

**AMENDED OFFICIAL MINUTES
California Health Facilities Financing Authority**

**915 Capitol Mall, Room 587
Sacramento, California
Thursday, December 6, 2001
1:45 PM**

The Meeting was called to order by Anne Stausboll sitting for Chairman Philip Angelides. Members present were Annette Porini (sitting for Tim Gage), Cindi Aronberg (sitting for Kathleen Connell), George Monardo and Kambiz Babaoff. Dr. Ranjana Sharma arrived prior to Resolution HII-100 being heard by the board. Also present were staff members Sumi Sousa, Executive Director, Terry Partington, Deputy Executive Director, Gina Greer, Counsel to the Authority, Connie Le Louis, Attorney General's Office, and Bob Kittredge, Financial Advisor, PricewaterhouseCoopers LLP.

The minutes of the October 25, 2001, meeting was approved as submitted.

The Executive Director's Report was presented covering the month of October. As of October 31, 2001, bonds outstanding totaled \$6,311,820,975 and the fund balance was \$7,845,255.89. The Executive Director also reported that there were 10 borrowers with over \$100 million in CHFFA debt with a combined balance outstanding of \$5,064,946,898, which represents 80% of all CHFFA debt outstanding, and 10 equipment financings with a total balance outstanding of \$68,283,865. No equipment financings closed during the month. The Executive Director also reported a HELP II loan fund balance of \$19,952,952 as of October 31, 2001.

Resolution No. HII-109 – Golden Valley Health Centers ("Golden Valley") requested the Authority to approve a HELP II loan resolution in an amount not to exceed \$400,000 for a term of 15 years. Golden Valley will use the loan proceeds to construct a larger replacement dental clinic facility on vacant land that was purchased in 1993. Staff recommended the Authority approve the resolution in an amount not to exceed \$400,000 for a term of 15 years for Golden Valley Health Centers, subject to a final appraised value on the property satisfactory to the Authority and the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

Resolution No. F-291 – The Home for the Aged of the Protestant Episcopal Church of the Diocese of Los Angeles d.b.a. The Episcopal Homes (EH) requested the Authority to approve a bond issue resolution in an amount not to exceed \$93,000,000. EH will use the loan proceeds to construct a new continuing care retirement community, reimburse prior expenditures for the new facility and refinancing existing debt. Staff recommended the Authority approve a Resolution in an amount not to exceed \$93,000,000 for The Home for the Aged of the Protestant Episcopal Church of the Diocese of Los Angeles d.b.a. The Episcopal Homes, subject to the bonds having at least an "A" rating for both the fixed rate and variable rate portions by a nationally recognized rating agency, certain bond covenants as described in the "Financing Structure" section, meeting the standard bond issuance provisions for "A" rated debt, and a final insurance commitment from Cal-Mortgage. Mr. Monardo requested that because the new facility being financed with bond proceeds will not subsidize low-income seniors, that the Episcopal Homes continue to support the low-income population of the Kensington, another existing continuing care retirement community operated by the Episcopal Homes, where 50% of the population is comprised of individuals with limited means and whose care is subsidized. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

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Resolution No. HII-99 – Hart Community Homes, Inc. (“Hart”) requested the Authority to approve a HELP II loan resolution in an amount not to exceed \$332,400 for a term of 15 years. Hart will use the loan proceeds to refinance a temporary loan for a group home which was purchased to replace a leased facility. The escrow for this loan will close on November 30, 2001. The proposed refinancing will save Hart approximately \$15,000 annually. Staff recommended the Authority approve a resolution for a HELP II Loan in an amount not to exceed \$332,400 for a term not to exceed 15 years for Hart Community Homes, Inc., subject to a final appraised value on the property satisfactory to the Authority and the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

Resolution No. HII-100 – Tikvah – Etta and Lazear Israel Center for the Developmentally Disabled (“EIC”) requested the Authority to approve a HELP II loan resolution in an amount not to exceed \$375,000 for a term of 15 years. EIC will use the loan proceeds to purchase a 4 bedroom, 3,080 square foot group home facility for developmentally disabled women. Staff recommended the Authority approve a resolution for a HELP II Loan in an amount not to exceed \$375,000 for a term not to exceed 15 years for Tikvah – Etta and Lazear Israel Center for the Developmentally Disabled, subject to a final appraised value on the North Hollywood property satisfactory to the Authority, a debt service reserve fund in the amount of \$31,000 and the standard HELP II loan provisions. Board member Babaoff recused himself from the discussion and vote for EIC. After discussion by the remaining Authority, a motion was made and seconded and the resolution was unanimously approved.

Resolution No. HII-105 – Huntington Beach Community Clinic (“HBCC”), requested the Authority to approve a HELP II loan resolution in an amount not to exceed \$357,100 for a term of 10 years. HBCC will use the loan proceeds to refinance the existing mortgage on the current facility at a more favorable rate. Savings will be used to expand its services to the community by extending its hours to increase patient visits and to develop services at off-site community locations. Staff recommended the Authority approve the resolution in an amount not to exceed \$357,100 for a term of 10 years for Huntington Beach Community Clinic, subject to the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

Resolution No. HII-106 – Northern California INALLIANCE (“NCI”), requested the Authority to approve a HELP II loan resolution in an amount not to exceed \$400,000 for a term of 15 years. NCI will use the loan proceeds to construct a 3,600 square foot building and the renovation of buildings on its existing site. Staff recommended the Authority approve the resolution in an amount not to exceed \$400,000 for a term not to exceed 15 years for Northern California INALLIANCE, subject to the approval of the Authority’s HealthCAP loan and the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

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Resolution No. HII-107 – Sierra Recovery Center (“Sierra”) requested the Authority to approve a HELP II loan resolution in an amount not to exceed \$356,250 for a term of 15 years. Sierra will use the loan proceeds to refinance a short-term loan, and to pay for renovation and equipment on a recently purchased building which will house inpatient services and administrative offices. Sierra will save approximately \$11,800 per year in interest expense compared to its existing loan. Staff recommended the Authority approve the resolution in an amount not to exceed \$356,250 for a term of 15 years for Sierra Recovery Center, subject to a 1st deed of trust acceptable to the Authority and subject to the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

Resolution No. HII-108 – Los Angeles Free Clinic (“L AFC”) requested the Authority to approve a HELP II loan resolution in an amount not to exceed \$400,000 for a term of 15 years. L AFC will use the loan proceeds to make a balloon payment due in February 2002 on the Hollywood Boulevard site. Staff recommended the Authority approve the resolution in an amount not to exceed \$400,000 for a term of 15 years for Los Angeles Free Clinic, subject to the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

Having no other business, the meeting was adjourned.