

MINUTES

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
("CHFFA" or "AUTHORITY")
915 Capitol Mall, Room 587
Sacramento, California 95814
September 26, 2019 – 1:30 P.M.**

Alternate Location for CHFFA Teleconference Participation:

Peter Morton Medical Building
200 UCLA Medical Plaza, 4th Floor, Room 447
Los Angeles, California 90095

Public Participation

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

OPEN SESSION

Treasurer Fiona Ma, Chair, called the meeting to order at 1:32 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: 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
Katrina Kalvoda - teleconference
Keri Kropke - teleconference

Members Absent: Jay Hansen
Robert Cherry, M.D.
Oscar Sablan, M.D.

Staff Present: Frank Moore, Executive Director

Chair Ma declared a quorum present.

Item #2 Approval of the Minutes from the August 29, 2019 Meeting

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

Authority Action

Motion to approve the minutes from the August 29, 2019 meeting.

MOTION: Member Wong-Hernandez SECOND: Member Frank

AYES:.....Members: Kropke, Frank, Miller, Wong-Hernandez, Ma

NOES:.....NONE

ABSTAIN:.....Member Kalvoda

RECUSE:.....NONE

MOTION APPROVED.

CHFFA Fund Balances and Comprehensive Debt List Summaries

Mr. Moore reported the CHFFA draft fund balances are not available at this time. Mr. Moore presented the outstanding debt information as of August 31, 2019.

Tax-Exempt Bonds Delegation of Powers Monthly Update

Mr. Moore presented a Delegation of Powers report regarding Providence St. Joseph Health (formerly Providence Health & Services) regarding execution of Certificate and Direction to Redeem and Discharge the Bond Indenture for the Series 2009B Bonds (the "Bonds"). Mr. Moore reported that in August 2019, Providence St. Joseph Health requested CHFFA exercise its option to redeem the Bonds by providing direction to U.S. Bank National Association to redeem the Bonds and discharge the Indenture relating to the Bonds. Mr. Moore executed the Certificate and Direction as to Redemption of Series 2009B Bonds on August 26, 2019.

Mr. Moore presented a Delegation of Powers report regarding Social Science Services, Inc. regarding execution of Certificate of the Authority. Mr. Moore reported that in August 2019, Social Science Services, Inc. requested CHFFA exercise its option to redeem the Series 2011 Revenue Bonds (the "Bonds") by providing direction to U.S. Bank National Association to redeem the Bonds and discharge the Indenture relating to the Bonds. Mr. Moore executed the Certificate of the Authority on August 21, 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.

Contract Delegation of Powers Monthly Update

Mr. Moore reported that there were no new contracts. Mr. Moore also gave an overview of the contracts data spreadsheet, which presented data relevant to concerns raised at the last board meeting. Mr. Moore specifically highlighted the amounts expended under the most recent contracts for Municipal Advisors, Auditor, and Mental Health Technical Advisor. Mr. Moore also addressed the specific concern raised at the last meeting regarding the value added of an outside Municipal Advisor. Ms. Miller thanked Mr. Moore for presenting the data, and for leveraging the expertise and building the capacity of internal staff.

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.

Site Visits

Mr. Moore reported that he joined Treasurer Fiona Ma to visit Children's Hospital of Orange County, UC Irvine Children's Hospital, and Miller Children's & Women's Hospital.

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

Item #4**Scripps Health, Resolution No. 438**

Tyler Bui, Staff Analyst, presented. Scripps Health ("Scripps") requested Authority approval to issue revenue bonds in an amount not to exceed \$99,360,000. Mr. Bui reported that bond proceeds would be used to refund all or a portion of the outstanding CHFFA Series 2010A Bonds. Mr. Bui also stated that the refunding of the outstanding 2010A bonds would provide Scripps with a net present value savings of \$28.1 million over the life of the bonds.

Attendees: Richard McKeown, Corporate Vice President and Treasurer and Len Rogozinsky, Director of Treasury Operations. Also present: Patricia L. Eichar, Partner, Orrick, Herrington & Sutcliffe LLP as Bond Counsel and Jeffrey B. Sahrbeck, Managing Director, Ponder & Co. as Financial Advisor.

Mr. McKeown gave an overview of the Scripps projects.

Members inquired about services provided by Scripps.

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

Authority Action

Motion to approve Resolution No. 438 in an amount not to exceed \$99,360,000 for Scripps Health, subject to the conditions in the resolution.

MOTION: Member Miller SECOND: Member Wong-Hernandez

AYES:.....Members: Kropke, Kalvoda, Frank, Miller, Wong-Hernandez, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #5 Hart Community Homes, Inc., Resolution No. HII-321

Matthew Francis, Staff Analyst, presented. Hart Community Homes, Inc. (“Hart Homes”) requested Authority approval of a HELP II loan in an amount not to exceed \$1,330,000. Mr. Francis reported that the loan proceeds would be used to purchase a four unit apartment complex. Mr. Francis reported that the facility would add eight beds that would expand the occupancy from 12 to 20.

Attendees: Bill Hart, Founder and President of the Board and Carissa Hart-Bunevith, Executive Director.

Ms. Hart-Bunevith gave an overview of the project and its benefits to the community.

Members asked questions about the for-profit and non-profit aspects of the organization, including the audited financials for each entity. Members also asked questions regarding the ages of clients and age maximums in relation to group homes.

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

Authority Action

Motion to approve Resolution No. HII-321 in an amount not to exceed \$1,330,000 for Hart Community Homes, Inc. for a term not to exceed 20 years, and contingent upon financing terms acceptable to the Authority.

MOTION: Member Frank SECOND: Member Wong-Hernandez

AYES:.....Members: Kropke, Kalvoda, Frank, Miller, Wong-Hernandez, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #6**Investment in Mental Health Wellness Act of 2013,
County of Los Angeles Quarterly Update, Resolution No. MH 2014-06**

Kristina Sheehan, Staff Analyst, gave an overview of the County of Los Angeles Quarterly Update.

Attendees: Dr. Jonathon Sherin, Director of Mental Health; Jo Ann Yanagimoto-Pinedo, Deputy Director of Strategic Initiatives; and Greg Polk, Chief Deputy of Administrative Operations.

Dr. Sherin briefed the board on the project background and described Los Angeles County's (the "County") mission of providing behavioral health care instead of placing individuals in custody. Dr. Sherin informed the board that the MLK Behavioral Health Center Grand Opening was tentatively scheduled for October 31, 2020 and invited board members to join. Mrs. Yanagimoto-Pinedo provided an update of each project, detailing the current stages. Additionally, Mr. Polk explained the increase in total project costs, which started at \$80M and have risen to roughly \$120M.

Members thanked the County for their due diligence and commitment to this project.

Chair Ma left the meeting at 2:27 P.M. Deputy Treasurer Audrey Noda resumed the meeting as Chair.

Item #7**Investment in Mental Health Wellness Act of 2013,
County of Mendocino Update, Resolution No. MH 2015-03**

Sondra Jacobs, Program Manager, and Nicole Weaver, Staff Analyst, presented. Ms. Weaver gave an overview of the County of Mendocino (the "County") update. The County informed Authority staff that the award of the Request for Proposals/Request for Qualifications will not be announced until early November 2019. Therefore, the County would not be able to meet its September 30, 2019 milestone deadline to secure sufficient funding needed to complete the CRT project and missing the September 30, 2019 milestone deadline would place the County in default of its grant agreement. Ms. Weaver also stated that Authority staff received a request from the County to amend the milestones, extend the resolution and grant period expiration dates, and amend the project description. However, there was not sufficient support to bring an action item before the Board at this time. Authority staff is seeking direction from the Board regarding next steps.

Attendees: Dr. Jenine Miller, Director and Karen Lovato, Acting Deputy Director (both via teleconference).

Ms. Lovato gave a brief update on the status of the project and stated that the Request for Proposals/Request for Qualifications for the crisis residential treatment project closed in August 2019, and that the County anticipated that the winning bidder would be announced before the Authority's December 5, 2019 meeting.

Dr. Miller stated that Measure B funding, which was passed by voters of the County, had been committed to the construction of a crisis residential treatment facility, but a specific project had not been announced.

There was a discussion among members regarding options for setting a cure period regarding the County's upcoming milestone (securing funding sufficient to complete its crisis residential treatment project by September 30, 2019), which was expected to be missed.

Member Frank suggested holding an additional Authority meeting before the Authority's October 31, 2019 meeting.

Chair Noda called for an additional Authority meeting on October 7, 2019, for which proper notice will be given, during which Authority staff would bring an action item with a cure period recommendation.

Item #8 **Investment in Mental Health Wellness Act of 2013,**
2019 Legislative Report

Mr. Moore gave an overview of the 2019 Legislative Report.

Items #9 and #10 **Public Comment and Adjournment**

Chair Noda asked for public comment. Hearing none, the meeting adjourned at 2:54 P.M.