

**MINUTES**

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY  
("CHFFA" or "AUTHORITY")  
915 Capitol Mall, Room 587  
Sacramento, California 95814  
August 29, 2019 – 1:45 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 1:57 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  
Jacqueline Wong-Hernandez for Betty T. Yee, State Controller  
Gayle Miller for Keely Martin Bosler, Director, Department of Finance  
Judith Frank  
Jay Hansen  
Robert Cherry, M.D.  
Oscar Sablan, M.D.  
Keri Kropke

Member Absent: Katrina Kalvoda

Staff Present: Frank Moore, Executive Director

Chair Noda declared a quorum present.

**Item #2 Approval of the Minutes from the July 25, 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 July 25, 2019 meeting.

MOTION: Member Miller SECOND: Member Wong-Hernandez

AYES:.....Members: Kropke, Sablan, Cherry, Miller, Wong-Hernandez, Noda

NOES:.....NONE

ABSTAIN:.....Member Frank

RECUSE:.....NONE

MOTION APPROVED.

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

**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.

**Contract Delegation of Powers Monthly Update**

Mr. Moore reported that the Contract Delegation of Powers Monthly Update is a new formal line item in the Executive Director's Report for the purpose of reporting to the Authority any contracts that he as Executive Director enters into under Delegation Resolution No. 2018-11.

Mr. Moore reported on five contracts he entered into since the beginning of Fiscal Year 2019-2020.

Members asked questions and had a discussion about staff's capacity to build up internal expertise in areas where the Authority contracts out services and the actual dollars spent on contract services last year. Members asked for an update at the next meeting.

**Site Visits**

Mr. Moore reported that he joined Treasurer Fiona Ma to visit Loma Linda University Children's Hospital, UCSF Benioff Children's Hospital, UCSD Children's Hospital, and Rady Children's Hospital.

Member Hansen arrived at 2:04 P.M.

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

**Item #4** **Providence St. Joseph Health, Resolution No. 437**

Anna Ramirez, Staff Analyst, presented. Providence St. Joseph Health ("PSJH") requested Authority approval to issue revenue bonds in an amount not to exceed \$590,000,000. Ms. Ramirez reported that bond proceeds would be used to consolidate prior debt by refunding or refinancing a line of credit and a bank loan. Ms. Ramirez also stated that the bond proceeds would redeem certain CHFFA Bonds issued on behalf of Providence Health & Services and St. Joseph Health System.

Attendees: Joseph Walker, Senior Vice President, Treasurer and Sonya Shaw, Executive Director, Treasury Services. Also present: Jerry McGovern, Partner, Norton Rose Fulbright, Bond Counsel and John Landers, Managing Director, Morgan Stanley, Senior Managing Underwriter.

Mr. Walker gave an overview of PSJH's project.

Members asked questions about the reasons for refunding, how the monies were assigned to each facility listed in Exhibit A, and if the facilities were earthquake safe.

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

**Authority Action**

Motion to approve Resolution No. 437 in an amount not to exceed \$590,000,000 for Providence St. Joseph Health, Inc., subject to the conditions in the resolution, including a rating of at least investment grade by a nationally recognized rating agency.

MOTION: Member Hansen SECOND: Member Sablan

AYES:.....Members: Kropke, Sablan, Cherry, Hansen, Frank, Miller, Wong-Hernandez, Noda

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

**CLOSED SESSION**

**Item #5 Litigation (Government Code Section 11126(e)(2)(A))**

Litigation Government Code Section 11126(e)(2)(A)

Confer with and receive advice from legal counsel regarding pending litigation (*Bernard, et al. v. California Health Facilities Financing Authority, et al.*, California Court of Appeal, Third Appellate District Case No. C088586) as authorized by Government Code Section 11126(e)(2)(A).

**OPEN SESSION**

The open session was re-convened at 2:43 P.M.

Chair Noda reported there was no action taken in the closed session.

**Item #6 No Place Like Home Program, Resolution No. 2019-05**

Summer Nishio, Program Manager, presented. The California Department of Housing and Community Development (“HCD”) requested the Authority approve the execution and delivery of certain bond documents for the No Place Like Home (“NPLH”) Program. Ms. Nishio gave an overview of the history of the NPLH Program and the Authority’s prior actions. Ms. Nishio also reported the Authority intends to issue, on behalf of HCD, the first tranche of bonds for the NPLH program and requested approval of certain documents and that the bonds be designated as Social Bonds.

Attendees: Kathryn Amann, Special Consultant, Department of Housing and Community Development, Borrower. Also present: Julie Giordano, Assistant Director, State Treasurer’s Office, Agent for Sale and Trustee; Matthew Wise, Deputy Attorney General and Gisele Rainer, Deputy Attorney General (via teleconference), Attorney General’s Office, Issuer’s Counsel; Jenna Magan, Partner, Orrick, Herrington & Sutcliffe LLP, Bond Counsel; and Chris Mukai, Managing Director, Citigroup Global Markets Inc. and Robert Larkins, Managing Director, Raymond James & Associates, Inc., Joint Senior Managing Underwriters.

Members asked questions about the indicative ratings and the designation of the bonds as Social Bonds.

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

**Authority Action**

Motion to approve Resolution No. 2019-05 authorizing the execution and delivery of the Service Contract, Bond Purchase Agreement, and Preliminary Official Statement, among other matters.

MOTION: Member Miller

SECOND: Member Hansen

AYES:.....Members: Kropke, Sablan, Cherry, Hansen, Frank, Miller, Wong-Hernandez,  
Noda

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

**Items #7 and #8**

**Public Comment and Adjournment**

Chair Noda asked for public comment. Hearing none, the meeting adjourned at 2:53 P.M.