

MINUTES

California Health Facilities Financing Authority
September 30, 2010
915 Capitol Mall, Room 587
Sacramento, California

A PORTION OF THIS MEETING WAS HELD JOINTLY WITH THE CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY (CEFA)

Patricia Wynne, Chairperson called the meeting to order at 1:45 P.M.

Roll Call

Members Present: Patricia Wynne for Bill Lockyer, State Treasurer
Ruth Holton-Hodson for John Chiang, Controller's Office
Cynthia Bryant for Ana J. Matosantos, Department of Finance
Judith Frank – Teleconference
Ronald Joseph
Jack Buckhorn

Members Absent: Dr. Oscar Sablan
Sumi Sousa
Harry Bistrin

Staff Present: Barbara J. Liebert, Executive Director
Rosalind Brewer, Deputy Executive Director

The Chairperson declared a quorum present.

Item #3

Resolution No. 2010-27 (CHFFA)

Ms. Liebert introduced John Bonow of Public Financial Management and Diane Potter of Orrick, Herrington & Sutcliffe. Ms. Liebert began the discussion by mentioning for the record that the agenda had been re-published to clarify the rating classifications for the three different rating agencies because the original agenda incorrectly attributed rating classifications to some of the rating agencies.

Ms. Liebert reminded the board that staff's recommendation pertains only to investment grade transactions and that the working group would next turn to non-investment grade transactions, equipment financings and a continued effort to produce template bond documents with standard provisions.

Ms. Liebert then noted that one of the Board members pointed out that the proposed resolution, in the 6th "Whereas" clause, contained an error in that it omitted the term "Review" from the last sentence. It should read "...as more fully set forth in the Investment Grade Public Offerings Revenue Bond Application Review Process..." Ms. Liebert indicated a correction would be made to the resolution assuming the resolution is passed.

Ms. Liebert advised the board that the new process (if approved by the respective boards) would be incorporated into the respective websites for CEFA and CHFFA. Mr. Washington concurred with Ms. Liebert's overview.

Mr. Buckhorn asked Mr. Bonow to expand on how PFM's role would change as a result of the guideline change given PFM's anticipated involvement earlier rather than later in the transaction process. Mr. Bonow replied that historically, PFM's involvement has been limited to the end of the bond transaction process – the pricing. With this new process, PFM will be involved from the beginning of the process, beginning their involvement upon submission of a borrower's application and then proceeding to the evaluation of their proposed covenant and security package and overall financing structure.

Mr. Buckhorn inquired with Ms. Liebert if there would be a requirement for regulations with these new guidelines. Ms. Liebert called upon staff counsel Kristin Smith to comment and then briefly summarized that she believed the AG's office was of the opinion that regulations would not be required unless the guidelines were very specific. Ms. Liebert indicated she would check with the Attorney General's Office and provide a definitive response to the Board.

Chairperson Wynne asked Mr. Washington or Ms. Liebert to elaborate on the collaborative relationship between PFM, Macias and Authority staff. Mr. Washington replied by describing the previous application process in regards to the various roles and then describing the newly revised process.

John Hiber, California Educational Facilities Authority (CEFA) Board member, wanted to note for the record that the State Controller's Office has expressed some concerns in the past with regard to these new guidelines and that he would like to impart, in general, the SCO's belief that with greater flexibility potentially comes greater risk. Mr. Hiber stated that to mitigate some of these concerns, he would like each of the Authorities to routinely prepare a report outlining each of the transactions approved by the Authorities, noting the financing approved, the underlying credit of each of the financings and any financings that may not have actually made it to the board because staff determined the transactions were too risky. Mr. Hiber stated that the whole point of this would be to evaluate if there is any shift in the risk as we transition to this new process.

Chairperson Wynne thanked Mr. Hiber for his comments and offered some elaboration on the concept proposed by Mr. Hiber. Chair Wynne suggested that the Executive Directors for each authority bi-annually prepare (beginning two years from now), a compare and contrast study of the credit worthiness of the Authorities' borrowers up to this point (preferably two years back) and the credit worthiness of the borrowers under the new guidelines. Ms. Holton-Hodson added the board would like to get a sense of whether the Board is approving riskier borrowers as the new process is assimilated into practice. After additional comments from Michael Jackson and Sylvia Scott Hayes, as well as comments from Mr. Joseph and Mr. Buckhorn, Chair Wynne summarized that passage of the proposed resolution should not be contingent upon preparation of a bi-annual report, but that the board clearly desires routine reporting concerning the implementation of the new process so the board may evaluate the impact of the changes. Chair Wynne noted the board can request a report at any given time (in addition to a bi-annual report) and that staff should work with the board to determine the desired content for reporting.

Following this discussion Chairperson Wynne asked if there were any additional questions from the board members or public comments. Hearing none, Ronald Joseph moved adoption of Resolution No. 2010-27 as amended and Jack Buckhorn seconded the motion. The motion was unanimously adopted with a 6-Aye vote.

Public Comment (CEFA)

There were none.

Adjournment (CEFA)

Chairperson Wynne adjourned CEFA's meeting at 2:13PM.

Approval of the Minutes from the August 26, 2010, and September 2, 2010 Meetings

Ms. Liebert indicated that the Agenda incorrectly announced that the August 26, 2010 meeting minutes would be considered when it should have reflected that the minutes were actually from the July 29, 2010 meeting. That being the case, Ms. Liebert indicated that the Board could only review and approve the September 2, 2010, meeting minutes. The July 29, 2010, minutes would be taken up at the next available meeting. Mr. Buckhorn moved approval of the September 2, 2010 meeting minutes and Ruth Holton-Hodson seconded the motion. The minutes were approved with a 6-Aye vote.

Executive Director’s Report (Information Item)

Ms. Liebert reported the following

- Delegation of Powers Monthly Update – No delegation office powers taken by the Executive Director this last month
- Modoc Medical Center Update – Ms. Liebert indicated county counsel returned with an opinion precluding MMC from entering into a debt obligation in excess of a year due to constitutional debt limitations for local governments. Though county counsel proposed restructuring the debt from the five year term to a one year term, MMC indicated it cannot afford to service the monthly obligation this would generate. MMC has proposed an alternate structure which staff will bring back to the Board to discuss. Ms. Liebert also noted that local voters recently approved the initiative to convert MMC into a district hospital. Ms. Liebert indicated that the Board will likely be seeing this item at the October meeting.
- HELP II Priorities - Rolled over to next meeting.
- Competitiveness of CHFFA Fees – Rolled over to next meeting.

Ms. Liebert provided to the Board that in their handouts a proforma letter drafted for all of the Authority’s HELP II borrowers, reminding them of their need to comply with all financial and non-financial covenants upon which their loans were conditioned. Ms. Liebert indicated that staff would let the Board know of any defaults as a result of these letters.

For the record Ms. Liebert provided that as of August 31, 2010: debt issued is \$24,912,562,017; debt outstanding: \$9,405,943,272; CHFFA fund balance: \$14,631,460; HELP II fund balance: \$12,184,158, Cedillo-Alarcón Clinic: \$240,205; Anthem-WellPoint: \$273,953; Children’s Hospital Bond Act of 2004: \$128,487,272 and the Children’s Hospital Bond Act of 2008: \$784,982,775.

**Upcoming proposed refinance of the Bay Area Housing Plan
proposed to be insured by Cal-Mortgage**

Item #8

Ms. Liebert introduced John Woodward, Director, Bank of America Merrill Lynch, and Jenna Magan, Partner of Orrick, Herrington & Sutcliffe LLP. Ms. Liebert stated that this is an information item for the Board concerning an item likely to come before the Board at its October meeting. Ms. Liebert noted the transaction is completely dependent upon passage of a pending budget trailer bill amending both the CHFFA and Cal-Mortgage Acts.

The transaction is a refinancing of a credit line of approximately \$90,000,000 currently held by the California Housing Financing Agency (CalHFA) which had been previously utilized for the acquisition and conversion of certain group homes located in the San Francisco Bay Area pursuant to the Bay Area Housing Project (“BAHP”). The credit line was obtained with the intention for CalHFA to issue bonds at some point to pay off the line. Unfortunately, due to the general collapse of the mortgage-backed securities market, were CalHFA to issue bonds to finance the BAHP, such bonds would be at a relatively high interest rate.

After Ms. Liebert provided her overview of the proposed financing, Mr. Woodward fielded several questions from the board, including clarification concerning the identity and number of prospective borrowers and the risk of the state’s potential elimination of entitlement funding.

Chairperson Wynne then indicated the Board looked forward to hearing more at its October Board meeting.

Item #9

VTC Enterprises, Resolution No. HII-254

Marissa Sequeira, Staff Analyst, introduced Kirk Spry, Chief Executive Officer of VTC Enterprises. VTC is seeking \$750,000 in HELP II funding. Loan proceeds will be used for the construction of a new building on VTC’s property that will be used by individuals with severe physical and mental disabilities. The new

facility has been specifically designed to meet the needs of these individuals. The existing buildings are in various stages of decay and disrepair due to age, pests and moisture damage.

Staff recommended approval of Resolution Number HII-254 for VTC Enterprises in an amount not to exceed \$750,000 for a term not to exceed 15 years, and contingent upon financing terms acceptable to the Authority. Macias Gini & O'Connell, LLP, the Authority's financial analyst, concurred with the Authority's staff recommendations.

Chairperson Wynne asked if there were any questions from the board members or public comments. Hearing none, Mr. Buckhorn moved adoption of Resolution No. HII-254 and Mr. Joseph seconded the motion. The motion was adopted with a 6-Aye vote.

Item #10 **Substance Abuse Foundation of Long Beach Inc., Resolution No. HII-255**

Yassar Dahbour, Staff Analyst, introduced Kathy Romo, Executive Director of the Substance Abuse Foundation of Long Beach, Inc. Mr. Dahbour provided that Substance Abuse Foundation of Loan Beach is before the Board seeking \$454,000 in HELP II funding. Loan proceeds will be used to refinance an existing variable rate mortgage loan.

Staff recommended approval of Resolution Number HII-255 for Substance Abuse Foundation of Long Beach Inc. in an amount not to exceed \$454,000, for a term not to exceed 15 years, and contingent upon financing terms acceptable to the Authority. Macias Gini & O'Connell, LLP, the Authority's financial analyst, concurred with the Authority's staff recommendations.

Chairperson Wynne asked if there were any questions from the board members or public comments. Hearing none, Ms. Holton-Hodson moved adoption of Resolution No. HII-254 and Ms. Bryant seconded the motion. The motion was adopted with a 6-Aye vote.

Item #11 **The Center for Recovery from Compulsivities, Inc., Resolution No. HII-256**

Mr. Dahbour, Staff Analyst, introduced Mark Scott, Executive Director of the Center for Recovery from Compulsivities. Mr. Dahbour stated that the Center for Recovery from Compulsivities is before the Board seeking \$587,000 in HELP II funding. Loan proceeds will be used to refinance two existing mortgage loans. The two loans have a combined balance of approximately \$587,000, with 7% and 7.75% interest rates respectively. The refinancing of these loans will result in an estimated annual interest savings of \$28,500.

Staff recommended approval of Resolution Number HII-256 for the Center for Recovery from Compulsivities in an amount not to exceed \$587,000 for a term not to exceed 15 years, and contingent upon financing terms acceptable to the Authority. Macias Gini & O'Connell, LLP., the Authority's financial analyst, concurred with the Authority's staff recommendations.

Ms. Holton-Hodson indicated the request was a difficult one for her and the State Controller's Office to approve. While she expressed appreciation for the fine work his organization performed, Ms. Holton-Hodson asked how over the 15 year-term of this loan he believed the Center would be able to have the income stream to meet their obligations, particularly if Mr. Scott left, given his minimal salary. Mr. Scott replied that with fundraisers and marketing efforts to local businesses, the federal and county probation departments, local foundations and grants, he believed the Center should be able to service the debt. Mr. Scott also indicated that many of the Center's staff have part-time jobs to supplement their salaries. Mr. Scott emphasized the Center's successful operation for twenty years and his belief in its continued operations.

After a question from Mr. Joseph regarding Mr. Scott's reference to reaching an agreement with the federal probation department and Mr. Scott's response, as well as additional inquiries from both Ms. Holton-

Hodson and Mr. Buckhorn, Chairperson Wynne asked if there were any additional questions from the Board members or public comments. Hearing none, Mr. Buckhorn moved adoption of Resolution No. HII-256 and Mr. Joseph seconded the motion. The motion was adopted with a 5-Aye vote and one abstain-Ms. Holton-Hodson.

Item #12 **Redwoods Rural Health Center, Incorporated, Resolution No. HII-257**

Thera Hearne, Staff Analyst, introduced Anne Staunton, Executive Director of Redwoods Rural Health Center, Incorporated via teleconference and Jeanie Eldridge, Chief Financial Officer of the Redwoods Rural Health Center, Inc. also via teleconference location. Redwoods Rural Health Center, Incorporated is seeking HELP II funding in an amount of \$573,000. Loan proceeds will be used to refinance its 1990 Local Medical Facilities Financing Authority Insured Certificates of Participation (COP), which currently has a balance of approximately \$735,000. The HELP II loan will pay \$573,000 of the outstanding balance. The remainder will be paid from the Borrower's existing funds. The refinance of this debt will reduce the variable interest rate from 7.55% to 3%, resulting in total interest savings of \$154,037 over the life of the loan.

Staff recommended approval of Resolution Number HII-257 for Redwoods Rural Health Center, Inc., in an amount not to exceed \$573,000 for a term not to exceed 10 years, and contingent upon financing terms acceptable to the Authority. Macias Gini & O'Connell, LLP, the Authority's financial analyst, concurred with the Authority's staff recommendations.

After a question from Ms. Holton-Hodson with regard to patient revenues and a question from Mr. Buckhorn regarding "bad debt," Chairperson Wynne asked if there were any additional questions from the board members or public comments. Hearing none, Mr. Joseph moved adoption of Resolution No. HII-257 and Mr. Buckhorn seconded the motion. The motion was adopted with a 6-Aye vote.

Item #13a **Medi-Cal Bridge Loan Program of 2010, Resolution No. 2010-28A**

Ms. Liebert stated the agenda had been amended effective Tuesday, October 28, 2010, to add a new item in response to a question raised by Ms. Holton-Hodson concerning whether the maximum amount of Medi-Cal loans had been reached under the current resolution.

With regard to Item 13a, Ms. Liebert provided that Section 1(b) of the authorizing resolution for the Medi-Cal Bridge Loan Program of 2010 specifies the amount of funds to be made available for the program. Specifically, the section states in pertinent part:

The cumulative amount of loans that may be provided from the Authority's Financing Fund may not exceed 25% of the Authority's fund balance on hand as of the effective date of this resolution . . . and in no event to such an extent as to reduce the fund balance in the Authority's Financing Fund below the sum of \$5,000,000.

25% of the Authority's fund balance (\$13,461,560) as of the effective date of the resolution (June 24, 2010) was \$3,365,390.

The first round of funding authorized by the Authority cumulatively totaled \$1,912,101. None of these funds have been disbursed as of yet and it is unclear how much of this cumulative amount will actually be disbursed as the individual amounts approved for each borrower included sums in excess of the borrower's six week maximum permitted by the resolution to provide some flexibility and allowance for fluctuation in the values of claims (VOCs) provided by DHCS. The estimates placed onto the agenda were predicated on 90 day estimates (and averaged based on three years of Medi-Cal reimbursements) in recognition that services vary from month to month and the reality that DHCS reimbursements similarly vary from month to month. The Authority has just recently received and

processed initial VOC letters which staff individually verifies to ensure the six-week limitation is not exceeded.

The cumulative value of the second round of funding slated for today's consideration totals \$2,492,000. Together, the cumulative value of both rounds (\$4,404,101) exceeds the 25% maximum set forth in the resolution; however, it is unclear whether the totality of disbursements associated with both rounds will actually exceed this limitation.

Staff was not aware of the potential for exceeding the value of the resolution until Monday, September 27, 2010 at which time Ms. Holton-Hodson inquired about whether the 25% maximum in the resolution might be exceeded. Though it is unclear whether the maximum might be exceeded, staff believes it prudent to address this issue now in the event the cumulative value of VOCs do exceed the maximum prior to the next available board meeting which might jeopardize the timely disbursement of funds so desperately needed by the health facilities that have applied for this emergency bridge funding.

Government Code section 11125.3(a)(2) permits the Authority to hear this item on September 30, 2010, absent compliance with Government Code section 11125 (which requires a minimum 10 day notice period for agenda items), if two-thirds of its governing body or, if less than two-thirds of the members are present, a unanimous vote of those members present, determine that there exists a need to take immediate action and the need for immediate action came to the attention of the Authority subsequent to the date the Authority's agenda was disseminated with proper notice (September 20, 2010).

So long as there exists an immediate need and the need came to the attention of the Authority subsequent to the timely posting of the original agenda, Government Code section 11125.3(b) allows for additional items to be heard with notice given as soon as practicable after the need presents itself and within 48 hours of the scheduled meeting. Staff provided the requisite notice on September 28, 2010 at or around the time of 12:00 p.m. via an amended agenda reflecting additional items for the Medi-Cal Bridge Loan Program of 2010 to interested parties and news organizations as required by Section 11125.3(b) of the Government Code.

There is an immediate need to approve an amendment to Resolution No. 2010-04 for the Medi-Cal Bridge Loan Program of 2010 to increase the cumulative amount of loans that may be approved and the need for such action was not known by the Authority prior to posting the original agenda on September 20, 2010 for the Authority meeting on Thursday, September 30, 2010. Without approving the proposed amendment at this time, the timely disbursement of loan funds may be placed at risk.

Staff recommended the Authority find, pursuant to Section 11125.3(a) (2) of the Government Code that a need exists for the Authority to take immediate action and further, that the need for action came to the attention of the Authority after the agenda had already been properly noticed pursuant to Government Code section 11125.

After a question from Ms. Frank with regard to how monies are available for another round for the Medi-Cal Bridge Loan Program, Chairperson Wynne asked if there were any additional questions from the board members or public comments. Hearing none, Ms. Bryant moved adoption of Resolution No. 2010-28a and Ms. Holton-Hodson seconded the motion. The motion was adopted with a 6-Aye vote.

Item #13b **Medi-Cal Bridge Loan Program of 2010, Resolution No. 2010-28b**

Ms. Liebert presented Amended Resolution No. 2010-04 to increase the cumulative amount of loans that may be approved. Ms. Liebert's recommendation was to delete the 25% requirement language to allow more borrowers to apply for available funds.

After questions from Ms. Frank and responses by Ms. Liebert, as well as comments from Mr. Joseph and Mr. Buckhorn, Chairperson Wynne asked if there were any additional questions from the board members or public comments. Hearing none, Mr. Joseph moved adoption of Resolution No. 2010-28b and Ms. Holton-Hodson seconded the motion. The motion was adopted with a 6-Aye vote.

Item #14 **Adult Protective Services, Resolution No. 2010-16**

Marissa Sequeira, Staff Analyst, introduced Janai Quintana, Executive Director of Adult Protective Services, Inc. Loan proceeds will be used to offset Medi-Cal reimbursement delays due to the State's budget impasse.

Staff recommended the Authority approve Resolution No. 2010-16 in an amount not to exceed \$472,000 for Adult Protective Services, Inc. including a waiver of the Authority's application fee and subject to financing terms acceptable to the Authority.

After comments from Ms. Quintana regarding her organization and a question from Ms. Holton-Hodson regarding their deficit operations, Chairperson Wynne asked if there were any additional questions from the board members or public comments. Hearing none, Ms. Holton-Hodson moved adoption of Resolution No. 2010-16 and Ms. Bryant seconded the motion. The motion was adopted with a 6-Aye vote.

Item #15 **Hill Country Community Clinics, Resolution No. 2010-17**

Cheryl Ide, Staff Analyst, introduced Richard B. Hardie III, Deputy Director and Chief Financial Officer of Hill Country Community Clinic. Loan proceeds will be used to offset Medi-Cal reimbursement delays due to the State's budget impasse.

Staff recommended the Authority approve Resolution No. 2010-17 in an amount not to exceed \$180,000 for Hill Country Community Clinic, including a waiver of the Authority's application fee and subject to financing terms acceptable to the Authority.

After comments from Mr. Hill regarding his organization, Chairperson Wynne asked if there were any questions from the board members or public comments. Hearing none, Ms. Holton-Hodson moved adoption of Resolution No. 2010-17 and Ms. Bryant seconded the motion. The motion was adopted with a 6-Aye vote.

Item #16 **North and South of Market Adult Day Health Corporation, dba SteppingStone, Resolution No. 2010-18**

Kenna Waddell, Staff Analyst, introduced Moli Steinert, Executive Director of North and South of Market Adult Day Health Corporation, dba SteppingStone. Loan proceeds will be used to offset Medi-Cal reimbursement delays due to the State's budget impasse.

Staff recommended the Authority approve Resolution No. 2010-18 in an amount not to exceed \$400,000 for North and South of Market Adult Day Health Corporation, dba SteppingStone, including a waiver of the Authority's application fee and subject to financing terms acceptable to the Authority.

After comments from Ms. Steinert regarding her organization, Chairperson Wynne asked if there were any questions from the board members or public comments. Hearing none, Ms. Holton-Hodson moved adoption of Resolution No. 2010-18 and Mr. Buckhorn seconded the motion. The motion was adopted with a 6-Aye vote.

Item #17 **Los Angeles Christian Health Centers, Resolution No. 2010-19**

Ms. Sequeira introduced Michael Still, Interim President and Chief Executive Director of Los Angeles Christian Health Centers, who was available via teleconference. Loan proceeds will be used to offset Medi-Cal reimbursement delays due to the State's budget impasse.

Staff recommended the Authority approve Resolution No. 2010-19 in an amount not to exceed \$100,000 for Los Angeles Christian Health Centers, including a waiver of the Authority's application fee and subject to financing terms acceptable to the Authority.

After comments from Mr. Still regarding his organization and a question from Ms. Holton-Hodson regarding their number of patients served, Chairperson Wynne asked if there were any additional questions from the board members or public comments. Hearing none, Ms. Holton-Hodson moved adoption of Resolution No. 2010-19 and Ms. Bryant seconded the motion. The motion was adopted with a 6-Aye vote.

Item #18 Life Steps Foundation, Inc., dba Santa Maria Wisdom Center, Resolution No. 2010-20

Ms. Hearne introduced Paul Raguindin, Sr. Accountant of Life Steps Foundation, Inc. via teleconference. Loan proceeds will be used to offset Medi-Cal reimbursement delays due to the State's budget impasse.

Staff recommended the Authority approve Resolution No. 2010-20 in an amount not to exceed \$64,000 for Life Steps Foundation, Inc., including a waiver of the Authority's application fee and subject to financing terms acceptable to the Authority.

After comments from Mr. Raguindin thanking the Authority for this program, Chairperson Wynne asked if there were any questions from the board members or public comments. Hearing none, Ms. Bryant moved adoption of Resolution No. 2010-20 and Mr. Buckhorn seconded the motion. The motion was adopted with a 6-Aye vote.

Item #19 Community Action Partnership of San Luis Obispo County, Inc., Resolution No. 2010-21

Jim Rennie, Staff Analyst, introduced Joan Limov, Chief Financial Officer of Community Action Partnership of San Luis Obispo County. Loan proceeds will be used to offset Medi-Cal reimbursement delays due to the State's budget impasse.

Staff recommended the Authority approve Resolution No. 2010-21 in an amount not to exceed \$171,000 for Community Action Partnership of San Luis Obispo County, Inc., including a waiver of the Authority's application fee and subject to financing terms acceptable to the Authority.

After comments from Ms. Limov thanking the Board for its programs, Chairperson Wynne asked if there were any questions from the board members or public comments. Hearing none, Ms. Bryant moved adoption of Resolution No. 2010-21 and Mr. Buckhorn seconded the motion. The motion was adopted with a 6-Aye vote.

Item #20 Lyon-Martin Women's Health Services, Inc., Resolution No. 2010-22

Summer Nishio, Staff Analyst, presented for Lyon-Martin Women's Health Services, Inc. Ms. Nishio indicated that a representative could not attend as a result of financial hardship and conflicting schedules. Loan proceeds will be used to offset Medi-Cal reimbursement delays due to the State's budget impasse.

Staff recommended the Authority approve Resolution No. 2010-22 in an amount not to exceed \$345,000 for Lyon-Martin Women's Health Services, Inc., including a waiver of the Authority's application fee and subject to financing terms acceptable to the Authority.

Out of concern for the potential financial hardship associated with attending Authority meetings, Ms. Bryant suggested that perhaps in the future, staff would examine the use of teleconferencing to save facilities and their representatives the cost and time of travel. Chairperson Wynne indicated that would be something they would have to discuss with STO legal counsel in the future. Chairperson Wynne asked if there were any additional questions from the board members or public comments. Hearing none, Ms. Holton-Hodson moved adoption of Resolution No. 2010-22 and Mr. Buckhorn seconded the motion. The motion was adopted with a 6-Aye vote.

**Community Human Services, dba Family Service Centers
& Off Main Clinic, Resolution No. 2010-23**

Item #21

Mr. Dahbour substituted for Karma Manni to present this agenda item. Mr. Dahbour introduced Cedric Otsuki, Finance Director of Community Human Services, dba Family Service Centers & Off Main Clinic. Loan proceeds will be used to offset Medi-Cal reimbursement delays due to the State's budget impasse.

Staff recommended the Authority approve Resolution No. 2010-23 in an amount not to exceed \$200,000 for Community Human Services, Inc. including a waiver of the Authority's application fee and subject to financing terms acceptable to the Authority.

After comments from Mr. Otsuki expressing his organization's appreciation for this program, and a question from Ms. Holton-Hodson, Chairperson Wynne asked if there were any additional questions from the board members or public comments. Hearing none, Mr. Buckhorn moved adoption of Resolution No. 2010-23 and Ms. Holton-Hodson seconded the motion. The motion was adopted with a 6-Aye vote.

Item #22 **St. Barnabas Senior Center of Los Angeles, Resolution No. 2010-24**

Mr. Rennie introduced Rebecca Bernard, Vice President of Development & Strategic Initiatives of St. Barnabas Senior Center of Los Angeles. Loan proceeds will be used to offset Medi-Cal reimbursement delays due to the State's budget impasse.

Staff recommended the Authority approve Resolution No. 2010-24 in an amount not to exceed \$90,000 for St. Barnabas Senior Center of Los Angeles, including a waiver of the Authority's application fee and subject to financing terms acceptable to the Authority.

After comments from Ms. Bernard thanking staff for their work on this program, Chairperson Wynne asked if there were any additional questions from the board members or public comments. Hearing none, Mr. Buckhorn moved adoption of Resolution No. 2010-24 and Ms. Holton-Hodson seconded the motion. The motion was adopted with a 6-Aye vote.

Item #23 **Mountain Valleys Health Centers, Resolution No. 2010-25**

Ms. Ide introduced Sheral Thorlaksson, Chief Operations Officer of Mountain Valleys Health Centers. Loan proceeds will be used to offset Medi-Cal reimbursement delays due to the State's Budget impasse.

Staff recommended the Authority approve Resolution No. 2010-25 in an amount not to exceed \$400,000 for Mountain Valleys Health Centers, including a waiver of the Authority's application fee and subject to financing terms acceptable to the Authority.

After comments from Ms. Thorlaksson regarding her organization, Chairperson Wynne asked if there were any questions from the board members or public comments. Hearing none, Ms. Holton-Hodson moved adoption of Resolution No. 2010-25 and Mr. Buckhorn seconded the motion. The motion was adopted with a 6-Aye vote.

Item #24 **Northeastern Rural Health Clinics, Resolution No. 2010-26**

Removed from the Agenda.

Other Business

- (1) With regard to the Medi-Cal Bridge Loan Program, Ms. Liebert pointed out that Board members have been hearing staff members discuss the waiver of the Authority's application fee as part of the Medi-Cal Bridge Loan approval. Mark Paxson and Kristin Smith of the STO General Counsel suggested that we include the waiver in the actual resolution. Counsel suggested the Board collectively take up and amend each Medi-Cal Bridge Loan resolution approved during this meeting in order to collectively incorporate the waiver of the application fee.

Chairperson Wynne asked if there were any questions or comments from the board members or public comments. Hearing none, Mr. Joseph moved adoption to collectively take up all previous Medi-Cal Bridge Loan resolutions to include the language for the waiver of the application fee. Mr. Buckhorn seconded the motion. The motion was adopted with a 6-Aye vote.

- (2) The last item for Ms. Liebert was to inquire whether the Board was interested in proceeding with another round of Medi-Cal Bridge Loans given funds remained for possible disbursement. Chairperson Wynne indicated affirmatively on behalf of the entire board.
- (3) Prior to concluding, Mr. Joseph inquired as to the option of a “consent calendar” concept for these Medi-Cal Bridge Loan applicants. The Board discussed the idea and left it open for consideration.

Chairperson Wynne asked for any other business or public comment. Hearing none and with no additional business, the meeting was adjourned at 3:35 p.m.