

California Health Facilities Financing Authority
Nondesignated Public Hospital Bridge Loan Program

(Authority and Reference: Chapter 240, Statutes of 2021 [SB 170, Skinner], Section 25)

Section 1. Definitions

The following definitions shall apply wherever the terms are used herein.

- (a) “Applicant” means a Nondesignated Public Hospital, as further specified in Section 3, that submits an Application.
- (b) “Application” means a written and online request for a loan under the Nondesignated Public Hospital Bridge Loan Program in the form and format of the Nondesignated Public Hospital Bridge Loan Program Application CHFFA Form No. CHFFA 11 NDPH-01 (10/2021), incorporated by reference, and all other supporting documents, as described in Section 4.
- (c) “Authority” means the California Health Facilities Financing Authority.
- (d) “Borrower” means a Nondesignated Public Hospital that has been approved to receive a Program loan from the Nondesignated Public Hospital Bridge Loan Program.
- (e) “Executive Director” means the Executive Director of the Authority or his/her designee.
- (f) “Funding Round” means the time period during which Applications may be submitted for consideration of a loan.
- (g) “Loan Recipient” means a Nondesignated Public Hospital that has been approved to receive a loan.
- (h) “Nondesignated Public Hospital” means a public hospital as defined in Welfare and Institutions Code 14105.98, subdivision (a)(25) (excluding designated public hospitals) listed in Section 3.
- (i) “Program” means the Nondesignated Public Hospital Bridge Loan Program.
- (j) “Working Capital” means working capital as defined in Government Code Section 15432, subdivision (h).

Section 2. Eligibility

An Applicant shall be eligible to apply for a Program loan if all of the following conditions are met:

- (a) The Applicant is a Nondesignated Public Hospital.

(b) The Applicant intends to use loan proceeds for the sole purpose of Working Capital to support its operations.

Section 3. Maximum Loan Amounts

(a) For the first funding round, the maximum Program loan amount for each Nondesignated Public Hospital is as follows:

	Nondesignated Public Hospital	Max. Amount
(1)	Antelope Valley Hospital/Antelope Valley Healthcare District	\$2,813,000
(2)	Bear Valley Community Hospital/Bear Valley Community Healthcare District	296,000
(3)	Eastern Plumas Health Care/Eastern Plumas Health Care District	326,000
(4)	El Camino Hospital/El Camino Health Mountain View Campus	1,192,000
(5)	El Centro Regional Medical Center/City of El Centro	2,296,000
(6)	Hazel Hawkins Memorial Hospital/San Benito Healthcare District	1,253,000
(7)	Jerold Phelps Community Hospital/Southern Humboldt Community Healthcare District	511,000
(8)	John C. Fremont Healthcare District	551,000
(9)	Kaweah Delta Medical Center/Kaweah Health Medical Center	3,996,000
(10)	Kern Valley Healthcare District	601,000
(11)	Lompoc Valley Medical Center	2,062,000
(12)	Mammoth Hospital/Southern Mono Healthcare District	1,083,000
(13)	Marin General Hospital/MarinHealth Medical Center	1,384,000
(14)	Mayers Memorial Hospital/Mayers Memorial Hospital District	331,000
(15)	Modoc Medical Center/Last Frontier Healthcare District	314,000
(16)	Mountains Community Hospital/San Bernardino Mountains Community Hospital District	770,000
(17)	Northern Inyo Hospital/Northern Inyo Healthcare District	497,000
(18)	Oak Valley District Hospital/Oak Valley Hospital District	2,045,000
(19)	Palo Verde Hospital/Palo Verde Healthcare District	296,000
(20)	Palomar Pomerado Health/Palomar Health/Palomar Medical Center	3,481,000
(21)	Pioneers Memorial Hospital/Pioneers Memorial Healthcare District	1,527,000
(22)	Plumas District Hospital/Plumas Hospital District	296,000

	Nondesignated Public Hospital	Max. Amount
(23)	Salinas Valley Memorial Hospital/Salinas Valley Memorial Healthcare System	2,430,000
(24)	San Geronio Memorial Hospital/San Geronio Memorial Healthcare District	1,141,000
(25)	Seneca Healthcare District	296,000
(26)	Sierra View District Hospital/Sierra View Local Health Care District	1,473,000
(27)	Sonoma Valley Hospital/Sonoma Valley Healthcare District	308,000
(28)	Southern Inyo Hospital/Southern Inyo Healthcare District	296,000
(29)	Surprise Valley Community Hospital/Surprise Valley Health Care District	296,000
(30)	Tahoe Forest Hospital/Tahoe Valley Hospital District	994,000
(31)	Tri-City Medical Center/Tri-City Hospital District	2,405,000
(32)	Trinity Hospital/Mountain Communities Healthcare District	296,000
(33)	Washington Hospital-Fremont/Washington Township Healthcare District	2,144,000
	Total	\$40,000,000

(b) Any remaining funds after the first Funding Round shall be available in a second Funding Round and a notice of a second Funding Round will be posted on the Authority's website. Loan amounts for the second Funding Round will be determined as follows:

(1) Eligible Applicants that request any remaining loan amounts from the first Funding Round shall receive a loan up to the maximum specified in section (a).

(2) Any funds that remain will then be made available to eligible Applicants that already received loans totaling their first Funding Round maximum loan amounts.

(3) Subject to the restriction in subdivision (4), the amount available to eligible Applicants that have been approved loans totaling their first Funding Round maximum loan amounts and request additional funding will be calculated by dividing their maximum loan amount in the first Funding Round by the sum of their approved loans made in the first Funding Round and subdivision (1) multiplied by the amount calculated to be available in subdivision (2).

(4) Maximum loan amounts calculated in subdivision (3) shall be further restricted to 150% of the maximum loan amounts available in the first Funding Round.

Section 4. Loan Application

- (a) The Application CHFFA Form No. CHFFA 11 NDPH-01 (10/2021) shall be made available on the Authority's website at www.treasurer.ca.gov/chffa.
- (b) Each Application shall include the following:
- (1) Name and title of the person to be designated by the board to sign Program loan documents if financing is approved.
 - (2) Copy of the current applicable State of California operating license.
 - (3) Certification that the intended use of the Program loan proceeds is solely for Working Capital to support operations.
 - (4) Certification that the Applicant is a Nondesignated Public Hospital.
 - (5) In the event the Applicant does not pay off its loan within 24 months of the loan agreement, agreement to assign 20% of the Applicant's Medi-Cal checkwrite payments until the loan amount has been satisfied.
- (c) The Authority shall determine whether the Application is complete. If the Authority determines that additional information is needed, the Authority shall notify the Applicant and request such information. If the Applicant fails to provide the information as requested, the Applicant shall be deemed ineligible for a Program loan.

Section 5. Application Submission

- (a) Announcements of available funding will be shared with all eligible Applicants.
- (1) The deadline for the first Funding Round is December 1, 2021.
 - (2) If funds remain after the first Funding Round, Applications may be submitted in a second Funding Round with a deadline of February 1, 2022.
- (b) The Application, including supporting documentation, shall be received by the Authority no later than 5:00 p.m. (Pacific Time) on the deadline dates and may be emailed as a Portable Document Format (PDF) attachment to chffa@treasurer.ca.gov or submitted through the online Application on the Authority's website.
- (c) CHFFA is not responsible for transmittal delays or failures of any kind.

Section 6. Application Review

- (a) The Authority will evaluate and determine Program loans based on the following:
- (1) The Applicant meets all of the eligibility criteria in Section 2.

(2) The Applicant demonstrates that use of the funds will be strictly for supporting the operations of the Nondesignated Public Hospital.

Section 7. Loan Amount and Repayment Terms

(a) The Executive Director shall be delegated the power to approve Program loans pursuant the Program guidelines herein solely to the extent there are available funds for the Program.

(b) The Executive Director shall establish the repayment period for an approved Program loan, which shall be memorialized in a written loan agreement.

(1) The Program loan repayment period shall be a maximum of 24 months from the date of the loan agreement.

(2) The total Program loan amount must be repaid in total and discharged within 24 months of the date of the loan agreement.

(c) There shall be no interest charged for these Loans.

(d) Each Loan will incur a 1% administrative fee, which is due at closing and shall be withheld from the Program loan proceeds.

(e) There shall be no penalty for early repayment of Program loan.

Section 8. Loan and Security Agreement

(a) Prior to the issuance of each Program loan, the Authority shall require each Loan Recipient to agree to terms and conditions set forth in a written loan agreement, which shall specify the loan amount, repayment period, covenants, and requirements in the event of inability to make payments or default.

(b) The loan agreement shall require each Loan Recipient to agree to all of the following:

(1) Defending, indemnifying and holding harmless the Authority and the State, and all officers, trustees, agents, and employees of the same, from and against any and all claims, losses, costs, damages, or liabilities of any kind or nature, whether direct or indirect, arising from or relating to the Program.

(2) If payment of Program loan amount is not paid within 24 months of the date of the loan and security agreement, having 20% of its respective Medi-Cal checkwrite payments intercepted and offset at the state level from the Department of Health Care Services until the Program loan amount has been satisfied.

(3) Such other terms and conditions as agreed upon by the Authority and the Nondesignated Public Hospital.