

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

Amendment to Resolution Number HII-341

May 25, 2023

PURPOSE OF THE REQUEST:

Asian Pacific Health Care Venture, Inc. (Asian Pacific) is requesting an amendment to extend the repeal date for its HELP II loan as set forth and adopted in Resolution Number HII-341 (the Resolution).

BACKGROUND:

On December 1, 2022, the Authority approved a HELP II loan for Asian Pacific in an amount not to exceed \$1,500,000 to renovate an existing facility to add obstetrical and gynecological (OB/GYN) services, and to relocate its pediatric practice within the clinic suite.

Asian Pacific will not be able to provide all the necessary documentation required to close the HELP II loan before the Resolution repeal date of June 1, 2023, due to delays that have pushed back the start date of the renovation project. While applying for the permits for the renovation project, which would add 589 square feet (SF) to its existing 7,398 SF facility, Asian Pacific was advised that the City of El Monte Planning Division would require 22 off-street parking spaces to accommodate the larger facility. Due to site restraints, Asian Pacific's parking area can only accommodate 20 parking spaces, and Asian Pacific had to request a minor variance from the City of El Monte Zoning Review Committee (Review Committee) to reduce the number of required parking spaces. The Review Committee approved Asian Pacific's request for the minor parking variance for the smaller parking area on May 9, 2023, which then has a ten-day appeal process that ends on May 19, 2023. The approval of the minor parking variance was required before any part of the project could proceed. Because of these delays, the architect bid process was moved to August 2023, the contractor selection was rescheduled for late September, and the construction start date was pushed back to October 2023.

This extension request will allow Asian Pacific additional time to obtain all required documents and close the loan by October 2023. The renovation project will then begin in October 2023 and is expected to be completed no later than August 2024.

RECOMMENDATION:

Staff recommends the Authority approve the Amendment to Resolution Number HII-341 for Asian Pacific Health Care Venture, Inc., to extend the repeal date to December 1, 2023. All other conditions of Resolution Number HII-341 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 Number HII-341

RESOLUTION APPROVING EXECUTION AND DELIVERY OF
HELP II LOAN PROGRAM 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, **Asian Pacific Health Care Venture, Inc.** (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 of a HELP II loan, as memorialized in Resolution Number HII-341 adopted at the December 1, 2022 Authority Meeting and will be repealed on June 1, 2023; and

WHEREAS, the borrower is requesting a first amendment to Resolution Number HII-341 to extend the repeal date by six months to December 1, 2023; and

WHEREAS, approval of the ~~loan~~ First Amendment to Resolution Number HII-341 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 a HELP II loan to the Borrower in an amount not to exceed **\$1,500,000** 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 real property located at 9960 Baldwin Place, El Monte, CA 91731;
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 construction contract; and
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 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 those amounts.

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 December 1, 2023.

Date of Approval: _____

EXHIBIT A

**USE OF HELP II LOAN PROCEEDS UNDER
FIRST AMENDMENT TO RESOLUTION NUMBER HII-341**

- Renovations of 9960 Baldwin Place, El Monte, CA 91731