

MINUTES

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
("CHFFA" or "AUTHORITY")
915 Capitol Mall, Room 587
Sacramento, California 95814
January 31, 2019 – 1:30 P.M.**

Alternate Location for CHFFA Teleconference Participation

Affiliated Physician Practice, Inc.
505 East Almond Avenue, Suite 109
Madera, CA 93637

Public Participation

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

OPEN SESSION

Treasurer Ma, Chairperson, called the meeting to order at 1:31 PM.

Chairperson Ma 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: Fiona Ma, CPA, California State Treasurer, Chairperson
Yvette Stowers for Betty T. Yee, State Controller, Vice Chairperson
Adam Dorsey for Keely Bosler, Director, Department of Finance
Jay Hansen
Oscar Sablan, M.D. – via teleconference
Jack Buckhorn

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

Staff Present: Frank Moore, Acting Executive Director

Chairperson Ma declared a quorum present.

Item #2 Approval of the Minutes from the December 6, 2018 Meeting

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

Member Hansen joined the meeting at 1:34 P.M.

Authority Action

Motion to approve the minutes from the December 6, 2018 meeting.

MOTION: Member Buckhorn SECOND: Member Dorsey

AYES:.....Members: Buckhorn, Sablan, Hansen, Dorsey, Stowers, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #3

Executive Director’s Report

Mr. Moore reported that the CHFFA Fund Balances and Comprehensive Debt List Summaries were not available at this time.

Mr. Moore reported that there was no action taken pursuant to the Tax-Exempt Bond Delegation of Powers Resolution

Mr. Moore reported that there was no action taken pursuant to the HELP II Loan Program Delegation of Powers Resolution

Item #4

Tarzana Treatment Centers, Inc., Resolution No. 434

Cory Mouhasseb, staff analyst, presented. Tarzana Treatment Centers, Inc. (“Tarzana”) requested Authority approval to issue taxable and tax-exempt bonds in an amount not to exceed \$13,500,000. Mr. Mouhasseb reported the bond proceeds would be used to fund the construction of multiple projects and renovations at multiple sites owned or leased by Tarzana. The proceeds would also be used to reimburse previously expended construction costs and refinance existing debt.

Attendees: Roy Nelson, Vice President, Wulff, Hansen, & Co., Municipal Advisor and Todd C. Van Deventer, Managing Director, Piper Jaffray & Co., Placement Agent via teleconference

Mr. Nelson gave an overview of Tarzana’s project.

Mr. Dorsey requested additional information as to what additional services will be offered by Tarzana with funds that would become available with the bond proceeds. Mr. Nelson responded with an explanation of the additional services that Tarzana would offer with the use of bond proceeds.

Mr. Hansen requested additional information of the increase in patient service revenue in Medi-Cal in the fiscal year 2018 compared to fiscal year 2017. Mr. Mouhasseb responded with an explanation of the increase in patient service revenue in Medi-Cal.

Mr. Buckhorn requested additional information regarding prevailing wage. Mr. Nelson confirmed that prevailing wage would be paid in connection with construction projects paid with bond proceeds.

Dr. Sablan requested additional information of the anticipated increase of Medi-Cal recipients when Tarzana becomes an FQHC. Mr. Nelson responded with an explanation of the anticipated increase of Medi-Cal recipients when Tarzana becomes an FQHC.

Chairperson Ma asked if there were additional questions or public comment; there were none.

Authority Action

Motion to approve Resolution No. 434 for Tarzana Treatment Centers, Inc. in an amount not to exceed \$13,500,000 subject to all conditions in the resolution for unrated debt.

MOTION: Member Buckhorn SECOND: Member Hansen

AYES:.....Members Buckhorn, Sablan, Hansen, Dorsey, Stowers, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #5 Humboldt Senior Resource Center, Inc., Resolution No. HII-317

Matthew Francis, staff analyst, presented. Humboldt Senior Resource Center, Inc. (“Humboldt”) requested Authority approval of a HELP II loan in an amount not to exceed \$675,000. Mr. Francis reported the loan proceeds would be used to refinance an existing private loan from Umpqua Bank which would allow Humboldt to avoid a balloon payment due in May 2019.

Attendee: Joyce Hayes, Executive Director.

Ms. Hayes gave an overview of Humboldt and its services.

Chairperson Ma gave an overview the HELP II Loan Program.

Chairperson Ma asked if there were additional questions or public comment; there were none.

Authority Action

Motion to approve Resolution No. HII-317 for Humboldt Senior Center, Inc. in an amount not to exceed \$675,000 for a term not to exceed 15 years and contingent upon financing terms acceptable to the Authority.

MOTION: Member Hansen SECOND: Member Sablan

AYES:.....Members Buckhorn, Sablan, Hansen, Dorsey, Stowers, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #6 Lifeline Grant Program Re-Adoption and Amendment to Resolution No. LGP 2018-01

Rosalind Brewer, Program Manager, presented. Staff requested Authority approval to re-adopt and amend the Lifeline Grant Program Resolution No. LGP 2018-01 to extend the resolution end date from January 31, 2019 to June 30, 2020. Ms. Brewer reported the extension would allow for all grantees to have the same resolution end date throughout the program.

Ms. Brewer gave an overview of the Lifeline Grant Program.

Chairperson Ma asked how the program was marketed. Ms. Brewer responded the program was marketed through webinars and various health associations including California Health Plus Advocates, California Rural Health Association, and Planned Parenthood.

Member Hansen asked why it took so long for disbursements. Ms. Brewer responded most clinics had not experienced a federal trigger yet.

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

Authority Action

Motion to approve Resolution No. LGP 2018-01 to re-adopt and amend to extend the resolution end date from January 31, 2019 to June 30, 2020.

MOTION: Member Hansen SECOND: Member Buckhorn

AYES:.....Members Buckhorn, Sablan, Hansen, Dorsey, Stowers, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #7 Investment in Mental Health Wellness Act of 2013 – County of Napa Update

Removed from the agenda.

Item #8 Proposition 4 – The Children’s Hospital Bond Act of 2018

Carolyn Aboubechara, Grants Manager, presented. Ms. Aboubechara stated that this item was regarding the recently passed Proposition 4, Children’s Hospital Bond Act of 2018 which provided \$1.5 billion in General Obligation bonds to be issued for capital improvement projects.

Ms. Aboubechara stated that this program had essentially two subprograms. In the first subprogram, 90% of the funds would be available to the 13 children’s hospitals who received funding in the two prior Children’s Hospital Bond Acts of 2004 and 2008 (Proposition 61 and Proposition 3) where awards would continue to be made on a noncompetitive basis.

Ms. Aboubechara reported that in addition to the 90%, there would be 10% available for public or private nonprofit hospitals that provide pediatric services to children eligible for the California Children’s Services program where awards would be made on a competitive basis.

Ms. Aboubechara stated the Children’s Hospitals could apply jointly for up to the sum of their respective maximum grant amounts and designate a lead grantee to have the primary responsibility for the fiscal management of grant funds.

Ms. Aboubechara stated that a webinar was planned to provide a program overview and seek feedback from stakeholders over the subprogram for Eligible Hospitals and that staff would share the draft regulations and application (separate from that of the Children’s Hospitals) with stakeholders for input prior to seeking Authority approval to adopt the regulations and authorize rulemaking proceedings. Ms. Aboubechara highlighted a few of the items that will be addressed in the webinar.

Member Hansen asked what are the six factors identified in the 2018 Act, and Ms. Aboubechara answered.

Member Hansen stated that it would be helpful if the Authority members were given a chance to comment on the rulemaking proceedings and regulation. Ms. Aboubechara confirmed that board members would be given the opportunity to comment.

Member Buckhorn stated that giving extra points to hospitals located in or serving a Rural Medical Service Study Area was necessary.

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

Item #9 Investment in Mental Health Wellness Grant Program for Children and Youth 2019 Legislative Report

Ms. Aboubechara gave an overview of the program, and both Ms. Aboubechara and Sondra Jacobs were available to answer questions.

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

