

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

March 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

Fiona Ma, Chair, called the meeting to order at 1:53 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.

Item #1

Roll Call

Members Present: Via Microsoft Teams Meeting:
Fiona Ma, CPA, State Treasurer
Jacqueline Wong-Hernandez for Betty T. Yee, State Controller
Ryan Miller for Keely Martin Bosler, Director, Department of Finance
Francisco Silva
Robert Cherry, M.D.
Jonathan Bergman, M.D.
Katrina Kalvoda
Keri Kropke

Members Absent: Antonio Benjamin

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

Chair Ma declared a quorum present.

Item #2

**Approval of the Minutes from the February 25, 2021
Authority Meeting (Action Item)**

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

Authority Action

Motion to approve the minutes from the February 25, 2021 Authority meeting.

MOTION: Member Wong-Hernandez SECOND: Member Silva

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

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 February 28, 2021.

Tax-Exempt Bonds Delegation of Powers Monthly Update

Mr. Moore reported that there were no actions taken pursuant to the Tax-Exempt Bonds Delegation of Powers Resolution

HELP II Loan Program Delegation of Powers Monthly Update

Mr. Moore reported a Delegation of Powers report for Key Community Housing, Inc. (Key). Mr. Moore reported that Key provided notice to CHFFA of its intent to borrow \$500,000 from another lender and requested CHFFA’s consent to acquire the additional debt. The Executive Director provided written consent of the additional debt on February 26, 2021.

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.

Investment in Mental Health Wellness Grant Program for Children and Youth Delegation of Powers Update

Mr. Moore reported a Delegation of Powers report for the County of Monterey (County). Mr. Moore reported the County requested a 60-day extension of its second milestone condition deadline requiring submission of all capital cost disbursement requests, including required supporting documentation no later than February 28, 2021, to April 29, 2021. Mr. Moore also indicated that the County had already met its first milestone condition deadline, requiring the project to be open and operational no later than November 30, 2020, on July 1, 2020.

The Executive Director approved the milestone condition extension on February 26, 2021.

Mr. Moore mentioned a Chapter 11 filing for California-Nevada Methodist Homes and that the Bond was insured by Cal-Mortgage. Mr. Moore stated that CHFFA has retained the Attorney General's Office to represent CHFFA.

Chair Ma asked what it meant when an applicant filed for Chapter 11 bankruptcy.

Mr. Moore responded that a Chapter 11 bankruptcy was a reorganization.

Mr. Moore introduced a new staff member, Kylie Stasko, who has joined the grants unit.

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

Item #4 **Lucile Salter Packard Children's Hospital at Stanford**
Bond Financing Program
Resolution No. 444 (Action Item)

Mr. Lewis presented. Lucile Salter Packard Children's Hospital at Stanford (Packard) requested Authority approval to issue tax-exempt bonds in an amount not to exceed \$442,000,000. Mr. Lewis reported that bond proceeds would be used to refund all or a portion of the outstanding CHFFA Series 2012 A and B bonds and the CHFFA Series 2014 A and B bonds.

Attendees: (via teleconference) Dana Haering, Chief Financial Officer; Greg Hogue, Vice President, Finance; Sherri Sager, Senior Vice President & Chief Government and Community Relations Officer; and Paoyin Fan, Accounting Manager, Lucile Salter Packard Children's Hospital at Stanford, Borrower; John Landers, Managing Director; John Badwick, Executive Director; and Jacqueline Lu, Associate, Morgan Stanley, Underwriter; Jenna Magan, Partner, Orrick, Herrington & Sutcliffe LLP, Bond Counsel.

Ms. Haering thanked the Authority and staff.

Member Silva asked how the COVID-19 pandemic impacted Packard financially and how things are looking.

Ms. Haering responded that the COVID-19 pandemic had a big impact on the organization even though COVID-19 did not directly impact children the way it did adults. Ms. Haering also noted that Packard's revenues were significantly affected in March and April of 2020 due to the shelter-in-place order and because Santa Clara County requested Packard to cancel all elective surgeries. Expenses increased as Packard did not reduce its staffing ratios and had to purchase additional personal protective equipment (PPE) to meet California's rule of having at least a year's worth of PPE available.

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

Authority Action

Motion to approve Resolution No. 444 in an amount not to exceed \$442,000,000 for Lucile Salter Packard Children’s Hospital at Stanford, subject to the conditions in the resolution.

MOTION: Member Silva SECOND: Member Wong-Hernandez

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

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #5

**Valley Children’s Hospital
Children’s Hospital Program of 2018
Resolution No. CHP-4 2021-03 (Action Item)**

Yuanyuan Wei presented. Valley Children’s Hospital (VCH) requested the Authority approve a grant in an amount not to exceed \$11,905,229.38 to reimburse itself for the cost of renovation projects and pediatric patient care equipment. Ms. Wei reported that the renovation projects include, but are not limited to: expansion of the sleep laboratory and renovations associated with the installation and the replacement of equipment. Patient care equipment include, but are not limited to: monitors, surgical power tools, lights, a portable x-ray machine, and a digital radiography machine. Ms. Wei reported that all renovation projects were completed and in service by October 1, 2019. All the equipment was purchased between January 2018 and August 2020 and is already in service.

Attendees: (via teleconference) Tim Curley, Director of Community and Government Relations, Community Benefits, Valley Children’s Hospital.

Mr. Curley thanked the Authority and gave an overview of VCH’s projects.

Member Kropke asked about the common findings from the sleep studies that VCH had conducted

Mr. Curley responded that he did not have that information but would get back to Mr. Moore with it.

Member Kalvoda asked about the sleep lab equipment.

Mr. Curley also answered that he did not have that information but would get back to Mr. Moore with it.

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

Authority Action

Motion to approve Resolution No. CHP-4 2021-03 for Valley Children’s Hospital to receive a grant not to exceed \$11,905,229.38 (less costs of issuance and administration costs), subject to the conditions in the resolution.

MOTION: Member Kropke

SECOND: Member Kalvoda

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

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #6

**County of Los Angeles, Office of Diversion and Reentry
Community Services Infrastructure Grant Program (First Funding Round)
Resolution No. CSI 2019-01B (Action Item)**

Sondra Jacobs presented. Ms. Jacobs reported that in July 2019, the Authority approved a \$6 million grant to the County of Los Angeles, Office of Diversion and Reentry (County) to add 75 new beds for a jail diversion program that would provide treatment and services to approximately 225 clients annually. Ms. Jacobs stated that in June 2020, the County requested to change the scope of the project, moving the project from Bell Recuperative Center to the LAC+USC Recuperative Care Center, reducing the number of beds from 75 to 24, and retaining all of the grant funds. Ms. Jacobs reported that at the February 2021 Authority meeting, staff shared a number of concerns about the County’s proposal including the fact that as of February 28, 2021, the County would have missed its readiness, feasibility, and sustainability deadline, placing the County in default of its grant agreement.

Ms. Jacobs stated that one of the concerns shared at the February meeting was that the newly proposed project appeared to be new ground-up construction, which is not eligible under the Community Services Infrastructure (CSI) program. The County had confirmed that the project was new ground-up construction, and therefore the proposed project was no longer a viable option under the CSI program. Ms. Jacobs reported that the County was going to look at other project options that would meet the program’s intent and requirements and that would be open and operational by the June 30, 2022 program deadline.

Additionally, Ms. Jacobs reported that the County missed its February deadline of meeting the readiness, feasibility, and sustainability program requirement and was in default of its grant agreement. Staff recommended the Authority set a cure period of May 28, 2021 that would coincide with the day after the May 27, 2021 Authority meeting and provide the County a reasonable amount of time to cure the event of default.

Attendees: (via teleconference) Cheri Todoroff, Director of Community Programs, Los Angeles County Department of Health Services and Rose Sunderland, Project Manager, Los Angeles County Office of Diversion and Reentry.

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

Authority Action

Motion to approve Resolution No. CSI 2019-01B to set a cure period ending May 28, 2021, for the County of Los Angeles, Office of Diversion and Reentry to meet the readiness, sustainability, and feasibility program requirement.

MOTION: Member Kropke SECOND: Member Cherry

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

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #7 Approval of an Interagency Agreement with the State Treasurer’s Office for Fiscal Year 2020-2021 in an Amount Not to Exceed \$414,845 Resolution No. 2021-02 (Action Item)

Ms. Brewer presented. Staff requested approval of the proposed interagency agreement for fiscal year 2020-2021 in the amount of \$414,845. The interagency agreement amount was derived from a formula that allocated costs based on the number of staff for all of the boards, commissions, and authorities receiving services from the STO.

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

Authority Action

Motion to approve Resolution No. 2021-02 in an amount not to exceed \$414,845 for fiscal year 2020-2021.

MOTION: Member Silva SECOND: Member Cherry

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

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

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

Items #8 and #9 Public Comment and Adjournment

Chair Ma asked for public comment. Hearing none, the meeting adjourned at 2:30 P.M.