

**POOLED MONEY INVESTMENT BOARD  
OCTOBER 20, 2010  
Staff Report – Agenda Item 7**

**RECOMMENDATIONS**

1. **Loan Renewal Request.** Staff recommends approval of the AB 55 loan renewal request (**Item 7.a**) on the October 20, 2010 agenda in the amount shown on column g of Exhibit A to this staff report. The recommended amount reflects an increase necessary for the requesting department to pay accrued interest and administrative costs authorized by the Department of Finance's (DOF) Budget Letter 09-09.
2. **New Loan Request.** Staff recommends the approval of the following new loan request on the agenda:

**Item 7.b**

**Department of Corrections and Rehabilitation**

State Public Works Board (SPWB) Lease Revenue Bonds, AB 900

Northern California Reentry Facility: \$9,263,000 requested

The loan proceeds would be used to fund Preliminary Plans and Working Drawings for this project.

**Comments:**

Staff recommends approval of this loan based on the following:

- As a prerequisite for the issuance of AB 900 bonds, DOF must receive legislative approval as well as SPWB approval for each proposed project. Item 7.b has obtained both legislative and SPWB approval.
- The loan amount identified above has been included in the DOF Budget Letter 09-09 as allowable disbursements.

3. **Loan Modification Request.** Staff recommends the approval of the following loan modification request on the agenda:

**Item 7.c**

**Department of Corrections and Rehabilitation**

SPWB Lease Revenue Bonds, AB 900

California Health Care Facility

This loan (Loan 0900100) was originally approved for \$40,321,600 at the June 16<sup>th</sup>, 2010 meeting of the PMIB. At the time the loan request was approved, the request indicated the loan funds would be used for establishing Performance Criteria for the Design-Build project. The department now requests a portion of the existing loan in the amount of up to \$3.2 million (approximately 7.9% of the existing loan) be approved to be used for Preliminary Plans, Working Drawings, and Construction for the Design-Bid-Build portion of the project. Both portions of the project have both legislative and SPWB approval. Approval of the modification will not result in a change to the amount approved at the June 16<sup>th</sup>, 2010 PMIB Meeting.

