

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

2025 Emergency Wildfire Help Loan Program

Resolution No. 2025-02

January 30, 2025

PURPOSE OF THE REQUEST:

Staff seeks Authority approval of the 2025 Emergency Wildfire Help Loan Program (the Program), which would include the following:

- Allocate \$2 million from the HELP II Fund exclusively to fund the Program for a period of one year
- Delegate authority to the Executive Director and the Deputy Executive Director to issue loans up to \$500,000 per borrower (if certain conditions are met)
- Adopt the Program parameters below

This Program will provide low-cost loans to eligible health facilities in the state of California that have been impacted by the 2025 wildfires in Los Angeles, Ventura, and San Bernardino Counties (Los Angeles Fires).

All monies for the Program shall be available for loan approval until January 31, 2026, unless extended by action of the Authority.

PROPOSED PROGRAM PARAMETERS:

Eligibility

General Requirements:

- Must be a health facility as defined in the Authority's Act (Section 15432(d) of the California Government Code)
- A health facility in the counties of Los Angeles, Ventura and San Bernardino affected by the 2025 Los Angeles Fires.
- Annual gross revenues cannot exceed \$40 million as shown on the most recent audited financial statement (No revenue limit for qualifying rural health facilities and district hospitals)
- Must be a non-profit 501(c)(3) corporation or a public health facility (e.g., District hospital) as defined in the Authority's Act (Section 15432(e) of the California Government Code)
- Must provide evidence acceptable to the Authority that the health facility has been impacted by the Los Angeles Fires and that loan proceeds will be used to address the impact

- Must demonstrate evidence of fiscal soundness and the ability to meet the terms of the proposed loan
 - Must provide three (3) most recent years of audited financial statements
 - Must have a proforma debt service coverage ratio of at least 1.0x in most recent fiscal year
- Must be able to provide sufficient collateral
- All loans must close within six (6) months after approval

Uses of Funds

Funds may be used for:

- Property acquisition in the same service area
- Construction, remodeling, renovation, and/or improvements
- Equipment and/or furnishings

Funds may **NOT** be used for:

- Funding start-up projects
- Refinancing outstanding loans
- Day-to-day operational expenses (working capital)

Loan Terms

- 0% fixed interest rate
- Loan maximum is \$500,000
- Maximum loan maturities vary:
 - ◆ Property acquisition or construction/remodeling/renovation/improvements – Up to 20 years
 - ◆ Equipment/furnishings – Up to 5 years
- Gross revenue pledge and lien on real property and/or equipment/furnishings, whichever is applicable (Maximum combined loan-to-value of 95%)
- No prepayment penalties

Fees

- No application fee
- Closing fee: 1% of the loan amount, which may be deducted from the loan proceeds

Required Documentation

- Evidence of real property value and/or equipment/furnishings value
- Evidence that the borrower has been impacted by the Los Angeles Fires and that loan proceeds will be used for the purpose of addressing the impact

- Provide a copy of organization's board minutes or board resolution approving the application for a 2025 Emergency Wildfire Help Loan Program loan for this project
- Provide a copy of the State of California operating license and/or certification (as applicable) (e.g. Department of Health Service, Social Services, or other authorizing agency), for the facility receiving financing
- IRS 501(c)3 Determination Letter
- Provide copies of organization's certified Articles of Incorporation and Bylaws and any amendments

STAFF RECOMMENDATION:

Staff recommends approval of Resolution No. 2025-02 to establish the 2025 Emergency Wildfire Help Loan Program, subject to the parameters in the resolution.

RESOLUTION NO. 2025-02

**RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY AUTHORIZING THE IMPLEMENTATION
OF THE 2025 EMERGENCY WILDFIRE HELP LOAN PROGRAM AND
DELEGATING CERTAIN POWERS TO THE EXECUTIVE DIRECTOR AND
DEPUTY EXECUTIVE DIRECTOR**

WHEREAS, the California Health Facilities Financing Authority (the “Authority” or “CHFFA”), a public instrumentality of the State of California, is authorized by the provisions of the California Health Facilities Financing Authority Act (Gov. Code Section 15430 et seq.) (the “Act”) to provide secured or unsecured loans to participating health institutions to refinance existing debt and finance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, equipping, or working capital of a health facility;

WHEREAS, due to the recent 2025 wildfires in Los Angeles, Ventura, and San Bernardino Counties (the “Los Angeles Fires”), affected health facilities may be impacted and need an expedited loan approval process with flexible terms to meet their financial needs in order to continue providing health care services to their communities;

WHEREAS, the Authority desires to establish a new loan program, the 2025 Emergency Wildfire Help Loan Program (the “Program”), to make loans, as authorized by the Act, to finance the acquisition, construction, remodeling, renovation, improvement, furnishing, and equipping of health facilities affected by the Los Angeles Fires;

WHEREAS, approval of the parameters for implementation of the new Program is now sought; and

WHEREAS, pursuant to the Act, the Authority may delegate to the Executive Director or the Deputy Executive Director, any powers and duties the Authority may deem proper;

NOW, THEREFORE, BE IT RESOLVED by the California Health Facilities Financing Authority as follows:

Section 1. The Program is hereby established under and by the Authority to provide loans, which shall be implemented with the parameters set forth in Exhibit A, to participating health institutions affected by the recent 2025 Los Angeles Fires in the state of California.

Section 2. The Program shall be established with funds of up to \$2,000,000 from the Authority’s HELP II fund balance.

Section 3. The Authority hereby delegates to the Executive Director, or the Deputy Executive Director, in the absence of the Executive Director, the power to approve Program loans for affected health facilities in an amount not to exceed \$500,000 (per health facility) to finance capital project costs as defined under the Act, but solely to the extent there are available proceeds for the Program, as determined pursuant and subject to Section 4 hereof.

Section 4. The Authority hereby delegates to the Executive Director, or the Deputy Executive Director, in the absence of the Executive Director, the power to determine the final amount, terms and conditions of the loan, and to approve any changes in the project described in the application submitted to the Authority, as said officer shall deem appropriate and authorized

under the Act (provided that the amount of the loan may not be increased above \$500,000 or cause the total amount of approved loans under the Program to exceed \$2,000,000, and provided further that the loan continues to meet the Authority's parameters for the Program, as set forth in Exhibit A). Nothing in this Resolution shall be construed to require the Authority to obtain any additional funding, even if more loans are approved than there is available funding. Any notice to the borrower shall indicate that the Authority shall not be liable to the borrower should such funding not be completed for any reason.

Section 5. The Authority hereby delegates to the Executive Director, or the Deputy Executive Director, in the absence of the Executive Director, the power to draw funds for the Program from the HELP II fund not to exceed those amounts approved by the Executive Director or the Deputy Executive Director, for a borrower. The Authority hereby delegates to the Executive Director or the Deputy Executive Director, the power to execute and deliver any and all documents necessary to complete the transfer of funds.

Section 6. The Authority hereby delegates to the Executive Director, or the Deputy Executive Director, in the absence of the Executive Director, the power to develop, in consultation with legal counsel, loan and security agreements and promissory notes for loans approved under the Program. The Authority hereby delegates to the Executive Director, or the Deputy Executive Director, in the absence of the Executive Director, the power to do any and all things and to execute and deliver any documents in connection with the issuance, disbursement and prepayment of loans, including loan and security agreements, disbursement memorandums, and loan closing documents. The Authority hereby delegates to Executive Director or Deputy Executive Director, in the absence of the Executive Director, the power to carry out any ministerial actions.

Section 7. The Executive Director, or the Deputy Executive Director, in the absence of the Executive Director, shall report to the Authority at the next scheduled meeting, all actions taken pursuant to this Resolution.

Section 8. All monies for the Program shall be available for loan approval until January 31, 2026, unless extended by action of the Authority.

Section 9. This Resolution shall take effect from and after its adoption and shall expire on January 31, 2026, unless extended by action of the Authority.

Date Approved: _____

EXHIBIT A

2025 EMERGENCY WILDFIRE HELP LOAN PROGRAM PROPOSED PARAMETERS

Eligibility

General Requirements:

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