

**POOLED MONEY INVESTMENT BOARD**

**JUNE 17, 2009**

**Staff Report – Agenda Item 7**

**RECOMMENDATIONS**

**1. Loan Renewal Requests.** Staff recommends approval of the 13 AB 55 loan renewal requests (Items 7.a-m) on the June 17, 2009 agenda in the amounts shown on column g of Exhibit A. The recommended amounts are for either the amount of the existing adjusted loan amount, a decrease requested by the department, or an increase necessary for the requesting department to pay costs authorized by Department of Finance’s (DOF) Budget Letter 09-09. All renewed loans will be subject to the freeze described in Recommendation 3.

**2. New Loan Requests.** Staff recommends the following for the two new loan requests on the agenda:

**Item 7.n**                      **Department of Corrections and Rehabilitation,**  
SPWB Lease Revenue Bonds, AB 900, Salinas Valley State Prison:  
72-Bed Administrative Segregation Unit/Enhanced Outpatient Program  
Mental Health Facility, \$2,323,000

Comments:                      This loan request has been withdrawn by the Department. Therefore, no action is required.

**Item 7.o**                      **Department of Corrections and Rehabilitation,**  
SPWB Lease Revenue Bonds, AB 900, CA Institution for Women:  
45-Bed Acute/Intermediate Care Facility, \$4,172,000

Recommendation:              Staff does not recommend approval at this time.

Comments:                      Although this loan has been included in DOF’s Budget Letter 09-09, staff recommends that this loan not be approved based on the following:

- On May 4, 2009, the Taxpayers for Improving Public Safety (TIPS) filed an appeal with the California Supreme Court relating to the AB 900 litigation. The request for review is still pending. The Attorney General’s Office has stated that until there is a final, non-appealable judgment in favor of the State, it will not be able to provide its customary bond opinion. The Pooled Money Investment Board’s (Board) past practice has been to not approve any loans for which the Attorney General’s Office can not issue its customary bond opinion.

**3. AB 55 Loan Disbursement Freeze.** Staff recommends that the Board continue the freeze on disbursements for approved AB 55 loans except for disbursements authorized by DOF’s Budget Letter 09-09.

**EXHIBIT A**

POOLED MONEY INVESTMENT BOARD  
 LOAN REQUESTS (AB 55 LOANS)  
 For the June 17, 2009 PMIB Meeting

Agenda Item	New or Renewal	Old Loan No.	New Loan No.	Fund No.	Type	Department/Program	[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]	[j]	[k]
							New Loan Amount per Loan Application	Original Amount of Existing Loan	Impact on the Pool (a-b)	Amount of CP or Bonds Issued (since previous loan)	Current Loan Amount Outstanding (b - d)	Adjusted Loan Requested Amount (a - d)	Recommended Loan Amount	Impact of Recommendations	Interest Paid by	CP	Finance Committee or Board Approval Needed?
<b>RENEWAL REQUESTS</b>																	
<b>GO</b>																	
a	Renewal	0890001	0890160	0744501	GO	<b>Department of Water Resources</b> Water Conservation and Water Quality Bond Law of 1986	\$ 1,795,000.00	\$ 1,795,000.00	\$ -	\$ 769,958.36	\$ 1,025,041.64	\$ 1,025,041.64	\$ 1,025,041.64	\$ -	BF	NO	No
b	Renewal	0890002	0890161	6032700	GO	<b>Voting Modernization Board</b> Voting Modernization Bond Act of 2002	\$ 12,747,000.00	\$ 28,420,000.00	\$ (15,673,000.00)	\$ 5,934,936.75	\$ 22,485,063.25	\$ 6,812,063.25	\$ 6,812,063.25	\$ (15,673,000.00)	BF	YES	No
c	Renewal	0890003	0890162	6057700	GO	<b>State Allocation Board</b> <b>Office of Public School Construction</b> Kindergarten-University Public Education Facilities Bond Act of 2006 (K-12)	\$ 1,797,982,072.94	\$ 1,548,507,072.94	\$ 249,475,000.00	\$ 837,772,919.42	\$ 710,734,153.52	\$ 960,209,153.52	\$ 710,734,153.52	\$ -	BF	YES	No
d	Renewal	0890004	0890163	6029700	GO	<b>Resources Agency</b> CA Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Bond Act of 2002	\$ 425,925,000.00	\$ 425,925,000.00	\$ -	\$ 383,483,989.19	\$ 42,441,010.81	\$ 42,441,010.81	\$ 42,441,010.81	\$ -	BF	YES	No
<b>REV</b>																	
e	Renewal	0890005	0890164	0660547	REV	<b>Department of Forestry and Fire Protection</b> <b>SPWB Lease Revenue Bonds</b> Ishi Conservation Camp: Replace Facility	<del>\$ 1,985,963.00</del> \$ 1,353,827.00	\$ 2,219,081.00	\$ (865,254.00)	N/A	N/A	N/A	\$ 1,353,827.00	\$ (865,254.00)	BF	NO	No
f	Renewal	0890009	0890165	0660549	REV	<b>Department of Forestry and Fire Protection</b> <b>SPWB Lease Revenue Bonds</b> Bieber Forest Fire Station & Helitack Base: Relocate Facility	<del>\$ 2,229,047.00</del> \$ 705,046.00	\$ 1,456,913.00	\$ (751,867.00)	N/A	N/A	N/A	\$ 705,046.00	\$ (751,867.00)	BF	NO	No
g	Renewal	0890010	0890166	0660691	REV	<b>Department of Forestry and Fire Protection</b> <b>SPWB Lease Revenue Bonds</b> South Operations Area Headquarters: Relocate Facility	<del>\$ 7,034,833.00</del> \$ 1,306,824.00	\$ 4,251,898.00	\$ (2,945,074.00)	N/A	N/A	N/A	\$ 1,306,824.00	\$ (2,945,074.00)	BF	NO	No
h	Renewal	0890008	0890167	0660688	REV	<b>Department of Forestry and Fire Protection</b> <b>SPWB Lease Revenue Bonds</b> Ventura Youth Conservation Camp: Construct Apparatus Building & Shop/Warehouse	<del>\$ 2,285,468.00</del> \$ 164,028.00	\$ 2,788,456.00	\$ (2,624,428.00)	N/A	N/A	N/A	\$ 164,028.00	\$ (2,624,428.00)	BF	NO	No
i	Renewal	0890006	0890168	0660683	REV	<b>Department of Forestry and Fire Protection</b> <b>SPWB Lease Revenue Bonds</b> Mendocino Ranger Unit Headquarters: Replace Automotive Shop	<del>\$ 1,860,568.00</del> \$ 186,878.00	\$ 2,841,589.00	\$ (2,654,711.00)	N/A	N/A	N/A	\$ 186,878.00	\$ (2,654,711.00)	BF	NO	No
j	Renewal	0890011	0890169	0660692	REV	<b>Department of Mental Health</b> <b>SPWB Lease Revenue Bonds</b> Patton State Hospital: Construct New Main Kitchen	\$ 1,440,814.00	\$ 3,056,352.00	\$ (1,615,538.00)	N/A	N/A	N/A	\$ 1,440,814.00	\$ (1,615,538.00)	BF	NO	No

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 LOAN REQUESTS (AB 55 LOANS)  
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							New Loan Amount per Loan Application	Original Amount of Existing Loan	Impact on the Pool (a-b)	Amount of CP or Bonds Issued (since previous loan)	Current Loan Amount Outstanding (b - d)	Adjusted Loan Requested Amount (a - d)	Recommended Loan Amount	Impact of Recommendations	Interest Paid by	CP	Finance Committee or Board Approval Needed?
k	Renewal	0890012	0890170	0660693	REV	Department of Mental Health SPWB Lease Revenue Bonds Napa State Hospital: Construct New Main Kitchen	\$ 1,418,956.00	\$ 3,860,000.00	\$ (2,441,044.00)	N/A	N/A	N/A	\$ 1,418,956.00	\$ (2,441,044.00)	BF	NO	No
l	Renewal	0890014	0890171	0660656	REV	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Salinas Valley State Prison: 64-Bed Mental Health Facility	\$ 30,922,063.00	\$ 30,229,262.00	\$ 692,801.00	N/A	N/A	N/A	\$ 30,922,063.00	\$ 692,801.00	BF	NO	No
m	Renewal	0890120	0890172	0660699	REV	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Chuckawalla Valley State Prison: Heating, Ventilation, and Air Conditioning System	\$ 41,083,563.00	\$ 40,384,315.00	\$ 699,248.00	N/A	N/A	N/A	\$ 41,083,563.00	\$ 699,248.00	BF	NO	No
<b>NEW LOAN REQUESTS</b>																	
<b>REV</b>																	
n	New		0890173		REV	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds, AB 900 Salinas Valley State Prison: 72-Bed Administrative Segregation Unit/Enhanced Outpatient Program Mental Health Facility	<del>\$ 2,475,321.00</del> \$ 2,323,000.00	<del>\$</del>	<del>\$ 2,323,000.00</del>	N/A	N/A	N/A	<del>\$</del>	<del>\$</del>	BF	NO	No
						Withdrawn											
o	New		0890174		REV	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds, AB 900 CA Institution for Women: 45-Bed Acute/Intermediate Care Facility	\$ 4,172,000.00	\$ -	\$ 4,172,000.00	N/A	N/A	N/A	\$ -	\$ -	BF	NO	No
<b>TOTAL</b>							<b>\$ 2,321,203,071.94</b>	<b>\$ 2,095,734,938.94</b>	<b>\$ 225,468,133.00</b>	<b>\$ 1,227,961,803.72</b>	<b>\$ 776,685,269.22</b>	<b>\$ 1,010,487,269.22</b>	<b>\$ 839,594,268.22</b>	<b>\$ (28,178,867.00)</b>			

Total amount of outstanding PMIA loans as of June 8, 2009\*  
 Impact on the Pool from this months actions  
 Outstanding PMIA loans after this months actions

	Requested	Recommended
Total amount of outstanding PMIA loans as of June 8, 2009*	\$ 6,669,387,028.27	\$ 6,669,387,028.27
Impact on the Pool from this months actions	\$ 225,468,133.00	\$ (28,178,867.00)
Outstanding PMIA loans after this months actions	\$ 6,894,855,161.27	\$ 6,641,208,161.27

\*To the extent a project would have received funding from the active PMIA loan, the loan authorization will be reduced by the amount from the upfront sale once the final project funding determinations are made for the April 2 and April 28 GO bond issues.