



## **Emergency HELP Loan Program**

### **Guidelines**

#### **What is the Emergency HELP Loan Program?**

The Emergency HELP Loan Program is administered by the California Health Facilities Financing Authority (CHFFA) within the State Treasurer’s Office. The Emergency HELP Loan Program has a fund balance of \$2 million. This program will provide low cost loans with flexible terms for health facilities in counties that Governor Brown declared an emergency due to the Northern and Southern California fires, floods, and mudslides —

The counties of:

Butte	Mendocino	San Diego	Trinity
Inyo	Modoc	Santa Barbara	Tulare
Lake	Mono	San Bernardino	Ventura
Los Angeles	Napa	Siskiyou	Yuba
Madera	Nevada	Solano	
Mariposa	Orange	Sonoma	

#### **Who is eligible?**

Entities that meet the definition of a “health facility” as contained in [Government Code 15432 \(d\)](#) are eligible to apply for the Emergency HELP Loan Program. The definition of a “health facility” states in part: a facility, place, or building that is licensed, accredited, or certified and organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, or physical, mental, or developmental disability, including convalescence and rehabilitation.

#### **General Requirements:**

- Annual gross revenues cannot exceed \$30 million as shown on the most recent audited financial statement. (Current HELP II borrowers would be exempt from this requirement).
- Must be a non-profit IRC 501(c)(3) corporation or a public health facility (e.g., District hospital).
- Must have been in existence for at least three years providing the same types of services.
- Must provide evidence acceptable to the Authority that the health facility has been impacted from the fires, floods, and mudslides (i.e., Insurance claim form or local funding assistance).
- Must demonstrate evidence of fiscal soundness and the ability to meet the terms of the proposed loan.
- For construction and remodeling projects, must show readiness to begin projects within 90 days after funding.
- Must provide for consumer savings and community benefit as required of all Authority financings.

**Additional Considerations:**

In addition to the General Requirements, consideration may be given to those projects which:

- Leverage funds from other sources;
- Supply services as a sole provider;
- Demonstrate strong community support; or
- Fill a pressing community need.

**Eligible Uses of Funds:**

- Bridge loan;
- Day-to-day operational expenses (working capital);
- Feasibility studies, site tests, and surveys;
- Permit, architectural, and other pre-construction costs;
- Purchase, construct, or renovate real property;
- Construction or renovation;
- Facility acquisition;
- Equipment; or
- Refinance non-HELP II existing debt, but only where there will be interest savings (generally for existing loans with interest rates above 10%) or a balloon payment due within twelve months.

**Ineligible Uses of Funds:**

- Reimbursement of prior project expenditures;
- Funding start-up projects; or
- Refinancing outstanding HELP II loans.

**Loan Terms**

- 1 % Fixed interest rate
- Loan maximum is \$250,000
- Maximum loan terms vary:
  - ◆ Real property purchases and construction/renovations: Up to 10 years
  - ◆ Equipment Purchases - The lesser of either: 1) up to 5 years; 2) The useful life of the equipment
  - ◆ Working capital: Up to 15 months
- Gross revenue pledge or lien on real property or equipment
- Monthly payments
- No prepayment penalties

**Fees**

- No application fee
- Closing fee: 1% of the loan amount (capped at \$1,000), which could be deducted from the loan proceeds)

**Required Documentation**

- Evidence of real property value and equipment value
- Three Fiscal Years of Audited Financial Statements
- Deed of Trust

For additional information, please call or email CHFFA at (916) 653-2799 or [chffa@treasurer.ca.gov](mailto:chffa@treasurer.ca.gov)