

MINUTES
California Health Facilities Financing Authority
(“CHFFA” or “Authority”)
915 Capitol Mall, Room 587
Sacramento, California 95814
February 22, 2018 – 1:30 P.M.

Public Participation
Call-In Number: (877) 810-9415 and Participant Code: 6535126

OPEN SESSION

Deputy Treasurer, Vincent P. Brown, serving as Chairperson, called the meeting to order at 1:30 PM.

Chairperson Brown announced in an effort to promote transparency, a live, interactive, call-in number was available to the public to provide access to Authority meetings. Open meetings would be available live to all who wish to call-in to listen and participate.

Item #1

Roll Call

Members Present: Vincent P. Brown for John Chiang, Chairperson, State Treasurer
Alan LoFaso for Betty T. Yee, Vice Chairperson, State Controller
Jacqueline Wong-Hernandez for Michael Cohen, Director, Department of Finance
Judith N. Frank
Jay Hansen
Oscar Sablan, M.D.
Jack Buckhorn

Members Absent: Robert Cherry, M.D.
Sumi Sousa

Chairperson Brown declared a quorum present.

Item #2

**Approval of the Minutes from the December 7, 2017
and January 25, 2018 Authority Meetings**

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

Authority Action

Motion to approve the minutes from the December 7, 2017 meeting.

MOTION: Member Buckhorn SECOND: Member LoFaso

AYES: Members: Buckhorn, Sablan, Frank, Wong-Hernandez, LoFaso, Brown

NOES: NONE

ABSTAIN:..... NONE

RECUSE:..... NONE

MOTION ADOPTED.

Authority Action

Motion to approve the minutes from the January 25, 2018 meeting.

MOTION: Member LoFaso SECOND: Member Wong-Hernandez

AYES:Members: Buckhorn, Sablan, Frank, Wong-Hernandez, LoFaso, Brown

NOES:NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION ADOPTED.

Item #3

Executive Director’s Report

CHFFA Fund Balances and Comprehensive Debt List Summaries

Ronald Washington, Executive Director, reported the CHFFA fund balances, and the outstanding debt information as of January 31, 2018.

Mr. Washington introduced a new member of CHFFA, Crystal Wong, staff analyst.

Tax-Exempt Bonds Delegation of Powers Monthly Update

No action was taken pursuant to the Tax-Exempt Bond Delegation of Powers Resolution.

HELP II Loan Program Delegation of Powers Monthly Update

No action was taken pursuant to the HELP II Loan Program Delegation of Powers Resolution.

HELP II Program Fund Balance Report

Mr. Washington reported a full analysis of the HELP II program will be brought to the Board in March or April.

SB 82 and SB 833 Funding Update

Mr. Washington reported a legislative update will be brought to the board in March or April. This report will determine if there is another purpose for the funds if underutilized in SB 82.

Site Visits

Mr. Washington reported the site visit to the County of Los Angeles will be discussed under Item #7.

Member Jay Hansen arrived 2:00pm.

**Item #4 Long Beach Memorial Medical Center, Earl and Loraine Miller Children’s Hospital
Long Beach, California, Resolution No. CHP-3 2018-01**

Tyler Gee, staff analyst, presented. Long Beach Memorial Medical Center, Earl and Loraine Miller Children’s Hospital (“Hospital”) requested Authority approval of a grant in an amount not to exceed \$55,396,670. Mr. Gee reported the proceeds of the grant would be used to construct, equip and furnish a new 4-story, 80,000 square foot Children’s Outpatient Medical Office Building (“MOB”) Tower and to renovate the existing children’s hospital building to meet SC-4D seismic upgrade requirements.

Mr. Gee reported construction of a new Children's Outpatient MOB Tower would enable the Hospital to consolidate 28 separately located outpatient specialty centers into a single location. Mr. Gee stated completion of seismic renovation requirements in the existing children's hospital building to meet SPC-4D seismic requirements would allow the Hospital to extend the availability of up to 160 acute care beds for seriously ill or injured children beyond 2030.

Representing Miller Children's Hospital: Tamra Kaplan, PharmD, Chief Operating Officer, Yair Katz, Chief Financial Officer, and Mark Shuck, Executive Director, Facilities and Support Services.

Ms. Kaplan gave an overview of the two projects.

Mr. Katz added to the overview of the projects.

Chairperson Brown asked if there were any questions or public comment. There were two public comments made.

Jackie McKay stated she will be losing her job at Community Medical Center Long Beach as it is closing due to seismic requirement reasons. Ms. McKay reported that she will not be offered a position at Long Beach Memorial Medical Center even with her many years of experience.

Michelle Wineback stated she was not opposing the funds Miller Children's Hospital was applying for but wanted to share that the closing of the Community Medical Center Long Beach would devastate the community.

Authority members engaged in a number of questions and answers including the potential issue of Long Beach Memorial Medical Center not retaining Associate Degree Nurses if one of the hospitals is closed down. Some discussions ensued with representatives from Long Beach Memorial Medical Center and the public.

Authority Action

Motion to approve Resolution No. CHP-3 2018-01 for Long Beach Memorial Medical Center to provide a grant not to exceed \$55,396,670 (less issuance and administrative costs), subject to all requirements of the Children's Hospital Program of 2008.

MOTION: Member Sablan SECOND: Member Wong- Hernandez

AYES:Members: Buckhorn, Sablan, Hansen, Frank, Wong-Hernandez, LoFaso, Brown

NOES:NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION ADOPTED.

Item #5 The Children's Hospital Program of 2008, Resolution No. 2018-01

Tyler Gee, staff analyst, presented. Mr. Gee mentioned one correction to the staff report. On the first page, the third paragraph under background, in the first sentence the date was changed from July 1, 2008 to March 26, 2009.

Staff requested Authority approval to pursue emergency and/or regular rulemaking proceedings to modify the Proposition 3 Children’s Hospital Program of 2008 (“Program”) regulations. Mr. Gee reported the modification would allow the Authority to initiate a second funding round from July 1, 2018 to June 30, 2022. Mr. Gee reported the first funding round is currently set to end on June 30, 2018. Following the awarding of the remaining funds of approximately \$55,396,670 for Miller Children’s Hospital, there are four children’s hospitals who have funds remaining, the children’s hospitals are University of California (“UC”) Los Angeles, UC Irvine, UC Davis, and Valley Children’s Hospital. All four hospitals plan to apply and be awarded their remaining funds by June 30, 2018. Mr. Gee went on to report should funds remain after June 30, 2018, the remaining funds in the second funding round would be split in a way to ensure that the UC Children Hospitals receive 20% of the total funds and the non-profit children’s hospitals receive 80% of the total funds. Mr. Gee stated although CHFFA staff doesn’t anticipate there to be any remaining funds after June 30, 2018, staff is recommending creating a new funding round as a precaution should there be remaining funds. The Program’s regulations require the creation of a new funding round should funds be available after June 30, 2018.

Chairperson Brown requested a status report of where the four hospitals are in the process to be brought back to the Authority in March or April.

Chairperson Brown asked if there were any questions or public comment. There were two public comments made.

Saskia Kim, Regulatory Policy Specialist, California Nurses Association/National Nurses United presented an overview of a letter sent to State Treasurer John Chiang regarding prohibiting discrimination against public associate degree nursing programs.

Ann-Louise Kuhns, President and CEO, California Children’s Hospital Association, stated she is in support of the proposed amendments to regulations for Proposition 3. Mrs. Kuhns stated that the National Academy of Medicine came out with a report in 2010 that addressed the changes that needed to be made in the profession of nurses. One of the recommendations was that the nursing profession is headed towards requiring Bachelor of Science degrees in nursing.

Authority Action

Motion to approve Resolution No. 2018-01 for the proposed amendments to the Program’s regulations and authorize emergency and/or regular rulemaking proceedings.

MOTION:Member LoFaso SECOND: Member Buckhorn

AYES:Members: Buckhorn, Sablan, Hansen, Frank, Wong-Hernandez, LoFaso, Brown

NOES:NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION ADOPTED.

Item # 6

Investment in Mental Health Wellness Act of 2013 and Peer Respite Care Grant Program, Resolution No. 2018-02

Tyler Gee, staff analyst, presented. Staff requested the Authority authorize the delegation of certain functions relating to the Investment in Mental Health Wellness and the Peer Respite Care grant programs to the Executive Director.

Mr. Gee reported the grantees of the Investment in Mental Health Wellness and the Peer Respite Care grant programs seek consent from the Authority for an amendment to the milestones set forth in the grant resolutions. Mr. Gee stated staff requested the Authority delegate to the Executive Director the power to consent to extensions set forth in the grant resolutions by up to 60 days. Extensions approved by the Executive Director shall not surpass the grant resolution expiration date and shall be granted no more than once per grant award resolution.

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

Authority Action

Motion to approve Resolution No. 2018-02 for the Investment in Mental Health Wellness Act of 2013 and Peer Respite Care Grant Program authorizing the delegation of certain powers and certain functions to the Executive Director.

MOTION: Member Hansen SECOND: Member LoFaso

AYES:Members: Buckhorn, Sablan, Hansen, Frank, Wong-Hernandez, LoFaso, Brown

NOES:NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION ADOPTED.

Ms. Frank recused herself from agenda Item #7 due to being a consultant for the County of Los Angeles.

Item #7 Investment in Mental Health Wellness Act of 2013, Reinstatement of and Amendment to Resolution No. MH 2014-06 (County of Los Angeles – First Funding Round)

Mr. Washington reported that Carolyn Aboubechara, Program Manager, and he visited Los Angeles County. They were able to visit three of the four sites.

Erin Lane, staff analyst, presented. Ms. Lane mentioned three corrections to the staff report. (1) On page three, in the table, the Total CHFFA Funded Beds was changed from 16 to 8. (2) On page five, item number c, the date was changed from December 31, 2021 to November 30, 2021. (3) On page A-1 of the Project Description, under Crisis Stabilization, fifth line, the words individuals with mental illness in psychiatric crisis were added and the words adults and adolescents were deleted.

The County of Los Angeles (the “County”) requested the Authority approve a reinstatement of and amendment to Resolution Number MH 2014-06 to amend its project description, and an extension of the grant period and resolution expiration date from June 30, 2017 to December 31, 2021.

Ms. Lane reported the Authority approved a Final Allocation on April 24, 2014 for an Investment in Mental Health Wellness grant for the County in an amount not to exceed \$40,892,700.49 to establish 35 new Crisis Residential Treatment Programs (“CRT”), and three new Crisis Stabilization Units (“CSU”), aka Urgent Care Centers (“UCC”), as well as four vehicles and 15 staff members to provide field based crisis intervention services to children, adolescents, and adults throughout the County through Mobile Crisis Support Teams (“MCST”).

Ms. Lane reported that since the Authority’s approval of the Final Allocation, the County had worked diligently to develop a feasible and sustainable model for implementing the CRT and UCC programs that would meet the requirements and timeframe of all involved parties. Ms. Lane also reported that over the course of three years, the County had encountered a number of challenges in developing and implementing the CRT and UCC programs. The two main challenges were related to real estate acquisition and Authority regulation requirements, which led to delays in securing service providers, insufficient replies to the Request for Proposal (“RFP”), and loss of prior identified sites.

Ms. Lane reported that the County had developed a new modified project that will utilize County-owned property located on four County hospital campuses to develop fifteen 16-bed CRT programs and one 16-bed UCC program, for a total of 248 new beds. The County had received support from the County’s Board of Supervisors as well as Department of Health Services to utilize the County-owned property and to develop the CRT and UCC programs. Additionally, the County had also received a letter of support to develop the CRT and UCC programs from the Steinberg Institute. Ms. Lane also reported that Authority staff did consult with both legal counsel and the programs technical advisor for review of the new modified project, and both have concluded that the new modified project meets both the intent and requirements of the program.

As a condition of approval, the County shall submit quarterly reports detailing information on milestones achieved, progress, and obstacles or challenges related to the completion of the CRT and UCC programs.

Representing the County of Los Angeles: Jonathan Sherin, MD, PhD, Director, Gregory Polk, Chief Deputy, Administrative Operations, and Jo Ann Yanagimoto-Pinedo, Deputy Director, Strategic Initiatives.

Dr. Sherin spoke about the changes within the department and mentioned that the level of collaboration and support between staff and the community was much better with the new proposed project. Dr. Sherin spoke about how this project would play an essential role in the County’s overall strategic plan and would be just one step in addressing the essential need within the County. Dr. Sherin mentioned that there has been a large increase in the homeless population with mental illnesses. This has also led to an increase in emergency room visits, overcrowded hospitals, and incarcerated individuals and this type of effort is critical to shift that balance and get the individuals the help that they need. Dr. Sherin assured the Authority of the County’s confidence and commitment to the new proposed project.

Authority members engaged in a number of questions and answers with representatives from the County of Los Angeles.

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

Authority Action

Motion to approve the reinstatement of and amendment to Resolution No. MH 2014-06 for the County of Los Angeles's request for reinstatement, amendment of its project description, and extension of the resolution and grant period expiration date to December 31, 2021 subject to the conditions in the resolution.

MOTION: Member Hansen SECOND: Member Sablan

AYES:Members: Buckhorn, Sablan, Hansen, Wong-Hernandez, LoFaso, Brown

NOES:NONE

ABSTAIN:.....NONE

RECUSE:.....Member Frank

MOTION ADOPTED.

Items #8, #9, #10

Other Business, Public Comment, Adjournment

Chairperson Brown asked for public comment. Hearing none and with no additional business, the meeting adjourned at 3:26 P.M.