

OFFICIAL MINUTES
California Health Facilities Financing Authority

915 Capitol Mall, Room 587
Sacramento, California
Thursday, January 27, 2005
1:45 PM

The meeting was called to order by Mark Paul sitting for Chairman Philip Angelides. Members present were Bob Campbell (sitting for Tom Campbell), Cindy Aronberg (sitting for Steve Westly), and Harry Bistrin. Also present were staff members Sandra Simpson-Fontaine, Executive Director, Greg Rogers, Deputy Executive Director, Jack Zorman, Counsel to the Authority, Molly Arnold, Attorney General's Office, and Peggy Arrivas, Financial Advisor, PricewaterhouseCoopers LLP. Dr. Theodore Hariton arrived after a five-minute break.

Prior to the break, the following information items were presented to the Members:

Greg Rogers presented a Resolution from Members of the Board and staff honoring Robert D. Kittredge, upon his retirement from PricewaterhouseCoopers LLP, for his 21 years service as Financial Advisor to the Authority.

The Executive Director's Report was presented covering the months of November 2004 and December 2004. As of December 31, 2004, bonds outstanding totaled \$5,993,227,178 and the fund balance was \$7,514,724.20. There were 10 borrowers with over \$100 million in CHFFA debt with a combined balance outstanding of \$4,469,815,000, which represents 75% of all CHFFA debt outstanding, and 9 equipment financings with a total balance outstanding of \$37,410,068. The Executive Director also reported a HELP II fund balance of \$11,382,254; a HealthCAP balance of \$0.00 and a clinic grant fund balance of \$3,308,520, as of December 31, 2004.

Staff presented the quarterly report of the HELP II Loan Program.

After the break, the following action items were presented:

Resolution No. HII-173 – Orange County ARC (OCARC) requested the Authority to approve a HELP II resolution in an amount not to exceed \$400,000. OCARC will use the loan proceeds to renovate a newly leased facility, which will be used to begin a new OCARC program. Staff recommended the Authority approve a resolution for a HELP II loan in an amount not to exceed \$400,000 for a term not to exceed 15 years for OCARC, subject to the standard HELP II loan provisions and receipt of a final consent letter from Cal-Mortgage approving additional indebtedness. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

Resolution No. HII-174 – Nevada County Council on Alcoholism, Inc. (NCCA) requested the Authority to approve a HELP II resolution in an amount not to exceed \$270,000. NCCA will use the loan proceeds to refinance an existing loan, which has a balloon payment due in May 2005, and complete minor improvements to the facility. Staff recommended the Authority approve a resolution for a HELP II loan in an amount not to exceed \$270,000 for a term not to exceed 15 years

for Nevada County Council on Alcoholism, Inc., subject to the standard HELP II loan provisions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

Resolution No. 2005-01 – Staff incorporated into the final proposed regulations text for the Children’s Hospital Bond Act of 2004 (Proposition 61), all public comments received from interested parties including the University of California Office of the President (UCOP), California Children’s Hospital Association (CCHA), Orrick, Herrington & Sutcliffe, bond counsel to the Children’s Hospital Bond Act of 2004 and other individuals associated with the potential applicants for the program. During the December 2004 Authority meeting, additional public comments were collected and staff informed interested parties via the Authority’s website and otherwise that public comments would be accepted through December 9, 2004, with an updated emergency regulation draft to be redistributed to the public by December 16, 2004. The public comment period was extended through January 18, 2005. The proposed regulation draft presented to the Authority included public and bond and internal counsel comments received through January 18, 2005. Staff recommended the Authority approve the emergency regulations for submission to the Office of Administrative Law. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

The minutes of the December 2, 2004 meeting were approved as submitted.

Other Business – Having no other business, the meeting was adjourned.