

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

**915 Capitol Mall, Room 587**  
**Sacramento, California**  
**Thursday, July 31, 2003**  
**1:45 PM**

The Meeting was called to order by Francisco Lujano sitting for Chairman Philip Angelides. Members present were Cindi Aronberg (sitting for Steve Westly) Steve Larson (sitting for Steve Peace) Harry Bistrin, Judith Frank, Dr. John Whitelaw and Sumi Sousa. Also present were staff members Terry Partington, Executive Director, Tom Noguerola, Counsel to the Authority, Gina Greer, Attorney General's Office, and Susan Patella, Financial Advisor, PricewaterhouseCooper's LLP. Assemblymember Rudy Bermúdez arrived during the discussion of Shingletown Medical Center, Inc.

The minutes of the May 29, 2003 and June 12, 2003 meetings were approved as submitted.

The Executive Director's Report was presented covering the months of May and June 2003. As of June 30, 2003, bonds outstanding totaled \$6,205,771,919 and the fund balance was \$7,801,848.41. The Executive Director also reported that there were 9 borrowers with over \$100 million in CHFFA debt with a combined balance outstanding of \$4,832,184,444, which represents 78% of all CHFFA debt outstanding, and 10 equipment financings with a total balance outstanding of \$49,121,475. The Executive Director also reported a HELP II loan fund balance of \$12,268,879; a HealthCAP balance of \$0.00 and a clinic grant fund balance of \$4,741,976, as of June 30, 2003.

**Resolution No. F-299** – Alliance for Community Care (“Alliance”) requested the Authority to approve a bond issue Resolution in an amount not to exceed \$10,500,000 for a term of 20 years. Alliance will use the bond proceeds to current refund two separate tax-exempt Series 1992 Cal-Mortgage insured Certificates of Participation (COPs) and an existing taxable mortgage, resulting in a net present value savings of \$1.7 million or approximately 16% of the refunded issues. Staff recommended the Authority approve a Resolution for Alliance for Community Care in an amount not to exceed \$10,500,000, subject to a final Cal-Mortgage Insurance commitment. After discussion by the Authority, a motion was made and seconded and the Resolution was unanimously approved.

**Resolution No. HII-150** – OPARC requested the Authority to approve a HELP II resolution in an amount not to exceed \$400,000. OPARC will use HELP II loan proceeds to pay-off an existing land loan and construct a 35,000 square foot building for developmentally disabled adults that will replace a facility currently leased to OPARC. Staff recommended the Authority approve a resolution for a HELP II Loan for OPARC in an amount not to exceed \$400,000 for a term not to exceed 15 years subject to final approval of the HealthCAP loan, NCBDC's direct loan or other acceptable lender 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-151** – Shingletown Medical Center, Inc. (“Shingletown”) requested the Authority to approve a HELP II resolution in an amount not to exceed \$60,000. Shingletown will use HELP II loan proceeds to refinance a balloon payment. This refinancing will save approximately \$9,300 in interest expenses over the life of the loan in comparison to a commercial rate loan. In addition, Shingletown requested the Authority restructure its existing HELP II loan, which has a current balance of approximately \$224,000, to reduce annual loan payments by approximately \$23,000. Staff recommended

the Authority approve a resolution for a HELP II Loan for Shingletown Medical Center, Inc., in an amount not to exceed \$60,000 for a term of 4 years, and to restructure the existing HELP II loan for an additional term of 5 years with all other original terms to remain in effect 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-152** – Sequoia Community Health Foundation, Inc. (“SCH”) requested the Authority to approve a HELP II resolution in an amount not to exceed \$400,000. SCH will use the HELP II loan proceeds, a HealthCAP loan a Direct Loan from NCBDC to purchase a building that is approximately 9,100 square feet and is already set up as a medical facility. Staff recommended the Authority approve a resolution for a HELP II Loan for Sequoia Community Health Foundation, Inc. in an amount not to exceed \$400,000 for a term not to exceed 15 years, subject to a final appraised value on subject property satisfactory to the Authority, final approval of the HealthCAP loan and Direct Loan or other acceptable lender to the Authority, approval from Cal-Mortgage to incur additional indebtedness 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-153** – Coalition for Elders Independence (“CEI”) requested the Authority to approve a HELP II resolution in an amount not to exceed \$400,000. CEI will use the HELP II loan proceeds to purchase an office building to house CEI’s administrative offices to support program activity. Staff recommended the Authority approve a resolution for a HELP II Loan for Coalition for Elders Independence in an amount not to exceed \$400,000 for a term not to exceed 15 years, subject to a final approval of the NCBDC direct loan and the 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. 2003-02** – Staff requested the Authority approve a resolution authorizing replacement of the Existing Liquidity Facility, FGIC Securities Purchase, Inc., and related document amendments for the Authority’s Pool Program 1985 Series B. This would allow Société Générale, New York Branch to be the Alternate Liquidity Facility. After discussion by the Authority, a motion was made and the special resolution was unanimously approved.

**Resolution No. 2003-03** – The Authority’s staff requested the Authority approve Resolution No. 2003-03 the annual Interagency Agreement with the State Treasurer’s Office for the fiscal year 2003-04 in an amount not to exceed \$277,972. The Resolution authorizes the State Treasurer’s Office to provide administrative services including accounting, budgeting, data processing, personnel and business services to the Authority for the fiscal year 2003-04. Staff recommended the approval of the proposed Interagency Agreement. After discussion by the Authority, a motion was made and seconded for the staff proposal and the resolution was unanimously approved.

**Information Items** – Staff presented the quarterly report of the HELP II Loan Program.

Having no other business, the meeting was adjourned.