

## MINUTES

**California Health Facilities Financing Authority  
Minutes October 25, 2007 – 1:45 P.M.  
915 Capitol Mall, Room 587  
Sacramento, California**

Patricia Wynne sitting for Chairperson Bill Lockyer called the meeting to order at 1:55 p.m.

Present: Designee Patricia Wynne, Deputy State Treasurer  
Designee Vince Brown for Michael C. Genest, Department of Finance  
Designee Michael Carter for John Chiang, Controller's Office  
Harry Bistrin  
Judith Frank  
Dr. John Hilinski  
Dr. Oscar Sablan (via teleconference)

Staff: Barbara J. Liebert, Executive Director  
Ronald Washington, Deputy Executive Director

The Chair declared a quorum present.

The minutes of the California Health Facilities Financing Authority's (CHFFA or the Authority) August 30, 2007 meeting were not approved as submitted. Dr. Oscar Sablan mentioned that he participated via teleconference. Moved by Michael Carter and seconded by Vince Brown. The amended minutes were approved with a 7-0 vote.

Barbara Liebert, Executive Director reported that the bonds issued totaled \$19,688,472,017, the bonds outstanding were \$7,648,885,208 and the CHFFA fund balance was \$9,093,963.45 as of September 30, 2007. Ms. Liebert reported a HELP II Fund balance of \$18,677,199 the Cedillo-Alarcón Clinic Grant Fund balance of \$682,809, the Anthem-Wellpoint Grant Fund balance was \$10,279,452, and the Children's Hospital Bond Act of 2004 Fund balance was \$444,787,926, as of September 30, 2007.

Ms. Liebert introduced invited guest speaker Dale Flournoy, Deputy Director of Office of Statewide Health Planning and Development Cal-Mortgage Loan Insurance Division (Cal-Mortgage). Mr. Flournoy gave details of the principle relationship that Cal-Mortgage has with the Authority with regard to insuring HELP II Loans and the Bonds issued by the Authority. After a question and answer period from Board members Ms. Liebert introduced the invited guest speaker Kevin Civale, Esquire with the firm Stradling Yocca Carlson & Rauth. Mr. Civale gave a presentation on Conduit Financing. After a question and answer period from Board members, the Chair moved to other agenda items.

### **Item #5**

### **Beckman Research Institute of the City of Hope Resolution No. 2007-08**

Michael Carter recused himself because of a conflict of interest on behalf of State Controller, John Chiang regarding Beckman Research Institute of the City of Hope.

Lan Jaduram, Analyst, introduced Sam Balisy, Esquire and Neda Norbash, Associate both with Kutak Rock LLP.

Ronald Washington, Deputy Executive Director stated that Beckman Research Institute of the City of Hope is requesting a 5<sup>th</sup> amendment to its loan agreement to (i) change certain reporting requirements; (ii) refine the Events of Default provision; (iii) revise financial condition covenants (including maintaining certain levels of eligible securities, debt service coverage and profitability) and; (iv) add environmental warranties. Mr. Washington said, staff recommended the Authority approve the proposed 5<sup>th</sup> amendment to the Loan Agreement.

Judith Frank moved for adoption of the Resolution and Vince Brown seconded the motion. The motion was adopted with a 6-0 vote.

**Item #6** **University of California, Davis Medical Center (Medical Center)**  
**UC Davis Children's Hospital (UCDCH)**  
**Resolution No. CHP 2007-05**

Jim Rennie, Analyst, introduced Tom Rush, Manager of Facilities Design & Construction who provided background of the Medical Center.

Ms. Liebert stated that University of California, Davis Medical Center, UC Davis Children's Hospital is requesting grant funds of \$8,394,089 as reimbursement for the eligible proportional pediatric costs for finishing the fifth and twelfth floors of its Davis Tower and for the reimbursement of patient care equipment. Staff recommended that the Authority approve the resolution for the University of California Davis Medical Center to receive a grant not to exceed \$8,394,089 (less Costs of Issuance and Administrative Costs), subject to all requirements of the Children's Hospital Program. The original resolution (2006-04) expired on March 31, 2007

Harry Bistrin moved for adoption of the Resolution and Michael Carter seconded the motion. The motion was adopted with a 7-0 vote.

**Item #7** **Futures Explored, Inc. (FE)**  
**Resolution HII-207**

Yassar Dahbour, Analyst, introduced Will Sanford, Executive Director, of Futures Explored, Inc. (FE). Mr. Sanford provided the background of Futures Explored, Inc. FE requested the Authority approve a HELP II Loan in an amount not to exceed \$750,000 for a term of 15 years.

Ms. Liebert said the loan proceeds would be used to purchase real property and refinance an adjacent property. As a result of the proposed HELP II loan, FE expects to realize savings of nearly \$274,000 over the 15-year life of the loan. Staff recommended the Authority approve a resolution for a HELP II loan for Futures Explored Inc. in an amount not to exceed \$750,000 for a term not to exceed 15 years. This loan is contingent upon financing terms acceptable to the Authority.

Vince Brown moved for adoption of the Resolution and Dr. Oscar Sablan seconded the motion. The motion was adopted with a 7-0 vote.

**Item #8** **Contra Costa Association for**  
**Retarded Citizens (CCARC)**  
**Resolution HII-208**

Thera Hearne, Analyst, introduced Barbara Maizie, Executive Director of Contra Costa Association for Retarded Citizens (CCARC). Ms. Maizie provided the background of CCARC. CCARC requested the Authority approve a HELP II Loan in an amount not to exceed \$523,000 for a term of 15 years.

Ms. Liebert said the loan proceeds would be used to upgrade two large facilities and the surrounding lots that serve children and adults with developmental disabilities.

Harry Bistrin moved for adoption of the Resolution and Vince Brown seconded the motion. The motion was adopted with a 7-0 vote.

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Having no further business or comments, Patricia Wynne called for a vote to adjourn the meeting. Judith Frank moved for adjournment of the meeting and Michael Carter seconded the motion. The motion was adopted with a 7-0 vote.