

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY  
(CHFFA)**



**NONDESIGNATED PUBLIC HOSPITAL  
BRIDGE LOAN PROGRAM**

**NOVEMBER 10, 2021**



# Welcome and Introductions

**Executive Director**

Frank Moore

**Deputy Executive Director**

Carolyn Aboubechara

**Operations Manager**

Rosalind Brewer

**Loan Officers**

Tyler Bui

Matthew Francis

**District Hospital Leadership Forum**

Sherreta Lane

Nathan Davis

# AGENDA FOR TODAY

- OVERVIEW OF CHFFA
- GENERAL INFORMATION
- APPLICATION
- FUNDING ROUNDS
- NEXT STEPS
- QUESTIONS



# OVERVIEW OF CHFFA

- Established in 1979
- Originally for the purpose of issuing tax-exempt bonds, now also offer grants and loans
- CHFFA's mission is to help health facilities reduce their cost of capital, and to promote important health access, healthcare improvement and cost containment objectives by providing cost-effective tax-exempt bonds, low-cost loans, and direct grant programs



# OVERVIEW OF CHFFA (CONTINUED)

## CHFFA Programs

- Bond Financing
- Tax-Exempt Equipment Financing
- HELP II Loan Program
- Children's Hospital Grant Programs
- Investment in Mental Health Wellness Grant Programs
- Community Services Infrastructure Grant Program
- Nondesignated Public Hospital Bridge Loan Program

More info on specific programs on our website:

<https://www.treasurer.ca.gov/chffa/>

# GENERAL INFORMATION

- OBJECTIVE
- APPLICANT ELIGIBILITY
- LOAN TERMS
- MAXIMUM LOAN AMOUNTS



# OBJECTIVE

- To offset the delay and assist with the cashflow issues caused by the change from PRIME to QIP, the Legislature authorized CHFFA to provide low-cost working capital loans to eligible nondesignated public hospitals to assist with their operations.
- CHFFA will administer the Loan Program and provide up to a total of \$40,000,000 in General Fund working capital loans to eligible nondesignated public hospitals.



# APPLICANT ELIGIBILITY

An Applicant shall be eligible to apply if:

It is a California Nondesignated Public Hospital as defined in the guidelines.

- “Nondesignated Public Hospital” means a public hospital as defined in Welfare and Institutions Code Section 14105.98, subdivision (a)(25) (excluding designated public hospitals)





# LOAN TERMS

- 0% interest rate
- Loans must be paid back within 24 months
- Loans to be repaid in one balloon payment at the end of 24 months
- No early payment/prepayment penalty
- Loans will be secured by borrower's Medi-Cal reimbursements (If the loan defaults, twenty percent of the borrower's Medi-Cal checkwrite payments will be intercepted until the program loan amount has been satisfied)



# MAXIMUM LOAN AMOUNTS

	<b>Nondesignated Public Hospital</b>	<b>Max. Amount</b>
(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
(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
	<b>Total</b>	<b>\$40,000,000</b>

# APPLICATION

- Application Formats
- Contact & Loan Information
- Legal Status Questionnaire
- Religious Questionnaire
- Application Certification
- Online Application
- Application Submission



# APPLICATION FORMATS

- Available on CHFFA's website:  
<https://www.treasurer.ca.gov/chffa/programs/ndph.asp>
- Download application, fill it out in PDF format, and email it electronically to [chffa@treasurer.ca.gov](mailto:chffa@treasurer.ca.gov); OR
- Register through our website to apply online.



# CONTACT & LOAN INFORMATION

## NONDESIGNATED PUBLIC HOSPITAL BRIDGE LOAN PROGRAM APPLICATION FORM

### Summary Information

APPLICANT INFORMATION:		
Legal Name [REDACTED]		
Street Address [REDACTED]	Federal Tax I.D. Number [REDACTED]	
City, State & Zip [REDACTED]	Contact Person / Title [REDACTED]	
County [REDACTED]	Telephone Number [REDACTED]	Email Address [REDACTED]
LOAN INFORMATION:		
Amount Requested: <i>[See maximum amount per borrower in Section 3 of the Program guidelines]</i> \$ [REDACTED]		
Provide brief explanation of how loan proceeds will be used for working capital (i.e. payroll and utilities):  		

Provide the following as attachments:

#### Attachment A – Management/Organization Information

- Provide the name and title of the person to be designated by your board to sign loan documents if financing is approved.
- Provide a current copy of the applicable State of California operating license



# LEGAL STATUS QUESTIONNAIRE

## Legal Status Questionnaire

**Applicant Name:**

1. Financial Viability

Disclose material information relating to any legal or regulatory proceeding or investigation in which the applicant/borrower/project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the applicant/borrower/project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the applicant/borrower/project sponsor that is involved in the management, operation, or development of the project.

Response:

2. Fraud, Corruption, or Serious Harm

Disclose any civil, criminal, or regulatory action in which the applicant/borrower/project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, matters related to employment conditions (including, but not limited to wage claims, discrimination, or harassment), or matters involving health and safety where there are allegations of serious harm to employees, the public or the environment.

Response:

*Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates; the nature of the allegation(s), charges, complaint or filing; and the outcome.*



# RELIGIOUS QUESTIONNAIRE

## RELIGIOUS AFFILIATION DUE DILIGENCE (Only for Applicant with Religious Affiliation)

**Note:** You may respond directly on this form or attach additional pages as needed.  
CHFFA may request additional information regarding the responses to these questions.

QUESTIONS	ANSWER (Yes or No) Please provide explanations as requested
<ul style="list-style-type: none"> <li>Does the facility admit patients or residents of all religions and faiths?</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No (please explain) <input type="checkbox"/>
<ul style="list-style-type: none"> <li>Are patients/residents ever turned away because of their religious affiliation?</li> </ul>	<input type="checkbox"/> Yes (please explain) <input type="checkbox"/> No <input type="checkbox"/>
<ul style="list-style-type: none"> <li>Does the facility grant any preference, priority or special treatment with respect to admission, treatment, payment, etc., based on religion or faith?</li> </ul>	<input type="checkbox"/> Yes (please explain) <input type="checkbox"/> No <input type="checkbox"/>
<ul style="list-style-type: none"> <li>Does the facility focus on the needs of, market to, or target, a particular religious population?</li> </ul>	<input type="checkbox"/> Yes (please explain) <input type="checkbox"/> No <input type="checkbox"/>
<ul style="list-style-type: none"> <li>Does the facility discourage individuals from seeking admission to the facility on the basis of religion?</li> </ul>	<input type="checkbox"/> Yes (please explain) <input type="checkbox"/> No <input type="checkbox"/>
<ul style="list-style-type: none"> <li>Is it the facility's mission to serve patients/residents of a particular religion?</li> </ul>	<input type="checkbox"/> Yes (please explain) <input type="checkbox"/> No <input type="checkbox"/>
<ul style="list-style-type: none"> <li>What percentage of the patients/residents admitted and treated at the facility are of the same religious denomination as the facility's religious affiliation?</li> </ul>	<input type="checkbox"/>



# APPLICATION CERTIFICATION

## APPLICATION CERTIFICATION

Please have the individual with the authority to commit the agency to contract complete the following certification:

1. I certify that to the best of my knowledge, the information contained in this application and the accompanying supplemental materials are true and accurate. I further understand that misrepresentation may result in the cancellation of the loan and that CHFFA is authorized to take additional actions, if needed.
2. I hereby declare that all legal disclosure information requested has been disclosed to the best of my ability.
3. I certify that loan proceeds will be used solely for working capital to support operations.
4. I certify that the Applicant is a Nondesignated Public Hospital as defined in the Nondesignated Public Hospital Bridge Loan Program Guidelines approved by CHFFA.
5. In the event the Applicant does not pay off its loan within 24 months of the loan agreement, I hereby agree to assign all of the Applicant's rights to 20% of the Medi-Cal checkwrite payments to CHFFA until the loan amount has been satisfied.
6. I acknowledge an Authority Loan Fee is 1% of the loan amount, is due at closing and will be deducted from loan proceeds.

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By (Print Name)

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Signature

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Title

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Date





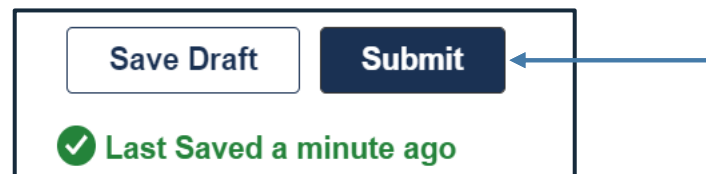
# ONLINE APPLICATION

- Click the application link located on the Nondesignated Public Hospital Bridge Loan Program webpage:
  - <https://www.treasurer.ca.gov/chffa/programs/ndph.asp>
  - Online accounts are free and simple to create. Sign up using your email address, first and last name and a password.
- Please complete the registration, fill out the form, and submit for review.
- We recommend using the following browsers to access and complete the online Application: Chrome, Firefox or Safari
- Incomplete and late applications will not be accepted for review



# ONLINE APPLICATION (CONTINUED)

When the application is completed, submit the application by selecting “Submit” at the bottom of the application.



If your submission is not accepted, go back and check to ensure that you have answered all of the required questions.

You will receive a confirmation email letting you know that the application was submitted successfully.



# APPLICATION SUBMISSION

Announcements of available funding will be shared with all eligible Applicants.

- The Application, including supporting documentation, must be received by CHFFA no later than 5:00 p.m. (Pacific Time) on the deadline dates and may be emailed as a PDF attachment to [chffa@treasurer.ca.gov](mailto:chffa@treasurer.ca.gov) or submitted online through the CHFFA's website.
- CHFFA is not responsible for transmittal delays or electronic failures of any kind.

# FUNDING ROUNDS

- First Funding Round
- Second Funding Round



# FIRST FUNDING ROUND

- The deadline for the first funding round is December 1, 2021.
- For the first funding round, the maximum loan amounts for each Nondesignated Public Hospital are listed in Section 3 of the Loan Program guidelines.
- If there are any remaining funds left unallocated after the first funding round, funds will go into a pool to be distributed in a second funding round. CHFFA will post the availability of a second funding round on its website.



# SECOND FUNDING ROUND

- The deadline for submitting an application for a second funding round will be February 1, 2022.
- 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 the table on page 10.
  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 the fourth bullet below, 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 bullet 1 above multiplied by the amount calculated to be available in bullet 2 above.
  4. Maximum loan amounts calculated in bullet 3 above shall be further restricted to 150% of the maximum loan amounts available in the first funding round.



# SECOND FUNDING ROUND

Formula calculation below:

Round 2 Distribution Example

\$3 million in funds remain to be distributed

Hospital	Round 1 Amt	% of Total
Southern Inyo Hospital	\$ 300,000.00	6.8%
Surprise Valley Community Hospital	\$ 300,000.00	6.8%
Tahoe Forest Hospital	\$ 1,138,660.00	25.7%
Tri-City Medical Center	\$ 2,698,360.00	60.8%
<b>Total of Round 1 Amounts</b>	<b>\$ 4,437,020.00</b>	
<b>\$3 million remains in Round 2 to be distributed as follows</b>		
Southern Inyo Hospital	\$ 202,838.84	
Surprise Valley Community Hospital	\$ 202,838.84	
Tahoe Forest Hospital	\$ 769,881.59	
Tri-City Medical Center	\$ 1,824,440.73	
	<b>\$ 3,000,000.00</b>	

Round 1 amount divided by total of every hospital's Round 1 amount that applied in round two.

Round 2 amount is % multiplied by available funding.

# NEXT STEPS

- Applications are due on the dates listed:
  - First funding round due on December 1, 2021
  - Second funding round due on February 1, 2022
- Applications will be reviewed and evaluated by CHFFA staff
- CHFFA Executive Director will approve loans
- Borrower's Resolution
- Execution of loan and security agreement and promissory note
- Disbursement of funds





# Questions?





## CONTACT INFORMATION

<b>Address</b>	<b>915 Capitol Mall, Room 435 Sacramento, CA 95814</b>
Phone	(916) 653-2799
Email	<u><a href="mailto:CHFFA@TREASURER.CA.GOV">CHFFA@TREASURER.CA.GOV</a></u>