

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)
HEALTHCARE EXPANSION LOAN PROGRAM II (HELP II)

First Amendment to Resolution No. HII-337

February 23, 2023

PURPOSE OF THE REQUEST:

OLE Health (OLE) is requesting to amend the project description and extend the resolution repeal date for its HELP II loan as set forth and adopted in Resolution No. HII-337.

BACKGROUND:

On September 29, 2022, the Authority approved a HELP II loan for OLE in an amount not to exceed \$2,000,000 to purchase real property located at 215 Gateway Road in Napa (Napa property) that would be used as a call and referral center for patient care services and administrative space. The building was 14,328 square-feet with the capacity of approximately 100 workstations for staff.

OLE is requesting to amend the project description to allow for the purchase of a larger property located in Fairfield in lieu of the Napa property. The real property is located at 1519 Gateway Boulevard in Fairfield (Fairfield property) and is larger and in a more convenient location than the Napa property. The Fairfield property is a 30,000 square-foot building, which will allow OLE to provide more medical, dental, optometry, and behavioral health services, as well as to expand services to include pediatric and specialty medicine. OLE plans to also move its clinical operations currently located at 470 Chadbourne Road in Fairfield to the newly purchased Fairfield property. OLE will then move the call and referral center originally planned for the Napa property to the vacated 470 Chadbourne location, thus eliminating the need to purchase the Napa property. Additionally, the Fairfield property will also provide better and more convenient transportation access as it is located next to the Solano Town Center shopping mall. OLE will provide additional funding from its cash reserves that will be needed to complete the purchase as OLE will be required to satisfy the loan financing requirements set forth in the original Resolution No. HII-337.

OLE is also requesting to extend the repeal date of Resolution No. HII-337 by three months to June 30, 2023, to allow time to complete the purchase transaction.

RECOMMENDATION:

Staff recommends the Authority approve the First Amendment to Resolution No. HII-337 for OLE Health, to change the location of the property OLE intends to purchase and extend the repeal date of the original resolution by three months to June 30, 2023. All other conditions of Resolution No. HII-337 remain unchanged and in full effect.

The amended resolution is attached with revisions shown.

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
HEALTHCARE EXPANSION LOAN PROGRAM II (HELP II)**

First Amendment to Resolution No. HII-337

**RESOLUTION APPROVING EXECUTION AND DELIVERY OF
HELP II AGREEMENTS WITH CERTAIN
PARTICIPATING HEALTH INSTITUTIONS**

WHEREAS, the California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the provisions of the California Health Facilities Financing Authority Act (Gov. Code, §15430 et seq.) (the “Act”) to provide secured or unsecured loans to participating health institutions to refinance existing debt and finance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, or equipping of a health facility; and

WHEREAS, the Authority established HELP II (the “Program”) to provide loans to participating health institutions as authorized by the Act; and

WHEREAS, **OLE Health** (the “Borrower”), a California participating health institution, has applied to the Authority for a loan through the Program, and the application has been reviewed by the staff of the Authority; and

WHEREAS, the Borrower received Authority approval for a HELP II loan, as memorialized in Resolution No. HII-337 adopted at the September 29, 2022, Authority Board meeting and will be repealed on March 31, 2023; and

WHEREAS, the Borrower ~~requests~~ requested and received on September 29, 2022, an exemption to the requirement that an applicant cannot have more than \$40,000,000 in annual gross revenues as shown on the most recent audited financials, and Authority staff recommends granting the exemption; and

WHEREAS, the Borrower is requesting a first amendment to Resolution No. HII-337 to (1) change the property address of the approved real property purchase and (2) extend the repeal date by three months to June 30, 2023; and

WHEREAS, approval of the ~~loan~~ First Amendment to Resolution No. HII-337 by the Authority is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Health Facilities Financing Authority, as follows:

Section 1. Pursuant to the Act, the Authority approves the loan to the Borrower, in an amount not to exceed **\$2,000,000** for a term not to exceed **20 years** for the purposes described in ~~the application filed with the Authority~~ Exhibit A of the First Amendment to this resolution (the “Project”), but solely to the extent there are available proceeds of the Program, as determined pursuant and subject to Section 2 hereof. This approval is further contingent upon the following conditions:

1. First lien on the real property located at ~~215 Gateway Road, Napa, CA 94558~~
1519 Gateway Boulevard, Fairfield, CA 94533
2. 20-year, two percent (2%) fixed-rate loan
3. A current appraisal that exhibits a loan-to-value ratio not to exceed 95%
4. Corporate gross revenue pledge
5. Executed purchase contract
6. Verification of Borrower's funds to close escrow

Section 2. The Executive Director and the Deputy Executive Director are hereby authorized, for and on behalf of the Authority, to determine the final amount, terms and conditions of the loans, and to approve any changes in the Project described in the application submitted to the Authority, as said officer shall deem appropriate and authorized under the Act, provided that the amount of the loans may not be increased above the amount approved by the Authority and provided further that the loans continue to meet the Authority's guidelines for HELP II loans. Nothing in this resolution shall be construed to require the Authority to obtain any additional funding, even if more loans are approved than there is available funding. Any notice to the Borrower shall indicate that the Authority shall not be liable to the Borrower in any manner whatsoever should such funding not be completed for any reason whatsoever.

Section 3. The Executive Director and the Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to draw money from the Program fund not to exceed those amounts approved by the Authority for the Borrower. The Executive Director and the Deputy Executive Director are further authorized and directed, for and on behalf of the Authority, to execute and deliver to the Borrower any and all documents necessary to complete the transfer of funds.

Section 4. The Executive Director and the Deputy Executive Director of the Authority are hereby authorized and directed to do any and all things and to execute and deliver any and all documents that the Executive Director or the Deputy Executive Director deems necessary or advisable to effectuate the purposes of this resolution and the transactions contemplated hereby, and that have heretofore been approved as to form by the Authority.

Section 5. This resolution is repealed ~~six months from the date of approval~~ on June 30, 2023.

Date of Approval: _____

EXHIBIT A

**USE OF HELP II LOAN PROCEEDS UNDER
FIRST AMENDMENT TO RESOLUTION NO. HII-337**

- Purchase real property at 1519 Gateway Boulevard, Fairfield, CA 94533