

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (CHFFA)

Delegation of Powers, Resolution Number 2023-07

Healthcare Expansion Loan Program II (HELP II)

Chinatown Service Center, HII- 344

January 25, 2024

BACKGROUND: In June 2023, CHFFA issued a HELP II loan for Chinatown Service Center (CSC) in the amount of \$2,000,000 to finance the purchase of a property. In July 2023, CSC notified CHFFA of its intent to enter into a grant agreement with the Los Angeles County Development Authority (LACDA) and requested CHFFA to consent to the additional lien and subordinate its first lien position on the property to LACDA as a requirement of the grant agreement. The grant funds were combined with the HELP II loan for the property purchase. CHFFA approved the subordination request as the combined amount of the HELP II loan and the grant was 54% of the total value of the property, which is well below the Authority's 75% loan-to-value threshold to subordinate its lien position through delegated authority.

ACTION: In consultation with the State Treasurer's Office legal counsel, who confirmed the proposed action fell within the Executive Director's delegated authority under Delegation Resolution No. 2023-07, the Executive Director signed the Subordination Agreement on December 26, 2023.