

MINUTES

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
("CHFFA" or "AUTHORITY")
915 Capitol Mall, Room 587
Sacramento, California 95814
December 5, 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 1:48 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
Adam Dorsey for Keely Martin Bosler, Director, Department of Finance
Judith Frank
Jay Hansen
Oscar Sablan, M.D.
Katrina Kalvoda
Keri Kropke

Member Absent: Robert Cherry, M.D.

Staff Present: Frank Moore, Executive Director
Carolyn Aboubechara, Deputy Executive Director

Chair Noda declared a quorum present.

Item #2 Approval of the Minutes from the October 31, 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 October 31, 2019 meeting.

MOTION: Member Sablan SECOND: Member Hansen

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

NOES:.....NONE

ABSTAIN:.....Member: Dorsey

RECUSE:.....NONE

MOTION APPROVED.

CHFFA Fund Balances and Comprehensive Debt List Summaries

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

Tax-Exempt Bonds Delegation of Powers Monthly Update

Mr. Moore presented a Delegation of Powers report regarding Adventist Health System/West ("Adventist") regarding execution of a First Supplemental Bond Indenture and Loan Agreement for Series 2011 bonds (the "Bonds"). Mr. Moore reported that in October 2019, Adventist requested CHFFA execute a First Supplemental Bond Indenture and a First Supplemental Loan Agreement, which allowed Adventist to convert the Bonds into a new interest rate mode. In consultation with STO legal counsel and the Attorney General's Office, who both confirmed that the proposed actions fell within the Executive Director's delegated authority under Resolution 2018-09, the Executive Director executed the First Supplemental Bond Indenture and First Supplemental Loan Agreement on October 29, 2019.

Mr. Moore presented the Summary of Bond Delegation Actions from January 1, 2019 through December 5, 2019.

HELP II Loan Program Delegation of Powers Monthly Update

Mr. Moore presented the Summary of HELP II Delegation Actions from January 1, 2019 through December 5, 2019.

Contract Delegation of Powers Monthly Update

Mr. Moore presented the Summary of Contract Delegation Actions from January 1, 2019 through December 5, 2019.

No Place Like Home Program

Mr. Moore reported that on November 19, 2019, CHFFA successfully issued \$500 million in revenue bonds for the No Place Like Home Program. The bonds were sold as Social Bonds and as such, received heightened interest from various investors, including those seeking Environmental, Social, and Governance criteria, as well as local governments. As a result, the bonds were oversubscribed, receiving orders of \$2.3 billion.

Community Services Infrastructure Grant Program

The second funding round for the program ended December 2, 2019. An additional 12 applications were received for \$85 million. In July 2019, we had approved allocations for eight counties for a total of \$18 million in grant awards. The appropriation amount for the program is \$66 million.

Site Visits

Mr. Moore reported that there had not been any recent site visits. However, plans for touring Northern California hospitals, UC Davis and the Children's Hospital of Oakland, are scheduled for early 2020.

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

Attendees: Ryan Quist, Ph.D., Director; Kelli Weaver, Division Manager; and Jane Ann Zakhary, Division Manager, Sacramento Count Behavioral Health Services. Also present: Kent Dunlap, President and Chief Executive Officer, Stars Behavioral Health Group.

Dr. Quist provided a summary of the crisis residential programs currently in use in the County and how the sites have benefitted the community.

Ms. Zakhary provided pictures of the progress at the Henrietta Drive facility, along with project updates on the Viking Drive facility.

Mr. Kent explained the reasons for the delays on the Marconi Avenue site, including fire district requirements to widen the driveway and fire sprinkler system challenges.

Member Dorsey suggested the addition of a project update from the County to be written into the Resolution, for October 31, 2020, to which all Members agreed.

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

Authority Action

Motion to approve a fourth amendment to Resolution No. MH 2015-04 to amend the milestone conditions and extend the resolution and grant period expiration dates from March 31, 2021 to November 30, 2021, subject to the conditions of the resolution, which includes a project update to the Authority by October 31, 2020.

MOTION: Member Hansen SECOND: Member Kalvoda

AYES:.....Members: Hansen, Kalvoda, Sablan, Kropke, Frank, Dorsey,
Wong-Hernandez, Noda

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #6

**Fourth Amendment to Resolution No. MH 2015-03
County of Mendocino (Third Funding Round)
Investment in Mental Health Wellness Act of 2013**

Nicole Weaver, Staff Analyst, presented. The County of Mendocino (the “County”) requested Authority approval to amend the milestones and project description, and extend the resolution and grant period expiration dates from June 30, 2021 to December 31, 2021. Ms. Weaver reported that during the October 7, 2019 meeting, the Authority approved a cure period of 60 days, beginning on October 8, 2019 and ending on December 6, 2019, in order to cure the missed milestone condition.

Staff was not able to make a recommendation on whether to approve a fourth amendment to the resolution as requested by the County due to insufficient evidence that the County indeed met the cure period, and therefore sought direction from the Authority.

Attendees: Dr. Jenine Miller, Director and Karen Lovato, Acting Deputy Director, Behavioral Health and Recovery Services. Also present: Jan McGourty, Chair, Mendocino County Health & Human Services Agency, Behavioral Health Advisory Board and DeAnn Splinter, Associate Principal and Eric Fadness, Principal, Nacht & Lewis (architect for the project). Via teleconference – Nash Gonzalez, Fire Recovery Director, Mendocino County Executive Office.

Dr. Miller gave an overview of the progress made since the October 7, 2019 Authority meeting. The County was able to receive the Board of Supervisors' approval for the architectural/engineering/environmental services contract with Nacht & Lewis, contingent upon the Measure B Citizen's Oversight Committee approval. Dr. Miller reported that the County is committed to meeting deadlines, and reemphasized the need for the facility in the County.

Ms. Lovato reiterated the great need for the Crisis Residential Treatment ("CRT") facility in the County, and that they were dedicated to accomplishing the project quickly.

Members discussed concerns regarding the delays and whether or not it would be feasible to continue with the project and possible routes to take to move forward successfully with this project.

Member Frank excused herself from the meeting at 3:43.

Member Hansen made a motion to consider the cure for the County to secure funding for the CRT project met, remove the milestone to begin construction by November 30, 2019, and approve a fourth amendment to Resolution No. MH 2015, adding the following milestone conditions: 1) Measure B Citizen's Oversight Committee's approval of the County's contract with Nacht & Lewis by January 30, 2020, and 2) Board of Supervisors' approval of the property located at 631 South Orchard Avenue, Ukiah, California 95482 for the County's CRT project by January 30, 2020.

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

Authority Action

Motion to approve a fourth amendment to Resolution No. MH 2015-03 to amend the milestone conditions.

MOTION: Member Hansen SECOND: Member Wong-Hernandez

AYES:.....Members: Hansen, Sablan, Kropke, Dorsey, Wong-Hernandez, Noda

NOES:.....Member: Kalvoda

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 3:51 P.M.