

MINUTES

**California Health Facilities Financing Authority
("CHFFA")
915 Capitol Mall, Room 587
Sacramento, California 95814**

Alternate Location for CHFFA Teleconference Participation:

Asset Strategies
500 South Figueroa Street
Los Angeles, CA 90071

July 30, 2015 – 1:45 P.M.

Public Participation
Call-In Number: 877.810.9415 and Code: 6535126

Deputy Treasurer, Vince Brown, serving as chairperson, called the meeting to order at 1:50 PM.

Chairperson Brown announced California State Treasurer John Chiang inaugurated a new service. In an effort to promote transparency, a live, interactive, call-in number is available to the public to provide access to board meetings. Open meetings will be available live to all who wish to call-in to listen and participate.

Roll Call

Members Present: Vince Brown for John Chiang, State Treasurer
Alan LoFaso for Betty T. Yee, State Controller
Eraina Ortega for Michael Cohen, Director of Finance
Judith Frank via Teleconference
Oscar Sablan, M.D.
Jack Buckhorn
Pedro Reyes

Members Absent: Ann Madden Rice
Jay Hansen

Chairperson Brown declared a quorum present.

Approval of the Minutes from the June 25, 2015 Meeting

Chairperson Brown asked if there were any questions or public comment; there were none.

Authority Action

Motion to approve the minutes from the June 25, 2015 CHFFA meeting.

Item #7

HELP II Loan Program Financial Analysis

Rosalind Brewer, Program Manager, presented the agenda item. At the May 28, 2015 Authority meeting, staff presented a proposal for a Marginal Borrower Program designed to attract lower credit borrowers. The Authority then requested staff reach out to underserved markets before considering any new programs. Staff worked with Sperry Capital, the Authority’s financial advisor, to evaluate various marketing strategies and to determine if \$6.5 million could be withdrawn from the HELP II Loan Program fund to establish a CHAMP II Grant Program..

Representing Sperry Capital, Inc.: Jim Gibbs, Principal and Martha J. Vujovich, Principal.

Sperry Capital presented their HELP II Loan Program Financial Analysis on potential effects of withdrawing \$6.5 million from the HELP II Loan fund for a CHAMP II grant program as well as other possible programs. Sperry Capital determined that with \$6.5 million withdrawn from the HELP II Loan fund, the fund could maintain \$6 million in reserves until 2025 if 11 loans per year were originated or could maintain \$6 million in reserves until 2020 if 15 loans were originated per year.

Mr. Reyes stated he preferred the Authority give direction to staff on which industry sectors to focus marketing efforts. After a lengthy discussion, staff was directed to postpone further marketing efforts and focus on one or two industry sectors until a new Executive Director has been appointed.

Item #8

SB 315 Update

Four years after the CHAMP Grant Program was authorized, SB 315 was introduced and staff sought Authority approval to authorize funding for a CHAMP II grant program for a second demonstration project. Staff would work closely with the State Treasurer’s Office to pursue legislative approval to utilize up to \$1.5 million in funds from CHFFA’s HELP II loan fund balance to support a second demonstration project designed to advance the innovative delivery of health care to underserved and vulnerable populations throughout California with up to an additional \$5,000,000 for statewide implementation of the innovative model if the demonstration project is able to demonstrate cost savings, improved clinical outcomes and a sustainable state wide model, subject to both the Authority’s desire to pursue a CHAMP II grant program and the ongoing availability of HELP II funds.

The State Treasurer’s Office is in support of amending SB 315 to provide the Authority with the option to implement CHAMP II at the Authority’s discretion.

Since SB 315 is a two-year bill, the Authority would have more time to explore the benefits of funding CHAMP II or other programs.

Item #9, #10, #11

Other Business, Public Comment, Adjournment

Chairperson Brown asked for public comment. Hearing none and with no additional business, the meeting adjourned at 3:07 P.M.