



Agenda

Tuesday, November 17, 2015

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.

1. **CALL TO ORDER**

ROLL CALL – Clerk to the Board

2. **APPROVAL OF MINUTES**

Approval of the minutes from the October 13, 2015 special meeting.

3. **CONSENT CALENDAR**

A. Consideration of approving inducement resolution 15-06I for A0585 Castroville L.P. (Castroville Veterans Village), Castroville, County of Monterey; up to \$10,000,000 of revenue bonds; Central California Housing Corporation (Hampton Square Apartments), City of Stockton, County of San Joaquin; up to \$15,000,000 of revenue bonds and for Post Emerald, L.P. (Emerald Point Apartments), City of Modesto, County of Stanislaus; up to \$22,000,000 of revenue bonds. (Staff – Scott Carper)

B. Consideration of approving resolution 15-01M for City of Inglewood as an additional program participant to the Authority. (Staff – Caitlin Lanctot)

C. Consideration of approving resolution 15-02M for City of Compton as an additional program participant to the Authority. (Staff – Caitlin Lanctot)

4. **NEW BUSINESS ACTION ITEMS**

A. Consideration of approving resolution 15-03A for Daughters of Charity Health System, Town of Los Altos Hills, County of Santa Clara; up to \$160,000,000 of tax exempt and taxable note obligations. (Staff – Mike LaPierre)

B. Consideration of approving the 2016 Regular Meeting calendar. (Staff – Caitlin Lanctot)

5. **PUBLIC COMMENT**

Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.

6. **STAFF UPDATES**

7. **ADJOURNMENT**

Adjourn as the California Public Finance Authority.



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2. APPROVAL OF MINUTES

Approval of the minutes from the October 13, 2015 special meeting.



Special Meeting Action Summary

Tuesday, October 13, 2015

Place: County Board of Supervisors Chambers
Kings County Government Center, Hanford, CA

Time: 11:00 a.m.
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1. **CALL TO ORDER**
ROLL CALL – Clerk to the Board
ALL MEMBERS PRESENT
2. **APPROVAL OF MINUTES**
Approval of the minutes from the October 6, 2015 regular meeting.
ACTION: APPROVED AS PRESENTED (DV/CP/JN/RV/RF-Aye)
3. **CONSENT CALENDAR**
A. Consideration of approving an inducement resolution 15-05I for Antelope Valley Apartment Associates, LP, City of Lancaster, County of Los Angeles; up to \$14 million of tax-exempt revenue bonds and for Maple Park Apartments Preservation, LP, City of Glendale, County of Los Angeles; up to \$5 million of tax-exempt revenue bonds. (Staff – Caitlin Lanctot)
ACTION: APPROVED CONSENT CALENDAR AS PRESENTED (DV/RV/JN/CP/RF-Aye)
4. **PUBLIC COMMENT**
Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.
None
5. **STAFF UPDATES**
Scott Carper stated that the California Public Financing Authority may not need to meet on October 20, 2015 and stated that staff would advise the Board on the matter.
6. **ADJOURNMENT**
The meeting was adjourned at 11:05 a.m.



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3. CONSENT CALENDAR

A. Consideration of approving inducement resolution 15-06I for A0585 Castroville L.P. (Castroville Veterans Village), Castroville, County of Monterey; up to \$10,000,000 of revenue bonds; Central California Housing Corporation (Hampton Square Apartments), City of Stockton, County of San Joaquin; up to \$15,000,000 of revenue bonds and for Post Emerald, L.P. (Emerald Point Apartments), City of Modesto, County of Stanislaus; up to \$22,000,000 of revenue bonds. (Staff – Scott Carper)

B. Consideration of approving resolution 15-01M for City of Inglewood as an additional program participant to the Authority. (Staff – Caitlin Lancot)

C. Consideration of approving resolution 15-02M for City of Compton as an additional program participant to the Authority. (Staff – Caitlin Lancot)

RESOLUTION NO. 15-06I

A RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY SETTING FORTH THE AUTHORITY'S OFFICIAL INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS TO UNDERTAKE THE FINANCING OF VARIOUS MULTIFAMILY RENTAL HOUSING PROJECTS AND RELATED ACTIONS

WHEREAS, California Public Finance Authority (the "Authority") is authorized and empowered by the Title 1, Division 7, Chapter 5 of the California Government Code to issue mortgage revenue bonds pursuant to Part 5 (commencing with Section 52000) of the California Health and Safety Code (the "Act"), for the purpose of financing multifamily rental housing projects; and

WHEREAS, the borrowers identified in Exhibit A hereto and/or related entities (collectively, the "Borrowers") have requested that the Authority issue and sell multifamily housing revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing the acquisition and rehabilitation or construction as set forth in Exhibit A, of certain multifamily rental housing developments identified in Exhibit A hereto (collectively, the "Projects"); and

WHEREAS, the Authority, in the course of assisting the Borrowers in financing the Projects, expects that the Borrowers have paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Projects within 60 days prior to the adoption of this Resolution and prior to the issuance of the Bonds for the purpose of financing costs associated with the Projects on a long-term basis; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Projects with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Projects (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and condition as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed the amount with respect to each Project set forth in Exhibit A; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued on behalf of for-profit borrowers in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, Section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (the "Committee") for such allocation, and the Committee has certain policies that are to be satisfied in connection with any such application;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Authority hereby determines that it is necessary and desirable to provide financing for the Projects (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act, as shall be authorized by resolution of the Authority at a meeting to be held for such purpose, in aggregate principal amounts not to exceed the amounts set forth in Exhibit A. This action is taken expressly for the purpose of inducing the Borrowers to undertake the Projects, and nothing contained herein shall be construed to signify that the Projects comply with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority or any program participant, officer or agent of the Authority will grant any such approval, consent or permit that may be required in connection with the acquisition and construction or rehabilitation of the Projects, or that the Authority will make any expenditures, incur any indebtedness, or proceed with the financing of the Project.

Section 3. This resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures.

Section 4. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to the Committee for an allocation from the state ceiling of private activity bonds to be issued by the Authority for each of the Projects in an amount not to exceed the amounts set forth in Exhibit A, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

PASSED AND ADOPTED by the California Public Finance Authority this 17th day of November, 2015.

The undersigned, an Authorized Signatory of the California Public Finance Authority, DOES HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of said Authority at a duly called meeting of the Board of Directors of said Authority held in accordance with law on November 17, 2015.

By: _____
Authorized Signatory

EXHIBIT A

Project Name	Project Location	Project Description (units)	New Construction/ Acquisition and Rehabilitation	Legal Name of initial owner/operator	Bond Amount
Hampton Square Apartments	City of Stockton, County of San Joaquin	186	Acquisition and Rehabilitation	Stockton Hampton Square, LP	\$15,000,000
Castroville Veterans Village	City of Castroville, County of Monterey	42	New Construction	A0585 Castroville, L.P.	\$10,000,000
Emerald Pointe Apartments	City of Modesto, County of Stanislaus	250	Acquisition and Rehabilitation	Post Emerald, LP	\$22,000,000

RESOLUTION NO. 15-01M

**RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY APPROVING
AND RATIFYING THE ADDITION OF PROGRAM PARTICIPANTS TO THE
AUTHORITY**

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), Kings County and the Housing Authority of Kings County entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Public Finance Authority (the "Authority") was organized;

WHEREAS, pursuant to Section 12 of the Agreement, the Authority may add a qualifying public agency to become a Non-Charter Member (an "Additional Member") upon the filing by such public agency with the Authority of a resolution of the governing body of such public agency requesting to be added as an Additional Member of the Authority and adoption of a resolution of the Board approving the addition of such public agency as an Additional Member;

WHEREAS, the Cities and/or Counties listed on Exhibit A hereto (the "City/County") have by resolution requested to join the Authority and the Authority has authorized each such City/County to become an Additional Member pursuant to the provisions of the Agreement;

WHEREAS, the Board hereby finds and determines that each City/County is qualified to be added as an Additional Member to the Authority;

NOW, THEREFORE, BE IT RESOLVED by the Board of the California Public Finance Authority, as follows:

Section 1. This Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The addition of the Cities and/or Counties listed on Exhibit A hereto as Additional Members of the Authority is hereby approved, confirmed and ratified, and any actions heretofore taken on behalf of each City/County is hereby approved, confirmed and ratified.

Section 3. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Public Finance Authority this ____ day of _____, 20__.

I, the undersigned, an Authorized Signatory of the California Public Finance Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on _____, 20__.

By: _____
Authorized Signatory
California Public Finance Authority

EXHIBIT A

**ADDITION OF CITIES AND/OR COUNTIES AS ADDITIONAL MEMBERS OF THE
CALIFORNIA PUBLIC FINANCE AUTHORITY**

1. City of Inglewood

RESOLUTION NO. 15-02M

**RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY APPROVING
AND RATIFYING THE ADDITION OF PROGRAM PARTICIPANTS TO THE
AUTHORITY**

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), Kings County and the Housing Authority of Kings County entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Public Finance Authority (the "Authority") was organized;

WHEREAS, pursuant to Section 12 of the Agreement, the Authority may add a qualifying public agency to become a Non-Charter Member (an "Additional Member") upon the filing by such public agency with the Authority of a resolution of the governing body of such public agency requesting to be added as an Additional Member of the Authority and adoption of a resolution of the Board approving the addition of such public agency as an Additional Member;

WHEREAS, the Authority has been informed that the City of Compton (the "City") is scheduled to approve a resolution to join the Authority on November 17, 2015; and

WHEREAS, the Board hereby finds and determines that the City is qualified to be added as an Additional Member to the Authority;

NOW, THEREFORE, BE IT RESOLVED by the Commission of the California Statewide Communities Development Authority, as follows:

Section 1. This Commission hereby finds and determines that the foregoing recitals are true and correct.

Section 2. Subject to approval by the City of a resolution in the form attached hereto as Exhibit A and execution of the Agreement by the City, the addition of the City as an Additional Member of the Authority is hereby approved and confirmed, and any actions heretofore taken on behalf of the City is hereby approved, confirmed and ratified.

Section 3. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Public Finance Authority this ____ day of _____, 20__.

I, the undersigned, an Authorized Signatory of the California Public Finance Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on _____, 20__.

By: _____

Authorized Signatory
California Public Finance Authority

EXHIBIT A
RESOLUTION OF THE CITY OF COMPTON



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4. NEW BUSINESS ACTION ITEMS

- A.** Consideration of approving resolution 15-03A for Daughters of Charity Health System, Town of Los Altos Hills, County of Santa Clara; up to \$160,000,000 of tax exempt and taxable note obligations. (Staff – Mike LaPierre)
- B.** Consideration of approving the 2016 Regular Meeting calendar. (Staff – Caitlin Lanctot)



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DATE:	NOVEMBER 17, 2015
APPLICANT:	DAUGHTERS OF CHARITY HEALTH SYSTEM OBLIGATED GROUP / VERITY HEALTH SYSTEM OBLIGATED GROUP
AMOUNT:	UP TO \$160 MILLION OF TAX-EXEMPT AND TAXABLE NONPROFIT REVENUE NOTES
PURPOSE:	NEW WORKING CAPITAL AND REFUNDING OF 2014 WORKING CAPITAL NOTES
PRIMARY ACTIVITY:	REGIONAL HEALTHCARE SYSTEM
LEGAL STRUCTURE:	NONPROFIT PUBLIC BENEFIT CORPORATION

Background:

Formed in January 2002, the Daughters of Charity Health System (“DCHS”) is a California nonprofit public benefit corporation which is the parent organization of a regional health system providing acute, long-term, community health, psychiatric, rehabilitation and residential care. Although DCHS was created in 2002, the Daughters began their healthcare ministry in California when they established Los Angeles’ first hospital in 1858. Upon its formation, DCHS issued tax-exempt bonds to acquire hospitals from Catholic Healthcare West becoming the fourth largest nonprofit healthcare system in California, with approximately 1,920 licensed acute care and skilled nursing beds in the following locations:

- | | |
|----------------------------------|--|
| • O’Connor Hospital | City of San Jose, County of Santa Clara |
| • Saint Louise Medical Center | City of Gilroy, County of Santa Clara |
| • St. Francis Medical Center | City of Lynwood, County of Los Angeles |
| • St. Vincent Medical Center | City of Los Angeles, County of Los Angeles |
| • Seton Medical Center | City of Daly City, County of San Mateo |
| • Seton Medical Center Coastside | Unincorporated County of San Mateo |

However, as a result of continued operating losses, in February 2014, the DCHS Board of Directors began soliciting buyers of its six California hospitals and related facilities with the goal of maintaining the essential services that the hospitals provide to their communities. In 2014, the California Statewide Communities Development Authority issued \$125,000,000 in tax-exempt notes (the 2014 Notes), which were to be used by DCHS for working capital purposes at its headquarters in the Town of Los Altos Hills as well as health care facilities throughout California operated by DCHS and its affiliates until the health system and its assets could be sold.

In October 2014, the DCHS Board of Directors approved the sale of its hospitals and related facilities to Prime Healthcare Services and Prime Healthcare Foundation (Prime Healthcare) of Ontario, CA. The sale of DCHS



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facilities to Prime Healthcare was subject to review and approval by the California Attorney General. In March 2015, Prime Healthcare informed DCHS it was no longer pursuing the acquisition citing purportedly onerous conditions imposed by the California Attorney General and DCHS went back out to market to find a new buyer.

Description of Proposed Project:

In July 2015, the DCHS Board of Directors selected BlueMountain Capital Management (“BlueMountain”) to recapitalize its operations by means of an initial investment of over \$250 million of capital (of which \$150,000,000 is contemplated to be in the form of a working capital loan provided by BlueMountain or a third party) together with management and operation of the six California hospitals and related facilities by Integrity Health (for which BlueMountain serves as the non-member manager). A portion of BlueMountain’s investment is to acquire an option for BlueMountain to purchase the hospitals within three years. The BlueMountain proposal currently is under review by, and will need to be approved by the California Attorney General. The California Attorney General is expected to make its decision in November of 2015.

In anticipation of the recapitalization, DCHS will be required to refund the 2014 Notes at or prior to their maturity and has asked CalPFA to issue the 2015 Notes to be used to refund the 2014 Notes and to provide additional working capital to DCHS, in lieu of a portion of the BlueMountain investment. DCHS intends to use the proceeds derived from the sale of the 2015 Notes to provide funds, together with amounts held by the trustee for the 2014 Notes, to retire the 2014 Notes and to provide additional working capital necessary to support the continued operation of its facilities. If the California Attorney General does not approve the BlueMountain transaction, in addition to refinancing the 2014 Notes, the proceeds of the 2015 Notes would provide working capital until a new purchaser could be located, the transaction with BlueMountain is restructured, or another solution is developed. DCHS is requesting the approval of the CalPFA at this point, rather than waiting for the outcome of the Attorney General’s review, because of the proximity of the projected November Attorney General approval and the December 15 maturity date of the 2014 Notes.

In connection with the BlueMountain transaction, the name of DCHS will be changed to Verity Health System and the organization will be changed from a nonprofit religious corporation to a nonprofit public benefit corporation. The 2015 Notes will therefore be issued in the name of DCHS or Verity Health System, depending on whether the transaction with BlueMountain has closed at the time the 2015 Notes are issued.

TEFRA Information:

A TEFRA hearing was held by the Town of Los Altos Hills on October 14, 2015, and the City Council unanimously approved becoming an Additional Member of CalPFA and the proposed financing. In addition, Kings County held a TEFRA hearing on October 20, 2015, and the Board of Supervisors unanimously approved the proposed financing.

Financing Structure:

The 2015 Notes will be privately placed with a qualified institutional buyer and an accredited investor in four separate series and will mature no later than June 19, 2019. The Notes will be issued in minimum denominations of \$1,000,000 and the accredited investor will execute a sophisticated investor letter in accordance with the Authority’s issuance policies. The current proposed structure is as follows, although some variations may occur prior to the issuance of the 2015 Notes:



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- Series A:** Principal amount: \$60,000,000 (tax-exempt)
Interest rate: 7.25%; Full principal amount drawn at closing
- Series B:** Principal amount: \$45,000,000 (tax-exempt)
Interest rate: 7.25%; Must be drawn within 1 year of issuance date
- Series C:** Principal amount: \$10,000,000 (taxable)
Interest rate: 9.5%; Must be drawn within 1 year of issuance but may be exchanged for 7.25% tax-exempt bonds at any time before drawing
- Series D:** Principal amount: \$45,000,000 (tax-exempt)
Interest rate: 7.25% if drawn immediately; rises 25 bps each month that Series D is not drawn, up to a maximum interest rate of 8.75%; May be drawn within 2 years of issuance date.

Estimated Sources and Uses:

Sources:

2015 Tax Exempt Series A Bonds	\$ 60,000,000
2015 Tax Exempt Series B Draw-Down Bonds	\$ 45,000,000
2015 Taxable Series C Draw-Down Bonds	\$ 10,000,000
2015 Tax Exempt Series D Draw-Down Bonds	\$ 45,000,000
Remaining Proceeds of 2014 Bonds	<u>\$ 77,000,000</u>
	\$237,000,000

Uses:

Refunding of 2014 Notes	\$125,000,000
Initial Offering Discount	\$ 2,000,000
Cost of Issuance	\$ 1,000,000
Undrawn Series B Bonds	\$ 45,000,000
Undrawn Series C Bonds	\$ 10,000,000
Undrawn Series D Bonds	\$ 45,000,000
Immediate Working Capital	<u>\$ 9,000,000</u>
	\$237,000,000



Recommendations:

Based on the overall finance related considerations and Project public benefit detailed on Attachment 1, it is recommended that the Board of Directors approve the Resolution as submitted, which:

1. Approves the issuance of the 2015 Notes and the addition of the Town of Los Altos Hills as an Additional Member;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Board or Authorized Signatory to sign all necessary documents.



Attachment 1

Community Services / Impact:

- The six DCHS hospitals provide desperately needed services to some of the most at risk populations in their service areas. The proposed issuance of the 2015 Notes by CalPFA will provide necessary working capital to maintain the essential services that the hospitals provide to those communities until the health system and its assets could be sold.
- DCHS employs more than 7,500 staff throughout its six medical and support facilities in the cities of San Jose, Gilroy, Daly City, Moss Beach, Redwood Shores, Los Altos Hills, Lynwood, and Los Angeles. DCHS does not employ physicians directly, but instead contracts with private practice physicians and physicians groups for services at its facilities. Through this the model, DCHS has directly supported and increased the number of independent physicians and physicians groups in its service areas.
- DCHS hospitals provide 24-hour emergency care to all individuals, regardless of their ability to pay. In Fiscal Year 2013, DCHS hospitals recorded more than 172,000 emergency /urgent care visits.
- Medi-Cal and Medicare Acceptance - DCHS provides health care and helps subsidize the cost of service for patients who participate in government sponsored programs such as Medi-Cal and Medicare. For the fiscal year ended June 30, 2014, DCHS served nearly 182,000 persons on Medi-Cal and more than 244,000 persons on Medicare.
- DCHS' role as the one of the largest nonprofit healthcare providers in California, has established medical clinics, urgent care centers, pharmacies, rehabilitation centers and other medical related businesses to assist those in need of continued medical care. In addition, the majority of DCHS employees live, eat, and shop within the community in which they work.
- DCHS provides a professional setting for clinical, technical and vocational training despite the severe shortage of healthcare providers throughout California. For example, O'Connor Hospital is home to the Stanford-affiliated Family Medicine Residency Program that trains much needed family physicians who often choose to set up their practice in the area. The Neurologists and Neurosurgeons at the House Clinic, renowned worldwide for cutting-edge practices, perform complex surgeries at St. Vincent Medical Center. They are among the best at training doctors to treat patients with hearing and balance problems as well as complex tumors both benign and malignant.
- As the largest providers of inpatient services to Medi-Cal patients in San Mateo County, Seton Medical Center and Seton Coastside play an important role in addressing the healthcare needs of low-income and underserved individuals. Additionally, the St. Elizabeth Ann Seton New Life Center offers a perinatal program to low income women. And, Seton Coastside has the only 24-hour standby Emergency Department on the California coast from Daly City to Santa Cruz. Coastside Rotacare Clinic provides free medical care to the under insured and uninsured.



- Saint Louise Regional Hospital is the only acute care hospital in South Santa Clara County. It has the busiest emergency room in the South County and CALSTAR emergency helicopter transport on the premises.
- Serving San Jose, the second largest city in California, O'Connor Hospital sees the highest proportion of inpatients over the age of 65 of any facility in the area. O'Connor Hospital provides needed services to those individuals located in the Public Health Department's numerous Senior Risk Zones the hospital covers.
- St. Francis Medical Center, the only comprehensive, non-profit healthcare institution in Southeast Los Angeles, is designated as a Disproportionate Share Hospital due to the high number of uninsured and underinsured patients seen. St. Francis operates one of LA County's largest and busiest private emergency/trauma centers, treating more than 70,000 patients annually.
- St. Vincent Medical Center provides medical services to a service area with more than 1.2 million individuals, with 37% of adults in the region uninsured.

Community Outreach:

- DCHS supports a wide range of activities and resources that promote health and wellness and increase access to healthcare services for vulnerable populations. In collaboration with numerous community partners, DCHS brings healthcare assistance and education to its local communities through the Health Benefits Resource Centers, one stop shops in each of our hospitals that link underserved families to valuable government-sponsored health benefits and social services. In addition, some of the educational topics covered by a small sampling of DCHS hospital outreach programs include diabetes, obesity, breastfeeding, childbirth, smoking cessation and Alzheimer's education. DCHS hospitals also provide local communities with free clinics, classes, health screenings, immunizations, support groups and other services.

Research:

- DCHS works to advance medical knowledge and develop innovative new procedures through a variety of partnerships and programs. A prime example is the partnership with the Joint Replacement Institute ("JRI"), which relocated its facilities to St. Vincent Medical Center in Los Angeles. JRI, a world leader in hip and knee replacement surgery, is dedicated to researching the efficacy and safety of the latest joint replacement designs/techniques and conducts clinical trials of cutting edge technology. Another example is the O'Connor Hospital Wound Care Clinic. The Clinic is a national training site on the use of SNaP (Smart Negative Air Pressure) application and techniques for wounds.

RESOLUTION NO. 15-03A

CALIFORNIA PUBLIC FINANCE AUTHORITY

A RESOLUTION ADDING THE TOWN OF LOS ALTOS HILLS AS AN ADDITIONAL MEMBER, AUTHORIZING THE ISSUANCE OF REVENUE NOTES IN A PRINCIPAL AMOUNT NOT TO EXCEED \$160,000,000 TO FINANCE WORKING CAPITAL FOR THE OPERATIONS OF DAUGHTERS OF CHARITY HEALTH SYSTEM AND ITS AFFILIATES, AND OTHER MATTERS RELATING THERETO

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), Kings County and the Housing Authority of Kings County (the "Charter Members") entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Public Finance Authority (the "Authority") was organized;

WHEREAS, the Authority is authorized by its Agreement and under the Act to, among other things, issue bonds, notes or other evidences of indebtedness in connection with, and to make loans to assist in the financing of certain projects;

WHEREAS, Daughters of Charity Health System, a California nonprofit religious corporation (the "Corporation") is the sole corporate member of Caritas Business Services, DCHS Medical Foundation, O'Connor Hospital, Saint Louise Regional Hospital, Seton Medical Center, St. Francis Medical Center and St. Vincent Medical Center, each a California nonprofit religious corporation (collectively, the "Affiliates");

WHEREAS, the California Statewide Communities Development Authority has previously issued its Revenue Bonds (Daughters of Charity Health System), Series 2014A, Series 2014B and Series 2014C (together, the "2014 Bonds") for the purpose of providing working capital for the operations of the Corporation and the Affiliates;

WHEREAS, the Corporation has applied for the financial assistance of the Authority in refunding the 2014 Bonds and financing additional working capital for the operations of the Corporation and the Affiliates (the "2015 Financing");

WHEREAS, in connection with and on completion of a recapitalization transaction with BlueMountain Capital Management, the name of the Corporation will be changed to Verity Health System;

WHEREAS, pursuant to separate Indentures (the "Indentures"), between the Authority and a corporate trustee to be designated by the Corporation (the "Trustee"), the Authority will issue its revenue notes in multiple series (the "2015 Notes") for the purpose, among others, of providing for the 2015 Financing;

WHEREAS, it is expected that certain series of the 2015 Notes will be issued as notes fully delivered at closing ("Fully-Issued Notes") and certain series of the 2015 Notes will be issued as notes delivered from time to time following closing (the "Draw-Down Notes");

WHEREAS, it is expected that one or more series of 2015 Notes will be issued as notes the interest on which is not excluded from gross income for federal income tax purposes;

WHEREAS, pursuant to separate Loan Agreements (the “Loan Agreements”), between the Authority and the Corporation, the Authority will loan the proceeds of each series of the 2015 Notes to the Corporation for the purpose, among others, of providing for the 2015 Financing;

WHEREAS, the 2015 Notes will be offered for sale only to Accredited Investors or Qualified Institutional Buyers (as defined in the Indenture) pursuant to the terms of one or more Private Placement Agreements among the Authority, the Corporation and a private placement agent (the “Private Placement Agreement”);

WHEREAS, there have been made available to the Board of Directors of the Authority the following documents and agreements:

(1) A proposed form of the Indenture relating to Fully-Issued Notes and a proposed form of Indenture relating to Draw-Down Notes (together, the “Indentures”);

(2) A proposed form of the Loan Agreement relating to Fully-Issued Notes and a proposed form of Loan Agreement relating to Draw-Down Notes (together, the “Loan Agreements”); and

(3) A proposed form of Private Placement Agreement;

WHEREAS, pursuant to Section 12 of the Agreement, the Authority may add a qualifying public agency as a Non-Charter Member upon the filing by such public agency with the Authority of a resolution of the governing body of such public agency requesting to be added as an Additional Member of the Authority and adoption of a resolution of the Board of Directors of the Authority (the “Board”) approving the addition of such public agency as an Additional Member of the Authority;

WHEREAS, the Town of Los Altos Hills has filed with the Authority its resolution requesting to be added as an Additional Member of the Authority and an executed counterpart of the Agreement; and

WHEREAS, the Board hereby finds and determines that the Town of Los Altos Hills is qualified to be added as an Additional Member of the Authority;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the California Public Finance Authority, as follows:

Section 1. The addition of the Town of Los Altos Hills as an Additional Member of the Authority is hereby approved, confirmed and ratified and any action heretofore taken on behalf of the Town of Los Altos Hills is hereby approved, confirmed and ratified.

Section 2. Pursuant to the Act and the Indentures, the Authority is hereby authorized to issue its revenue notes designated as the “California Public Finance Authority

Revenue Notes ([Name of the Corporation]),” in multiple series, in an aggregate principal amount not to exceed one hundred sixty million dollars (\$160,000,000). The actual name of the Corporation as of the date of initial execution and delivery of each series of the 2015 Notes shall be inserted into the title of the 2015 Notes. The 2015 Notes shall be issued and secured in accordance with the terms of, and shall be in the form set forth in, the applicable Indenture relating to each series of 2015 Notes. The 2015 Notes shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any member of the Board of Directors of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 15-01C of the Authority, adopted on July 14, 2015 (each, an “Authorized Signatory”), and attested by the manual or facsimile signature of the Secretary of the Authority or the manual signature of any Authorized Signatory.

Section 3. The proposed forms of Indentures, as made available to the Board of Directors, are hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver each Indenture in substantially said forms, with such changes and insertions therein as any member of the Board of Directors, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof. Such changes and insertions may include changes and insertions necessary or convenient to reflect (1) the delivery of the 2015 Notes in certificated or book-entry form, (2) provisions relating to the issuance of Draw-Down Notes from time-to-time; and (3) the delivery of taxable 2015 Notes. The dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and purchase-in-lieu of redemption, and other terms of the 2015 Notes shall be as provided in the Indentures, as finally executed.

Section 4. The proposed forms of Loan Agreements, as made available to the Board of Directors, are hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver the Loan Agreements in substantially said forms, with such changes and insertions therein as any member of the Board of Directors, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. . The proposed form of Private Placement Agreement, as made available to the Board of Directors, is hereby approved. Any Authorized Signatory is hereby authorized and directed, for and on behalf of the Authority, to execute and deliver one or more Private Placement Agreements in substantially said form, with such changes and insertions therein as any member of the Board of Directors, with the advice of counsel to the Authority, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The 2015 Notes, when executed as provided in Section 2, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the 2015 Notes by executing the Trustee’s Certificate of Authentication appearing thereon, and to deliver the 2015 Notes, when duly executed and authenticated, to the purchaser or purchasers thereof in accordance with the terms of the Indentures.

Section 7. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Board of Directors of the Authority and other appropriate officers and agents of

the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this Resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 8. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Board of Directors of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the 2015 Notes are hereby ratified, confirmed and approved.

Section 9. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Public Finance Authority this 17th day of November, 2015.

I, the undersigned, an Authorized Signatory of the California Public Finance Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on November 17, 2015.

By: _____
Authorized Signatory
California Public Finance Authority



2016 Regular Meeting Calendar

All Regular Meetings of the Authority will be held at the Kings County Board of Supervisors' Chambers beginning at 11:00 AM. Note CalPFA reserves the right to conduct a regular meeting during any one of the regularly scheduled meetings of the Kings County Board of Supervisors.

JANUARY						
S	M	T	W	T	F	S
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3	4	5	6	7	8	9
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24	25	26	27	28	29	30
31						

FEBRUARY						
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28	29					

MARCH						
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APRIL						
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MAY						
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JUNE						
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JULY						
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AUGUST						
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SEPTEMBER						
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OCTOBER						
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NOVEMBER						
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DECEMBER						
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18	19	20	21	22	23	24
25	26	27	28	29	30	31

Regular Board Meetings highlighted yellow

Federal holidays highlighted in Red

January 12
January 26
February 9
February 23
March 8
March 22
April 5
April 19
May 10
May 24
June 7
June 21

July 12
July 26
August 16
August 30
September 13
September 27
October 4
October 18
November 1
November 15
December 6
December 20

January 1 - New Year's Day
January 18 - Martin Luther King Day
February 15 - President's Day
May 30 - Memorial Day
July 4 - Independence Day
September 5 - Labor Day
October 10 - Columbus Day
November 11 - Veterans Day
November 24 - Thanksgiving Day
December 25 - Christmas Day