

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)**  
**BOND FINANCING PROGRAM**

On Lok Senior Health Services  
Supplement and Amendment to Resolution No. 442  
October 26, 2023

**PURPOSE OF THE AMENDMENT:**

On Lok Senior Health Services (On Lok) seeks Authority approval of a supplement and amendment to Resolution No. 442 to include the additional project sites identified in Exhibit 1.

**BACKGROUND:**

In September 2020, the Authority authorized the issuance of tax-exempt bonds in an amount not to exceed \$60,000,000 to fund, including the reimbursement of, the costs of the construction, renovation, remodeling, and equipping of multiple facilities and refund the Association of Bay Area Governments Finance Authority, Series 2014 bonds.

In November 2020, the Authority issued the Series 2020 tax-exempt bonds for the benefit of On Lok in the amount of \$39,680,000. On Lok intended to use the new money portion of the Series 2020 bond proceeds to fund certain capital projects that it anticipated completing within 1 - 2 years. However, the impact of the COVID-19 pandemic caused substantial delays in the construction of a few projects; the shift to a hybrid work setting changed On Lok's needs; and On Lok also experienced key personnel changes at the executive and project execution levels. As a result, approximately \$15,500,000 of the Series 2020 proceeds remained unspent.

In the spring of 2023, On Lok acquired two buildings, located in San Jose and Union City, that it plans to convert into new Program of All-inclusive Care for the Elderly (PACE) centers, with the intent to open both in early 2025. On Lok would like to repurpose the unspent Series 2020 bond proceeds for the reimbursement of the acquisition costs of the two PACE centers.

**RECOMMENDATION:**

Staff recommends that the Authority approve the Supplement and Amendment to Resolution No. 442, with all prior provisions and conditions remaining unchanged and in full effect.

**EXHIBIT 1**  
**PROJECT SITES**

- 151 Martinvale Lane, San Jose, CA 95119
- 2600, 2608 and 2610 Central Avenue, Union City, CA 94587

**SUPPLEMENT AND AMENDMENT TO RESOLUTION NO. 442**

**RESOLUTION OF THE  
CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY  
PROVIDING FOR BOND PROCEEDS TO BE USED FOR  
2023 PROJECTS FOR ON LOK SENIOR HEALTH SERVICES**

**October 26, 2023**

**WHEREAS**, the California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California Health Facilities Financing Authority Act (the “Act”) to issue revenue bonds and loan the proceeds thereof to any participating health institution to finance the construction, expansion, remodeling, renovation, furnishing, equipping and acquisition of health facilities (including by reimbursing expenditures made for such purposes), to refinance indebtedness of a participating health institution in connection therewith and to refund any outstanding bonds or any outstanding series or issue of bonds of the Authority;

**WHEREAS**, On Lok Senior Health Services (the “Borrower”) is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California which owns and operates health facilities in the State of California;

**WHEREAS**, pursuant to Resolution No. 442, adopted on September 24, 2020 (the “Original Resolution”), the Authority authorized the issuance of its Revenue Bonds (On Lok Senior Health Services), Series 2020 (Social Bonds) (the “Bonds”) for the purposes described therein, including for the New Project, which was described in full in Exhibit A to the Original Resolution;

**WHEREAS**, on November 19, 2020, the Authority issued the Bonds in the aggregate principal amount of \$39,680,000 and then loaned the proceeds thereof to the Borrower for the purposes described in the Original Resolution;

**WHEREAS**, due to unexpected events, the Borrower seeks to use proceeds of the Bonds in an amount not to exceed \$15,500,000 to finance, including reimburse for, the costs of the acquisition of certain health facilities (the “2023 Project”) that were not originally described in the New Project;

**WHEREAS**, the Borrower has requested that the Authority amend the Original Resolution to include the 2023 Project in the New Project so that proceeds of the Bonds may be used for the 2023 Project;

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

**Section 1.** The Original Resolution is hereby supplemented and amended as follows: The definition of New Project, as referring to Exhibit A attached to the Original Resolution, is amended to include the 2023 Project, as described in Exhibit A attached hereto and incorporated herein.

**Section 2.** The provisions of the Authority's Resolution No. 2022-05 apply to the documents and actions approved in the Original Resolution, as amended by this Supplement and Amendment to Resolution No. 442.

**Section 3.** Except as herein amended and supplemented, all of the findings, terms and provisions of the Original Resolution are hereby ratified, confirmed and approved.

**Section 4.** This Supplement and Amendment to Resolution No. 442 shall take effect from and after the date of adoption.

Date of Adoption: \_\_\_\_\_

## **EXHIBIT A**

### **2023 Projects**

The acquisition of health facilities to be owned and operated by the Borrower, as follows:

- Community clinic and adult day health center, located at 151 Martinvale Lane, San Jose, California; and
- Community clinic and adult day health center, located at 2600, 2608 and 2610 Central Avenue, Union City, California.