

OFFICIAL MINUTES
California Health Facilities Financing Authority

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

The meeting was called to order by Dennis Trujillo sitting for Chairman Philip Angelides. Members present were Anne Sheehan (sitting for Michael C. Genest), Windie Scott (sitting for Steve Westly), Judith Frank and Sumi Sousa. Also present were staff members Sandra Simpson-Fontaine, Executive Director, and Greg Rogers, Deputy Executive Director, Julia Bilaver, Counsel to the Authority, and Peggy Arrivas, Financial Advisor, PricewaterhouseCoopers LLP.

The minutes of the October 27, 2005 meeting were approved as submitted by a 4-0 vote with one abstention (Trujillo).

The Executive Director's Report was presented covering the month of October 2005. As of October 31, 2005, bonds outstanding totaled \$6,195,193,768 and the fund balance was \$8,383,645.94. There were 10 borrowers with over \$100 million in CHFFA debt with a combined balance outstanding of \$4,736,875,000, which represents 76% of all CHFFA debt outstanding, and 8 equipment financings with a total balance outstanding of \$27,924,222. The Executive Director also reported a HELP II Fund balance of \$17,830,330, a HealthCAP balance of \$0.00, a Cedillo-Alarcón Clinic Grant Fund balance of \$3,420,433, an Anthem-Wellpoint Grant Fund balance of \$35,629,996 and the Children's Hospital Bond Act of 2004 Fund balance of \$665,009,931, as of October 31, 2005.

Resolution No. F-314 – Northern California Retired Officers Community dba Paradise Valley Estates (PVE) requested the Authority approve a resolution in an amount not to exceed \$16,125,000. PVE will use the bond proceeds to construct 40 assisted living units and enhance common areas of PVE's existing campus. Staff recommended the Authority approve Resolution No. F-314 in a total amount not to exceed \$16,125,000 for Paradise Valley Estates subject to a final Cal Mortgage Insurance commitment letter and AMBAC Insurance. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

Resolution No. F-315 – California-Nevada Methodist Homes (CNMH) requested the Authority approve a resolution in an amount not to exceed \$39,000,000. CNMH will use the bond proceeds to expand and improve Forest Hill Manor and to reimburse Lake Park Retirement Residence improvement costs. Staff recommended the Authority approve Resolution No. F-315 in a total amount not to exceed \$39,000,000 for California-Nevada Methodist Homes, subject to a final Cal-Mortgage Insurance commitment letter. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

Resolution No. 2005-20 – Staff recommended the Authority approve a resolution authorizing a Second Amendment to the Loan Agreement for the Authority's Valley Presbyterian Hospital (VPH), Series 1997 Bonds. The key provisions of the 2005 Amendment include: VPH

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certifies to compute the Net Income Available for Debt Service amount within 90 days after the end of the Fiscal Year rather than 150 days; modifies the test that VPH must meet in order to incur Long-Term Indebtedness, making it more restrictive; additional restrictions on the ability of VPH to sell its real property, improvements or fixtures; and VPH to provide audited financial statements within 90 days rather than 150 days and appoint a Chief Reorganization Officer. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

Resolution No. HII-178 – The Youth Connection of Ventura County dba Casa Pacifica requested the Authority approve a HELP II resolution in an amount not to exceed \$500,000. The loan proceeds will be used to purchase various equipment for the group home. Staff recommended the Authority approve a resolution for a HELP II loan in an amount not to exceed \$500,000 for a term not to exceed 5 years for The Youth Connection of Ventura County dba Casa Pacifica, 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. HII-179 – Yolo Community Care Continuum (Yolo) requested the Authority approve a HELP II resolution in an amount not to exceed \$407,000. The Loan proceeds will be used to construct a new facility to expand existing services for a much-needed Adult Crisis Residential Facility. Staff recommended the Authority approve a resolution for a HELP II Loan in an amount not to exceed \$407,000 for a term not to exceed 15 years for Yolo Community Care Continuum, 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. 2005-21 – Children’s Hospital & Research Center at Oakland dba Children’s Hospital Oakland requested grant funds in an amount not to exceed \$1,696,546. The grant funds will be used as reimbursement for the cost of a project to replace/update older equipment and to purchase new equipment for patient care. Most of the items are for numerous departments including laboratory, cardiology, surgery and imaging. The three largest expenditures were for a nuclear medicine camera (\$481,000), an echocardiography machine (\$177,000) and an endoscopy tower and scopes (\$100,000). Staff recommended that the Authority approve a resolution for Children’s Hospital & Research Center at Oakland to provide a grant not to exceed \$1,696,546 (less costs of issuance), subject to all requirements of the Children’s Hospital Program. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

Resolution No. 2005-22 – UCLA Medical Center (Medical Center) requested grant funds in an amount not to exceed \$30,000,000. The grant funds will be used as reimbursement for the eligible proportional pediatric costs of constructing a 520-bed replacement hospital. The new hospital will combine both the Westwood facility and the Neuropsychiatric Hospital. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

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Resolution No. 2005-23 – Staff recommended that the Authority approve the forms of grant agreements for the Children’s Hospital Program for University of California hospitals and for Children’s Private hospitals that are Operating Entities of Another Hospital. Both the University of California hospitals and Private Children’s Hospitals that are Operating Entities of another Hospital forms of grant agreements are substantially similar to the grant agreement approved by the Authority at its October 2005 meeting, but with language added to address the operating status of each entity. As with the previously approved grant agreement form, the terms and conditions required to be included in the agreement under the program Regulations have been incorporated into the form. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

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