Director is hereby delegated the same authority as the Executive Director under Resolution No. 2014-05.

SECTION 11. The Authority hereby approves and ratifies each and every action taken by its officers, agents and employees prior to the date hereof in furtherance of the purposes of this Resolution.

SECTION 12. This Resolution shall take effect from and after the date of adoption.

Date of Adoption: _____

EXHIBIT A

Prior Project

The Prior Project consists of the acquisition, construction, expansion, remodeling, renovation, furnishing and equipping of the community clinic located at 1776 E. Century Blvd., Los Angeles, CA 90002.

New Project

The “New Project” consists of the acquisition, construction, expansion, remodeling, renovation, furnishing and equipping of certain community clinics and related administrative and parking facilities located at or on the campuses located generally at the following locations:

- 1300 S. Sunset Avenue, West Covina, CA 91790
- 2219 E. First (1st) Street, Los Angeles, CA 90033
- 2720 S. Bristol Street, Santa Ana, CA 92704
- 5427 Whittier Blvd., Los Angeles, CA 90022
- 3945 E. Whittier Blvd., Los Angeles, CA 90023
- 8041 Newman Avenue, Huntington Beach, CA 92647
- 1400 N. Main Street, Santa Ana, CA 92701
- 523-535 S. Second (2nd) Avenue, Covina, CA 91723
- 1776 E. Century Blvd., Los Angeles, CA 90002
- 5425 E. Pomona Blvd., Los Angeles, CA 90022
- 2035 and 2040 Camfield Avenue, Los Angeles, CA 90040
- 5500 Flotilla Street, Los Angeles, CA 90040
- 249 and 255 E. Pomona Blvd., Monterey Park, CA 91755
- 1900 E. Slauson Avenue, Huntington Park, CA 90255
- Lot at southwest corner of Slauson Avenue and Alameda Street, Huntington Park, CA 90255
- Lot north of Wright Place and south of Atlantic Avenue (formerly, 8627 Atlantic Avenue and 4850 Wright Place), South Gate, CA 90280
- 5401 Telegraph Road, Los Angeles, CA 90040