

## MINUTES

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY**  
**(“CHFFA” or “AUTHORITY”)**  
**915 Capitol Mall, Room 587**  
**Sacramento, California 95814**  
**June 27, 2019 – 1:30 P.M.**

Public Participation

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

### **OPEN SESSION**

Deputy Treasurer Audrey Noda, Chair, called the meeting to order at 1:47 P.M.

The Secretary announced that, 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: Audrey Noda for Fiona Ma, CPA, State Treasurer  
Meagan Tokunaga for Betty T. Yee, State Controller  
Adam Dorsey for Keely Martin Bosler, Director, Department of Finance  
Robert Cherry, M.D.  
Jack Buckhorn

Members Absent: Judith Frank  
Jay Hansen  
Oscar Sablan, M.D.  
Katrina Kalvoda

Staff Present: Frank Moore, Executive Director

Chair Noda declared a quorum present.

#### **Item #2**

#### **Approval of the Minutes from the May 30, 2019 Meeting**

Chair Noda asked if there were any changes, questions or public comment; there were none.

#### **Authority Action**

Motion to approve the minutes from the May 30, 2019 meeting.

MOTION: Member Buckhorn SECOND: Member Dorsey

AYES: ..... Members: Buckhorn, Cherry, Dorsey, Tokunaga, Noda

NOES: ..... NONE

ABSTAIN:..... NONE

RECUSE:..... NONE

MOTION APPROVED.

#### **Item #3**

#### **Executive Director’s Report**

#### **CHFFA Fund Balances and Comprehensive Debt List Summaries**

Mr. Moore reported the CHFFA draft fund balances and the outstanding debt information are not available at this time.

### **Tax-Exempt Bonds Delegation of Powers Monthly Update**

Mr. Moore presented the Delegation of Powers report regarding Dignity Health, formerly Catholic Healthcare West, execution of certificates and requests regarding redemption of the 1996 Series D, 1997 Series C, and 2008 Series G Revenue Bonds (the “Bonds”). Mr. Moore reported that on May 20, 2019, Dignity Health requested CHFFA to exercise its option to redeem the Bonds by providing direction to the Bank of New York Mellon Trust Company, N.A. to redeem the Bonds and discharge the Indenture relating to the Bonds. The Attorney General’s Office and State Treasurer’s Office’s (STO) legal counsel reviewed the request and confirmed the proposed actions fell within CHFFA’s Bond Financing Program’s Delegation Resolution 2018-09. Mr. Moore executed the Certificates and Requests Regarding Redemption of the Bonds on May 21, 2019.

Mr. Moore presented the Delegation of Powers report regarding Providence St. Joseph Health, formerly St. Joseph Health Systems, execution of certificates and directions regarding redemption of the 2009 Series A and 2009 Series B Revenue Bonds (the “Bonds”). Mr. Moore reported that on June 12, 2019, Providence St. Joseph Health requested CHFFA to exercise its option to redeem the Bonds by providing direction to Wells Fargo Bank, National Association to redeem the Bonds and discharge the Indenture relating to the Bonds. The Attorney General’s Office and STO’s legal counsel reviewed the request and confirmed the proposed actions fell within CHFFA’s Bond Financing Program’s Delegation Resolution 2018-09. Mr. Moore executed the certificate and direction on June 13, 2019.

### **HELP II Loan Program Delegation of Powers Monthly Update**

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

### **Investment in Mental Health Wellness Grant Program Quarterly Milestones Update**

Mr. Moore gave an overview and highlighted a few items in the Quarterly Milestones update.

Mr. Moore gave an overview of the CHFFA Outreach Plan.

Chair Noda asked if there were any questions or public comment; there were none.

### **Item #4**

### **City of Hope, Resolution No. 435**

Matthew Francis, Staff Analyst, presented. City of Hope (“COH”) requested Authority approval to issue tax-exempt bonds in an amount not to exceed \$370,000,000. Mr. Francis reported the bond proceeds would be used to finance the construction of a new 350,000 square foot outpatient clinic, an adjacent parking structure, and an expansion of COH’s Hope and Parsons Village patient community, providing additional accommodations for patients and visitors. The outpatient clinic has an estimated completion date of late 2024 and the parking structure and Hope Village expansion are estimated to be completed by the end of 2021.

Attendees: Jennifer Parkhurst, Chief Financial Officer, Donald Matthewson, Vice President of Treasury and Financial Strategy, and Peter Mackler, Executive Director for Health Policy, City of Hope. Also present: Peter Reilly, Managing Director, J.P. Morgan Securities LLC, Underwriter. Via teleconference – David Kates, Partner, Chapman and Cutler LLP, Bond Counsel.

Chair Noda asked if there were any additional questions or public comment; there were none.

**Authority Action**

Motion to approve Resolution No. 435 in a principal amount not to exceed \$370,000,000 for City of Hope subject to the conditions in the resolution, including a rating of at least investment grade by a nationally recognized rating agency.

MOTION: Member Tokunaga SECOND: Member Buckhorn

AYES: ..... Members: Buckhorn, Cherry, Dorsey, Tokunaga, Noda

NOES: ..... NONE

ABSTAIN:..... NONE

RECUSE:..... NONE

MOTION APPROVED.

**Item #5 Children’s Hospital of Orange County, Resolution No. 436**

Brock Lewis, Program Manager, presented. Children’s Hospital of Orange County (“CHOC”) requested Authority approval to issue revenue bonds in an amount not to exceed \$117,000,000. Mr. Lewis reported that the bond proceeds would be used to refund the CHFFA Series 2009A Bonds.

Mr. Lewis noted a change on the first page of the staff report as Standard & Poor’s had upgraded CHOC’s expected credit rating from A+ to AA-.

Attendees: Bill Rohde, Vice President, Finance, CHOC. Also present: Lina M. Thoreson, Esq., Orrick, Herrington & Sutcliffe LLP, Bond Counsel and John Q. Landers, Managing Director, Morgan Stanley, Underwriter.

Mr. Rohde provided a brief overview of CHOC’s programs and thanked the Authority and staff for the work that they do.

Chair Noda asked if there were any questions or public comment; there were none.

**Authority Action**

Motion to approve Resolution No. 436 in an amount not to exceed \$117,000,000 for Children’s Hospital of Orange County subject to conditions in the resolution.

MOTION: Member Buckhorn SECOND: Member Cherry

AYES: ..... Members: Buckhorn, Cherry, Dorsey, Tokunaga, Noda

NOES: ..... NONE

ABSTAIN:..... NONE

RECUSE:..... NONE

MOTION APPROVED.

**Item #6 Third Amendment to Resolution No. MH 2015-04  
County of Sacramento (Third Funding Round)  
Investment in Mental Health Wellness Act of 2013**

Kristina Sheehan, Staff Analyst, presented. County of Sacramento is requesting Authority approval of an amendment to Resolution No. MH 2015-04 from the third funding round to extend the resolution and grant period expiration dates.

Attendees: Dr. Ryan Quist, Behavioral Health Director, Jane Ann Zakhary, Division Manager, and Kelli Weaver, Division Manager, County of Sacramento

Dr. Quist thanked the Authority and gave an overview of the three crisis residential treatment projects.

Ms. Zakhary provided more information on the construction delays which led to the amendment and extension request.

Chair Noda asked if there were any questions or public comment; there were none.

**Authority Action**

Motion to approve a third amendment to Resolution No. MH 2015-04 to extend the resolution and grant period expiration dates from December 31, 2020 to March 31, 2021, subject to the amended milestone conditions for each property.

MOTION: Member Buckhorn SECOND: Member Dorsey

AYES: .....Members: Buckhorn, Cherry, Dorsey, Tokunaga, Noda

NOES: .....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Chair Noda asked if there were any questions or public comment; there were none.

**Item #7 Investment in Mental Health Wellness Act of 2013  
County of Los Angeles’ Quarterly Update**

Ms. Sheehan, Staff Analyst, presented. Ms. Sheehan reported that on February 22, 2018 the Authority approved a reinstatement of, and amendment to, Resolution Number MH 2014-06 for an Investment in Mental Health Wellness grant for the County of Los Angeles (the “County”) in an amount not to exceed \$40,892,700.49. Ms. Sheehan stated this would create 240 beds to serve adults in 15 new Crisis Residential Treatment Programs, eight new beds in one expanded Crisis Stabilization Unit, also known as an Urgent Care Center, and 14 Mobile Crisis Support Teams, with clerical staff.

Ms. Sheehan reported that, as a condition of approval, the Authority required the County to provide quarterly updates detailing milestones achieved, progress, and obstacles or challenges related to the completion of the projects.

Attendees: via teleconference – Jo Ann Yanagimoto-Pinedo, Deputy Director and Greg Polk, Chief Deputy, Administrative Operations, County of Los Angeles.

Ms. Yanagimoto-Pinedo provided an overview of the four properties and detailed the layout of each project. She reported on the progress, including demolition of current buildings on each of the properties, and timelines for each project. She stated that three of the projects are on or ahead of schedule, and one project was delayed due to demolition.

Mr. Polk reported on the need in Los Angeles County for these properties. He informed the Authority on the MLK property, being a renovation of a historic hospital, and how it will offer many imperative services to that community. He expressed gratitude for CHFFA’s assistance in providing the funds and offering guidance.

Chair Noda asked if there were any questions or public comment; there were none.

**Items #8 and #9 Public Comment and Adjournment**

Chair Noda asked for public comment. Hearing none and with no additional business, the meeting adjourned at 2:43 P.M.