

MINUTES

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
(CHFFA or AUTHORITY)**

**915 Capitol Mall, Room 587
Sacramento, California 95814**

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

May 26, 2022 – 1:30 P.M.

Public Participation

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

OPEN SESSION

Audrey Noda, Chair, called the meeting to order at 1:30 P.M.

The Secretary announced to the public joining in by phone the instructions for being heard.

Item #1

Roll Call

Members Present: Audrey Noda for Fiona Ma, CPA, State Treasurer
Indira McDonald for Betty T. Yee, State Controller
Adam Dorsey for Keely Martin Bosler, Director, Department of Finance
Robert Cherry, M.D.
Katrina Kalvoda
Keri Kropke

Members Absent: Antonio Benjamin
Francisco Silva

Staff Present: Frank Moore, Executive Director
Carolyn Aboubechara, Deputy Executive Director
Chris Healy, Associate Governmental Program Analyst
Sondra Jacobs, Staff Services Manager I
Kylie Stasko, Staff Services Analyst
Cory Mouhasseb, Associate Governmental Program Analyst
Matt Francis, Associate Governmental Program Analyst
Anna Ramirez, Associate Governmental Program Analyst

Chair Noda declared a quorum present.

Item #2 Approval of the Minutes from the April 28, 2022 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 April 28, 2022 Authority meeting.

MOTION: Member McDonald SECOND: Member Dorsey

AYES:.....Members: Cherry, Kropke, Dorsey, McDonald, Noda

NOES:.....NONE

ABSTAIN:.....Members: Kalvoda

RECUSE:.....NONE

MOTION APPROVED.

Item #3 Executive Director’s Report (Information Item)

Contract Delegation of Powers Update

Mr. Moore reported a Delegation of Powers update for the California Institute for Behavioral Health Solutions for mental health advisory services. Mr. Moore reported that the Investment in Mental Health Wellness Act of 2013 (SB 82) created CHFFA’s mental health wellness grant program and provided authorization and funding to consult with an advisory entity. The firm will be a Technical Advisor and provide services to the Authority on an as-needed basis for behavioral health grant programs for fiscal years 2022-2025. Mr. Moore reported that the contract amount is \$49,500.00 and runs from July 1, 2022 through June 30, 2025. The Executive Director executed the agreement on April 5, 2022.

Mr. Moore reported a Delegation of Powers update for the Department of Health Care Services’ (DHCS) interagency agreement with CHFFA. Mr. Moore reported the 2021/2022 budget requires CHFFA to administer the Nondesignated Public Hospital Bridge Loan (NDPH) program and provide up to \$40,000,000 in working capital loans to eligible nondesignated public hospitals to transition from one Medi-Cal funding program to another. In case of nonrepayment of loans, CHFFA would intercept borrower's Medi-Cal check write payments. The Executive Director executed this interagency agreement on April 12, 2022.

Investment in Mental Health Wellness Grant Program Delegation of Powers Quarterly Milestones Update

Mr. Moore reported an update for the Investment in Mental Health Wellness Grant Program Delegation of Powers Quarterly Milestones.

Other Items

Mr. Moore gave an update on the California-Nevada Methodist Chapter 11 filing.

Mr. Moore announced that a CHFFA staff member, Cory Mouhasseb, will be leaving the Authority.

Chair Noda announced that Mr. Moore will be retiring from state service as of July 1.

Carolyn Aboubechara as the Deputy Executive Director will be overseeing the program for the Executive Director of CHFFA.

Chair Noda thanked Mr. Moore for his service to the State Treasurer’s Office (STO) and the Authorities.

Authority Members thanked Mr. Moore for his dedication and commitment to CHFFA and wished him well.

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

Item #4 **Interagency Agreement with the State Treasurer’s Office**
Resolution No. 2022-02 (Action Item)

Mr. Healy presented. Mr. Healy reported that the Authority relies on the STO for the expertise and staff necessary to perform services that would otherwise require substantial additional staffing and expense by the Authority. Mr. Healy reported that the Authority executes an interagency agreement with the STO for each fiscal year. The proposed interagency agreement amount for fiscal year 2021-2022 was \$420,383. Mr. Healy reported the interagency agreement amount was derived from a formula that allocates costs based on the number of staff at the Authority divided by the total number of staff for all boards, commissions, and authorities receiving services from the STO.

Attendees: None

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

Authority Action

Motion to approve Resolution No. 2022-02 for the Interagency Agreement with the State Treasurer’s Office for FY 2021/2022 in an amount not to exceed \$420,383.

MOTION: Member McDonald SECOND: Member Kalvoda

AYES:.....Members: Kalvoda, Cherry, Kropke, Dorsey, McDonald, Noda

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #5 **Delegating Certain Powers and Authorizing Actions Related to**
the Community Services Infrastructure Grant Program
Amendment to Resolution No. 2019-04 (Action Item)

Ms. Jacobs presented. Ms. Jacobs reported that in July 2019, the Authority approved Resolution No. 2019-04, delegating to the Executive Director, Deputy Executive Director, or Deputy to the Chair, the power to extend grant milestone conditions by up to sixty (60) days. Ms. Jacobs reported that in September 2021, the Governor signed Senate Bill 170, which extended the CSI program end date to June 30, 2025. Extending the resolution end date to June 30, 2025 would align it with the program end date and would continue delegating to the Executive Director, Deputy Executive Director, or Deputy to the Chair the power to extend grant milestone conditions extension requests for up to 60-days.

Ms. Gabor explained that the community outreach plan was modeled after another project in the County and explained the revised community outreach plan. Ms. Gabor stated that the operating costs were already included in the budget of the Community Corrections Partnership, which is responsible for developing and submitting public safety realignment implementation recommendations to the Board of Supervisors, and that the housing management fees would be half of what was expected.

Member Dorsey asked if the inability to use the first property was due to community sentiment and not zoning issues.

Ms. Gabor responded that the community opposition led staff to believe that their residents would not be safe in that property.

Chair Noda asked how committed the Board of Supervisors were.

Ms. Gabor stated that the Board of Supervisors has approved the new community outreach strategies, and the project has received a letter of support from a board member.

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

Item #7

**County of Los Angeles
Investment in Mental Health Wellness Grant Program
(First Funding Round)
Resolution No. MH 2014-06 (Information Item)**

Mr. Mouhasseb presented. The County of Los Angeles Department of Mental Health (County) requested Authority approval for a grant in an amount not to exceed \$40,892,700.49 to develop 240 beds and 15 new Crisis Residential Treatment Programs (CRTP); eight new beds in one expanded Crisis Stabilization Unit (CSU), aka Urgent Care Center (UCC); 14 Mobile Crisis Support Teams (MCST) and one clerical staff. Mr. Mouhasseb reported that in October 2021, the Authority approved a fifth amendment to Resolution No. MH 2014-06, granting the County an extension to the milestone conditions as well as extending the grant period and resolution expiration dates to December 31, 2022. The last update was presented to the Authority on February 24, 2022.

Attendee: (via teleconference) Jonathan Sherin, M.D., Ph.D., Director and Jo Ann Yanagimoto-Pinedo, Deputy Director, Strategic Initiatives, Los Angeles County Department of Mental Health.

Ms. Yanagimoto-Pinedo thanked the Authority for its support and gave an overview of the County's four projects.

Member Cherry congratulated the County for obtaining the certificates of occupancies and mentioned that the projects were well executed.

Ms. Yanagimoto-Pinedo added that she would help set up visits for board members to tour the facilities.

Dr. Sherin thanked the Authority and Ms. Yanagimoto-Pinedo and mentioned that he would be stepping down as of June.

Chair Noda thanked Dr. Sherin and the team.

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

Item #8 **Bond and Tax-Exempt Equipment Financing Programs**
Calendar Year 2021 Annual Report (Information Item)

Mr. Francis presented. Mr. Francis gave an overview of the Bond & Tax-Exempt Equipment Financing Programs Calendar Year 2021 Annual Report.

Attendees: None

Member Dorsey asked if CHFFA was able to gauge what the effect of changing interest rates would have on future bond issuances.

Mr. Francis responded that although it was tough to predict exactly what changing interest rates would do to the bond market in general, but in terms of numbers of issuances, CHFFA has strong relationships with its top borrowers and they would likely still issue through CHFFA if financing needs arose.

Mr. Moore mentioned that borrowers would likely continue to have new projects and financing needs to be met no matter the market conditions.

Member Kalvoda asked how many hospitals each of the top ten borrowers have in their systems.

Mr. Moore responded that staff would research and follow up at a later time.

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

Item #9 **HELP II Loan Program**
Calendar Year 2021 Annual Report (Information Item)

Ms. Ramirez presented. Ms. Ramirez gave an overview of the HELP II Loan Program Calendar Year 2021 Annual Report.

Attendees: None

Mr. Moore mentioned that the 2% interest rate for the HELP II Loan Program should be advantageous for the program with general interest rates increasing. Mr. Moore also noted that the Emergency HELP II Loan Program and the HELP II Debt Service Payment Deferrals were still available to borrowers until either the Board decides to discontinue them, or Governor Newsom ends the COVID-19 State of Emergency order.

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

Items #10 and #11 **Public Comment and Adjournment**

Chair Noda asked for public comment. Hearing none, the meeting adjourned at 2:26 P.M.