

OFFICIAL MINUTES
California Health Facilities Financing Authority

915 Capitol Mall, Room 587
Sacramento, California
Thursday, April 24, 2003
1:30 PM

The Meeting was called to order by Ted Eliopoulos sitting for Chairman Philip Angelides. Members present were Cindi Aronberg (sitting for Steve Westly), Harry Bistrin, Judith Frank, George Monardo and Dr. John Whitelaw. Also present were staff members Terry Partington, Executive Director, Tom Noguerola, Counsel to the Authority, Gina Geer, Attorney General's Office, and Bob Kittridge, Financial Advisor, PricewaterhouseCooper's LLP. David Takashima (sitting for Steve Peace) arrived prior to Stanford Hospital and Clinics discussion.

The minutes of the February 27, 2003, meeting were approved as submitted.

The Executive Director's Report was presented covering the months of February and March 2003. As of March 31, 2003, bonds outstanding totaled \$6,362,495,074 and the fund balance was \$6,886,068. The Executive Director also reported that there were 10 borrowers with over \$100 million in CHFFA debt with a combined balance outstanding of \$4,998,376,497, which represents 79% of all CHFFA debt outstanding, and 11 equipment financings with a total balance outstanding of \$54,384,630. One equipment financing closed in March. The Executive Director also reported a HELP II loan fund balance of \$13,653,054; a HealthCAP balance of \$62,000 and a clinic grant fund balance of \$5,415,938, as of March 31, 2003.

Resolution No. F-296 – Stanford Hospital and Clinics ("SHC") requested the Authority to approve a bond issue Resolution in an amount not to exceed \$250,000,000. SHC will use the loan proceeds for construction, renovation and equipment needs, including the completion of its cancer and ambulatory care center. Staff recommended the Authority approve a Resolution for Stanford Hospital and Clinics in an amount not to exceed \$250,000,000, subject to a bond rating of at least an "A" category rating by a nationally recognized rating agency. After discussion by the Authority, a motion was made and seconded and the Resolution was unanimously approved.

Resolution No. HII-46 – Santa Cruz Women's Health Center ("SCWHC") requested the Authority's approval to extend and restructure the outstanding balance of approximately \$300,000 for a term of 15 years, or an additional six years, resulting in a reduction of its monthly payment from \$2,998 to approximately \$2,072. Staff recommended the Authority approve an amendment to the resolution for Santa Cruz Women's Health Center to extend and restructure the remaining balance of the HELP II loan in an amount not to exceed \$300,000 with all other conditions of the resolution to remain in place. After discussion by the Authority, a motion was made and seconded and the amended resolution was unanimously approved.

Resolution No. HII-143 – Asian American Drug Abuse Program, Inc. ("AADAP") requested the Authority to approve a HELP II resolution in an amount not to exceed \$340,000. AADAP will use HELP II loan proceeds to continue renovations and refinance a loan for a facility which will house six clients. Staff recommended the Authority approve a resolution for a HELP II Loan for Asian American Drug Abuse Program, Inc. in an amount not to exceed \$340,000 for a term of 15 years subject to a 1st deed 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-144 – Vista Community Clinic (“VCC”) requested the Authority approve a HELP II resolution in an amount not to exceed \$400,000. VCC will use the loan proceeds to renovate the second floor of an existing facility to meet a growing demand for dental and medical services. Staff recommended the Authority approve a resolution for a HELP II Loan in an amount not to exceed \$400,000 for a term of 15 years for Vista 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-145 – Pediatric and Family Medical Center dba Eisner Pediatric and Family Medical Center (“EPFMC”) requested the Authority approve a HELP II resolution in an amount not to exceed \$400,000. EPFMC will use the loan proceeds to construct a 30,000 square foot medical building and renovate an adjacent 21,000 square foot medical and dental facility. Staff recommended the Authority approve a resolution for a HELP II Loan in an amount not to exceed \$400,000 for a term of 15 years for Pediatric and Family Medical Center, subject to the final approval of the 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.

Resolution No. HII-146 – Community Hospital of Long Beach (“CHLB” or “the Hospital”) requested the Authority approve a HELP II resolution in an amount not to exceed \$400,000. CHLB will use the loan proceeds to purchase technology-related equipment to update the Hospital’s information system. Staff recommended the Authority approve a resolution for a HELP II Loan in an amount not to exceed \$400,000 for a term of 5 years for Community Hospital of Long Beach, subject to the standard HELP II loan provisions and the final approval of the pending HealthCAP Loan. After discussion by the Authority, a motion was made and the Resolution was approved by a vote of 5 -1 (Monardo Nay).

Resolution No. HII-147 – Mid Valley Recovery Services, Inc. (“Mid Valley”) requested the Authority approve a HELP II resolution in an amount not to exceed \$304,500. Mid Valley will use the loan proceeds to renovate an existing building and construct a new assembly hall. Mid Valley will save approximately \$7,600 per year in loan payments in comparison to a commercial rate loan. Staff recommended the Authority approve a resolution for a HELP II Loan in an amount not to exceed \$304,500 for a term of 15 years for Mid Valley Recovery Services, Inc., subject to the final appraised value on the subject 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-148 – Del Norte Clinics, Inc. (“DNC”) requested the Authority approve a HELP II resolution in an amount not to exceed \$376,000. DNC will use the loan proceeds to purchase computer equipment. Staff recommended the Authority approve a resolution for a HELP II Loan in an amount not to exceed \$376,000 for a term of 5 years for Del Norte Clinics, Inc., subject to the standard HELP II loan provisions and Cal Mortgage’s approval to incur additional indebtedness. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

Staff presented the quarterly report of the HELP II Loan Program.

Staff presented an overview of the Unqualified Applicants for the HELP II Program.

Mr. Monardo requested that staff include in the summaries prepared for each application, copies of applicant's specific answers to 1) Section 15438.5 (Savings Pass Through); 2) Section 15459.1 (Community Service Requirements) and 3) Compliance with Seismic Regulations. Staff will provide these items as attachments to the summaries on future transactions.

Having no other business, the meeting was adjourned.