

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Amendment to Resolution No. 2010-04

Amended Resolution Approving Authority Policy to Provide Short-Term Loans to Eligible Health Facilities

July 29, 2010

ISSUE: The Authority approved Resolution No. 2010-04 at its June 24, 2010, meeting approving the use of the Authority's Financing Fund to provide short-term secured working capital loans to facilities, who qualify as participating health institutions as defined by the Act, to help them offset their expected budgetary shortfalls associated with delayed 2010-2011 Medi-Cal reimbursements from the State of California, in accordance with specific loan underwriting guidelines and any additional loan underwriting guidelines the Authority may impose in a separate and subsequent resolution.

The second whereas paragraph of the resolution, as well as Section 1(a), correctly state the Authority's statute which allows the authority to provide loans to small or rural health facilities, but unfortunately, the resolution mistakenly uses the term "and" rather than the term "or" between the two words "small" and "rural" suggesting that in order to qualify, a facility must be both rural and small, rather than one or the other. Without correcting the resolution, the Authority will be greatly restricted in its ability to help small facilities that might not be located in rural areas. Staff therefore requests the Authority allow the resolution to be amended to reflect, in accordance with Government Code section 15438(i) that loans may be provided for the benefit of small or rural eligible health facilities.

In addition, staff requests the Authority extend the date of application for financing from July 16, 2010 to August 16, 2010 or such other date as staff may subsequently establish.

RECOMMENDATION: Staff recommends the Authority approve amended Resolution No. 2010-04.