

MINUTES

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (CHFFA or AUTHORITY)

**915 Capitol Mall, Room 110
Sacramento, California 95814**

**300 S. Spring Street, Suite 8500
Los Angeles, California 90013**

**February 25, 2021 – 1:45 P.M.
(or upon the adjournment of the California Educational Facilities Authority)**

In light of the COVID-19 pandemic and in accordance with the requirements of Executive Order N-25-20 to provide social distancing at state body meetings, CHFFA provided Authority members, participants, and members of the public the opportunity to participate in this meeting via teleconference.

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

OPEN SESSION

Audrey Noda, Chair, called the meeting to order at 1:58 P.M.

The Secretary announced to the public joining in by phone the instructions for being heard. The Chair went on to mention social distancing measures being taken for the meeting.

<u>Item #1</u>	<u>Roll Call</u>
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Members Present: Via Microsoft Teams Meeting:
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
Antonio Benjamin
Francisco Silva
Robert Cherry, M.D.
Jonathan Bergman, M.D.
Katrina Kalvoda
Keri Kropke

Staff Present: Frank Moore, Executive Director
Carolyn Aboubechara, Deputy Executive Director
Brock Lewis, Staff Services Manager I
Sondra Jacobs, Staff Services Manager I

Chair Noda declared a quorum present.

Item #2**Approval of the Minutes from the January 28, 2021
Authority Meeting (Action Item)**

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

Authority Action

Motion to approve the minutes from the January 28, 2021 Authority meeting.

MOTION: Member Miller

SECOND: Member Benjamin

AYES:.....Members: Silva, Kalvoda, Cherry, Kropke, Benjamin, Miller,
Wong-Hernandez, Noda

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #3**Executive Director's Report (Information Item)****CHFFA Comprehensive Debt List Summaries**

Mr. Moore reported on the Comprehensive and Equipment Debt List Summaries as of January 31, 2021.

Tax-Exempt Bonds Delegation of Powers Monthly Update

Mr. Moore presented a Delegation of Powers report for Becoming Independent, Series 2013 Bonds. Mr. Moore reported that Becoming Independent provided notice to CHFFA of its intent to defease the Bonds and requested CHFFA execute a Certificate of the Authority to discharge the Bonds and the 2013 Indenture. The Executive Director executed the Certificate of the Authority on January 14, 2021.

HELP II Loan Program Delegation of Powers Monthly Update

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

HELP II Loan Program Debt Service Payment Deferrals

Mr. Moore reported that there were no actions taken pursuant to the HELP II Loan Program Debt Service Payment Deferrals Delegation of Powers Resolution.

COVID-19 Emergency HELP Loan Program

Mr. Moore reported that there were no actions taken pursuant to the COVID-19 Emergency HELP Loan Program Delegation of Powers Resolution.

Contract Delegation of Powers Monthly Update

Mr. Moore reported that there were no actions taken pursuant to the Contract Delegation of Powers Resolution.

Mr. Moore reported that there were thirteen applications submitted for the second funding round of the Investment in Mental Health Wellness Grant Program for Children and Youth. Final allocations will be brought to the April Authority meeting.

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

Item #4

**Stanford Health Care
Bond Financing Program**

Extension to Resolution No. 439 (Action Item)

Mr. Lewis presented. Stanford Health Care (SHC) requested the Authority approve an extension to the expiration date of Resolution No. 439 for up to six months, from February 27, 2021 to August 27, 2021. The extension would allow SHC to issue additional bonds in order to complete the refunding of the CHFFA 2012 Series D and CHFFA 2015 Series B bonds. Additionally, SHC requested a change to the resolution to allow any of the underwriter(s) on the State Treasurer's eligible list of underwriters to serve as underwriter(s).

Attendees: (via teleconference) Rafif Ismail, Director of Treasury Services, Stanford Health Care and Jenna Magan, Partner, Orrick, Herrington & Sutcliffe LLP, Bond Counsel.

Ms. Ismail thanked the Authority and staff.

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

Authority Action

Motion to approve an Amendment to Resolution No. 439 for Stanford Health Care to extend the date to sell bonds to on or before August 27, 2021, as well as to enter into a bond purchase contract with any underwriter(s) on the State Treasurer's eligible list of underwriters.

MOTION: Member Wong-Hernandez SECOND: Member Silva

AYES:.....Members: Silva, Kalvoda, Bergman, Cherry, Kropke, Benjamin, Miller,
Wong-Hernandez, Noda

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #5

**Key Community Housing, Inc.
HELP II Loan Program**

Resolution No. HII-330 (Action Item)

Chair Noda reported that Item #5 was removed from the agenda.

Item #6

**County of Los Angeles, Office of Diversion and Reentry
Community Services Infrastructure Grant Program (First Funding Round)**

Resolution No. CSI 2019-01 (Information Item)

Ms. Jacobs presented. Ms. Jacobs reported that in July 2019, CHFFA approved a \$6 million grant to the County of Los Angeles, Office of Diversion and Reentry (County) to add at least 75 new beds for a jail diversion program that provided mental health treatment, substance use disorder treatment, and trauma-centered services to approximately 225 clients annually. Ms. Jacobs also reported that in June 2020, the County requested an amendment to the project description and scope of the project to relocate the project from the Bell Salvation Army facility to the LAC+USC Medical Center Recuperative Care Center, reduce the number of dedicated beds from 75 to 24, and retain all of the grant funds.

Ms. Jacobs stated that after reviewing the documents that were provided by the County, staff had three concerns regarding the new proposed project:

- 1) It appears to be a ground-up, new construction, which is not eligible for the Community Services Infrastructure Grant Program.
- 2) It is being integrated into a preexisting project, and there is insufficient evidence that there is no supplanting of funds.
- 3) There is no evidence that proper certifications or licenses will be obtained.

Ms. Jacobs reported that the County had not provided sufficient evidence as needed in the Project Description Changes Review Matrix, Exhibit B of the staff report. The missing documents include: demonstrating how other county projects would be affected by continuing to fund this project at the existing level, proof that the Board of Supervisors looked at other potential courses of action, updated information for the grant application, proof that the new project would meet eligibility requirements and would have been awarded based on the new project information.

Ms. Jacobs stated that the County will miss its readiness, feasibility, and sustainability program deadline on February 28, 2021, placing the County in default of its grant agreement. Staff intends to bring this item back in March when the Authority would have the following options: set a cure period of at least 30 days; extend the readiness, feasibility and sustainability deadline without amending the resolution and grant agreement; or approve the project description change and amend the resolution and grant agreement.

Attendees: (via teleconference) Rose Sunderland, Project Manager and Ryan Izell, Housing Director, Los Angeles, Office of Diversion and Reentry.

Ms. Sunderland and Mr. Izell thanked the Authority and gave an overview of the County's project.

Member Wong-Hernandez asked if the request for an extension would be to allow more time for the documentation to be provided or if there is a disagreement between staff and the County.

Ms. Aboubechara responded by clarifying the three options given to the Authority members and that the County will need to provide sufficient evidence addressing the three concerns along with the missing documents before staff can make a recommendation to the Authority. Ms. Aboubechara stated that staff will work closely with the County.

Member Kalvoda asked about the rationale about moving the project from the Salvation Army building to the LAC+USC Recuperative Care Center.

Mr. Izell responded that the Salvation Army building would not have been a viable option due to the long term lease commitment with the added costs of facility operations. He mentioned that it is more viable to have the program in a facility owned by the County and that the LAC+USC facility is smaller by design, which is why the County needs to decrease the number of beds.

Member Cherry asked about the operational costs and the financial sustainability of the program over the long term.

Ms. Sunderland responded that the County is working with its service provider to provide operational services and explained that the new operating budget will be comparable to the originally proposed budget.

Member Cherry asked what would happen to the funds allocated to the County if the project does not move forward.

Mr. Moore responded that the funds would revert back to the general fund.

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

Item #7 **Update on the Activities of the CHFFA COVID-19 Task Force**
(Information Item)

Mr. Moore gave an overview of the six potential programs that the CHFFA COVID-19 Task Force is contemplating developing with feedback from stakeholders on the need of each of the six.

Attendees: (via teleconference) David Leifer, Senior Managing Director and Melissa Schick, Director, KNN Public Finance.

Member Silva asked what role the Authority had in the process and if the survey had already been designed and whether it had gone out yet.

Mr. Moore responded that the Authority would have to approve the concept that was agreed upon and that the survey was indeed sent out and that it was shared with Authority members and should be in their board meeting packets.

Member Kalvoda stated that she was in favor of the Loan Loss Reserve Concept.

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

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

Chair Noda asked for public comment. Hearing none, the meeting adjourned at 2:40 P.M.