

MINUTES

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

December 4, 2014 – 2:00 P.M.

Deputy Treasurer, Michael Paparian, serving as Chairman, called the meeting to order at 2:12 P.M.

Roll Call

Members Present: Michael Paparian for Bill Lockyer, State Treasurer
Barbara Liebert for John Chiang, State Controller
Eraina Ortega for Michael Cohen, Director of Finance
Jay Hansen
Jack Buckhorn
Judith Frank

Members Absent: Ann Madden Rice
Dr. Oscar Sablan
Pedro Reyes

Chairman Paparian declared a quorum present.

Approval of the Minutes from the October 30, 2014 Meeting

Ms. Ortega moved approval of the October 30, 2014 meeting minutes, Ms. Liebert seconded the motion. The motion was adopted as follows:

Paparian: Yes
Liebert: Yes
Ortega: Yes
Hansen: Yes
Buckhorn: Yes
Frank: Yes

Executive Director's Report

Ronald Washington, Executive Director, requested the Authority members begin with the business agenda items 4 through 11, followed by agenda items 1 through 3. There were no objections. Also, agenda item 12, related to the Investment in Mental Health Wellness Grant Program Grant Funding Progress, will be heard at the January 2015 meeting.

CHFFA Fund Balances and Comprehensive Debt List Summaries

Mr. Washington reported handouts were distributed to Authority members for review of the CHFFA Fund Balances and the Comprehensive Debt List Summaries as of October 2014.

Mr. Hansen inquired about the monthly income that once was \$500,000 was now showing approximately \$5,000.

Chairman Paparian clarified that for several months there was an average of \$500,000 in the monthly income and now shows the income amount of over \$5,000.

Ms. Liebert explained the Authority receives annual bond payments following CHFFA's annual payment invoices sent out in May of each year. Also, the Authority would collect an initial fee from the borrower after the bond transaction closes.

Item #4 Resolution of the California Health Facilities Financing Authority, Relating to the Approval of an Interagency Agreement with the State Treasurer's Office for Fiscal Year 2014-2015 in the amount of \$270,992 Resolution No. 2014-04

Brock Lewis, staff analyst, presented Resolution No. 2014-04, which authorized the execution of an Interagency Agreement with the State Treasurer's Office to provide support services, which include accounting, budgeting, data processing, personnel and business services, to the Authority for the 2014-15 Fiscal Year. The 2014-15 Fiscal Year proposed contract amount of \$270,992 reflected a decrease of 4.6% from the prior Fiscal Year.

Staff recommended approval of Resolution No. 2014-04 in an amount not to exceed \$270,992.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Mr. Buckhorn moved approval of Resolution No. 2014-04, Ms. Frank seconded the motion. The motion was adopted as follows:

- Paparian: Yes
- Liebert: Yes
- Ortega: Yes
- Hansen: Yes
- Buckhorn: Yes
- Frank: Yes

Item #5 Lincoln Glen Manor ("LGM") for Senior Citizens Inc. San Jose, California, Resolution No. 399

Michael Tang, staff analyst, reported LGM sought Authority approval for Resolution No. 399. Bond proceeds will be used to refund all of the California Municipal Finance Authority Series 2011 ("2011 Bonds") Revenue Bonds. The 2011 Bonds were used to finance the complete renovation, expansion, and construction of a new Central Manor Complex and refund the Association of Bay Area Government Certificates of Participation Series 2000. The net present value savings are expected to be \$1.32 million over the life of the bonds.

Representing LGM for Senior Citizens, Inc.: Loren Krockner, Executive Director.

Ms. Frank stated the financials were dated and requested that the borrower provide an update on current financials. Mr. Krockner provided an update to the Authority members.

Staff recommended the Authority approve Resolution No. 399 in an amount not to exceed \$13,000,000 subject to the conditions in the resolution, contingent upon Cal-Mortgage Insurance approval. Macias Gini & O'Connell, LLP, the Authority's financial analyst, and Fieldman, Rolapp & Associates, Inc., the Authority's financial advisor, concurred with the Authority's staff recommendations.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Mr. Buckhorn moved approval of Resolution No. 399, Ms. Frank seconded the motion. The motion was adopted as follows:

Paparian: Yes
Liebert: Yes
Ortega: Yes
Hansen: Yes
Buckhorn: Yes
Frank:..... Yes

Item #6

**Delegation Resolution for Bond Financings
Resolution No. 2014-05**

Rosalind Brewer, Deputy Executive Director, presented Resolution No. 2014-05, Delegation for Bond Financings (“Resolution 2014-05”). Resolution 2014-05 delegated to the Chair, the Executive Director, and the Deputy Executive Director, upon the Executive Director’s written authorization or when the position of Executive Director is vacant, the power to perform certain functions, when consent or approval by the Authority is required by the applicable Bond Documents and such actions are made in accordance with the terms and conditions of the Bond Documents or as otherwise provided in the Resolution 2014-05.

Staff recommended the Authority approve Resolution No. 2014-05 authorizing the delegation of certain functions relating to bond financings to the Chair, the Executive Director, and the Deputy Executive Director, upon the Executives Director’s written authorization or when the position of Executive Director is vacant.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Mr. Hansen moved approval of Resolution No. 2014-05, Ms. Liebert seconded the motion. The motion was adopted as follows:

Paparian: Yes
Liebert: Yes
Ortega: Yes
Hansen: Yes
Buckhorn: Yes
Frank:..... Yes

Item #7

**Delegation Resolution for Loan Financings
Resolution No. 2014-06**

Ms. Brewer presented Resolution No. 2014-06, Delegation Resolution for Loan Financings (“Resolution 2014-06”). Resolution No. 2014-06 delegated to the Chair, the Executive Director, and the Deputy Executive Director, upon the Executive Director’s written authorization or when the position of Executive Director is vacant, the power to perform certain functions, when consent or approval by the Authority is required by the applicable loan documents and such actions are made in accordance with the terms and conditions of the loan documents.

Staff recommended the Authority approve Resolution No. 2014-06 authorizing the delegation of certain functions relating to the HELP II Loan Program to the Executive Director and the Deputy Executive Director, and to the Chairperson of his deputy.

Ms. Frank commented that the delegation resolution seems to have worked well for staff.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Mr. Hansen moved approval of Resolution No. 2014-06, Ms. Frank seconded the motion. The motion was adopted as follows:

Paparian: Yes
Liebert: Yes
Ortega: Yes
Hansen: Yes
Buckhorn: Yes
Frank:..... Yes

Item #8 **OPARC, Montclair, California, Resolution No. HII-288**

Paul Dulai, staff analyst, reported OPARC sought Authority approval for Resolution No. HII-288. Loan proceeds will be used to refinance a private loan through the H.N. & Frances C. Berger Foundation. The loan was originated in 2003 and has a fixed 7% interest rate on a 30-year term. This refinancing will allow OPARC to reduce the interest rate, terms and monthly payments. OPARC will realize an annual savings of \$6,216 and an estimated total savings of \$93,240 over the life of the HELP II Loan.

Representing OPARC: Andrea Erickson, Chief Executive Officer.

Staff recommended approval of Resolution No. HII-288 for OPARC in an amount not to exceed \$822,700 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 staff’s recommendation.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Mr. Buckhorn moved approval of Resolution No. HII-288, Mr. Hansen seconded the motion. The motion was adopted as follows:

Paparian: Yes
Liebert: Yes
Ortega: Yes
Hansen: Yes
Buckhorn: Yes
Frank:..... Yes

Chairman Paparian commented on the great work OPARC provided to the community.

Item #9 **Seneca Healthcare District, Chester, California**
Resolution No. HII-289

Carolyn Aboubechara, staff analyst, reported Seneca Healthcare District sought Authority approval for Resolution No. HII-289. Loan proceeds, along with Seneca’s internal funds, will be used to refinance two private loans, which were used to finance an electronic health record (“EHR”) system and information technology upgrades. The loan will eliminate three balloon payments due on the EHR System and should result in over \$180,000 in total savings.

Representing Seneca Healthcare District: Carlene Slusher, Director of Finance.

Ms. Slusher stated the savings were significant for their organization.

Ms. Liebert asked for clarification on the rebate Seneca Healthcare District would be receiving from United Health Care and asked if was only an early repayment of the loan and not due to achieving Meaningful Use.

Ms. Slusher confirmed that the rebate for this project was strictly for early repayment.

Staff recommended approval of Resolution No, HII-289 for Seneca Healthcare District in an amount not to exceed \$685,000 for a term of five 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.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Mr. Buckhorn moved approval of Resolution No. HII-289, Mr. Hansen seconded the motion. The motion was adopted as follows:

Paparian: Yes
Liebert: Yes
Ortega: Yes
Hansen: Yes
Buckhorn: Yes
Frank: Yes

Ms. Frank recused herself from agenda items 10 and 11.

During discussion of agenda item 10 Ms. Frank left the meeting at 3:15 P.M.

Item #10 **Investment in Mental Health Wellness Act of 2013**
Resolution Nos. MH 2014-23 through MH 2014-27

Representing Counties via teleconference:

- County of Fresno – Dawan Uteck, Mental Health Director
- County of Merced – Curtis Willems, Assistant Director of Mental Health
- County of Sacramento – Jane Ann LeBlanc, MHSA Program Manager
- County of San Joaquin – Jim Garrett, Deputy Director

Representing Counties in Sacramento:

- County of San Bernardino – CaSonya Thomas, Behavioral Health Director
and Sharon Nevins, Deputy Director

Mr. Washington provided a brief background on the second funding round for the Investment and Mental Health Wellness Grant Program. Each of the five applications received were rated according to criteria defined in the program's regulations by at least two analysts whose work was reviewed by a grant review team. The grant review team was advised by the Authority's technical advisor, Will Rhett-Mariscal, Ph.D., Associate Director of the California Institute for Behavioral Health Solutions.

Authority staff prepared Initial Allocations for the five grant applications received. Capital funding awards totaled \$9,795,712.60 for 51 new crisis residential treatment beds and mobile crisis support team personnel funding awards totaled \$24,653.56 for 0.5 staff members.

Mr. Washington stated the remaining funding available for crisis residential for the third funding round were as follows: Superior Region: \$4,834,329.39; Central Region: \$14,069,390.96; Bay Area Region: \$14,036,962.17; Southern Region: \$27,610,375.21; and Los Angeles Region: \$87,719.30.

Staff recommended approval of final allocations to grantees listed in Attachment A.

Attachment A

Applicant		Capital Funding			Personnel Funding	Total Initial Allocation
		Crisis Residential	Crisis Stabilization	Mobile Crisis	Mobile Crisis	
23.	Fresno County	\$3,100,714.60	0.00	0.00	0.00	\$3,100,714.60
24.	Merced County *	\$1,536,372.00	0.00	0.00	0.00	\$1,536,372.00
25.	Sacramento County	\$1,212,720.00	0.00	0.00	0.00	\$1,212,720.00
26.	San Bernardino County	\$3,945,906.00	0.00	0.00	0.00	\$3,945,906.00
27.	San Joaquin County	0.00	0.00	0.00	\$24,653.56	\$24,653.56
Sub-Totals:		\$9,795,712.60	0.00	0.00		
Capital Funding Total Recommended:		\$9,795,712.60				
		Personnel Funding Total Recommended (12-Months):			\$24,653.56	
					Grand Total:	\$9,820,366.16

*With Madera, Tuolumne, Calaveras, Stanislaus and Mariposa.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Mr. Buckhorn moved approval of Resolution Nos. MH 2014-23, MH 2014-24, MH 2014-25, MH 2014-26, and MH 2014-27. Ms. Ortega seconded the motion. The motion was adopted as follows:

- Paparian: Yes
- Liebert: Yes
- Ortega: Yes
- Hansen: Yes
- Buckhorn: Yes
- Frank:.....Recused and Absent

Mr. Washington also stated that the next funding round was expected to begin January 15, 2015. Staff planned a schedule of three funding rounds through October 2015.

