

MINUTES

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (CHFFA or AUTHORITY)

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

In accordance with Senate Bill 189, enacted on June 30, 2022, CHFFA is providing Board members, participants, and members of the public the opportunity to participate in this meeting though teleconferencing.

July 28, 2022 – 1:45 P.M.

(or upon adjournment of the California Educational Facilities Authority meeting)

Public Participation

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

OPEN SESSION

Audrey Noda, Chair, called the meeting to order at 1:51 P.M.

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

<u>Item #1</u>	<u>Roll Call</u>
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Members Present: Audrey Noda for Fiona Ma, CPA, State Treasurer
Indira McDonald for Betty T. Yee, State Controller
Gayle Miller for Keely Martin Bosler, Director, Department of Finance
Antonio Benjamin
Robert Cherry, M.D.
Robert Hertzka, M.D.
Keri Kropke, M.A., M.A., CCC-SLP

Members Absent: Francisco Silva
Katrina Kalvoda

Staff Present: Carolyn Aboubechara, Deputy Executive Director
Sondra Jacobs, Staff Services Manager I
Matt Francis, Associate Governmental Program Analyst
Anna Ramirez, Associate Governmental Program Analyst

Chair Noda declared a quorum present.

Chair Noda welcomed the newest CHFFA board member, Robert Hertzka, M.D.

Item #2 Approval of the Minutes from the June 30, 2022 Authority Meeting (Action Item)

Chair Noda asked the Authority members if there were any changes or edits to the minutes.

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

Authority Action

Motion to approve the minutes from the June 30, 2022 Authority meeting.

MOTION: Member Miller

SECOND: Member Cherry

AYES:.....Members: Hertzka, Cherry, Benjamin, Miller, McDonald, Noda

NOES:.....NONE

ABSTAIN:.....Member: Kropke

RECUSE:.....NONE

MOTION APPROVED.

Item #3

Executive Director's Report (Information Item)

Legislative Updates

Ms. Aboubechara reported a few legislative updates that were recently approved in the Budget Bill approved by the Governor. CHFFA was given two programs to administer: another \$40 million for a second part of the Nondesignated Public Hospital Bridge Loan Program (NDPH Program) and \$25 million for a Special Care Dental Clinic Grant Program.

Ms. Aboubechara mentioned that in September 2021, a Junior Budget Bill authorized CHFFA to administer the NDPH Program, a \$40 million, 2-year, 0% working capital loan program for district hospitals to help with cash flow issues due to a change in the Medi-Cal Incentive payment program. All funds in that program were loaned out in two funding rounds. CHFFA was recently authorized another \$40 million for another year of funding through the Budget Act of 2022. Ms. Aboubechara reported that CHFFA staff is working on the program guidelines in consultation with the District Hospital Leadership Forum and will bring the guidelines to the Authority for approval in the upcoming months.

Additionally, the Budget Act of 2022 allocated CHFFA \$25 million to implement the Special Care Dental Clinic Grant Program (the Program). The Program will provide grants of up to \$5 million dollars to eligible entities for the construction, expansion, modification, or adaptation of specialty dental clinics to increase access to oral health care to the special health care needs populations. The "special health care needs populations" are children and adults who have disabilities that prevent them from receiving routine or specialty care due to their physical, developmental, or cognitive condition. Ms. Aboubechara reported that these individuals require specialized services. Due to shortages of specialized dental care providers, they often struggle to be seen by dentists that can accommodate their situation. Sometimes leading to long wait times for appointments, up to a year. Staff met with the California Dental Association and is diligently working on developing the program guidelines, which will take some time to develop as the statutory language is broad and needs refinement after input from stakeholder meetings.

Additionally, Ms. Aboubechara reported that Trailer Bill language was recently approved that extended the maturity of working capital loans and bonds for nonprofit health facilities from 15 months to two years. The new maturity deadline will now be consistent with the maturity deadline of the NDPH Program that allows two-year maturities for working capital loans; therefore, CHFFA's programs and the Act are now consistent.

Member Cherry asked how long before the Program is brought back to the board for review and approval.

Ms. Aboubechara responded that there is no timeline yet, but the Program would be brought back as an information item prior to taking action. CHFFA was told by the Dental Association that the language was developed broad, so it would need to be refined by CHFFA, which would take time.

Other Items

Ms. Aboubechara reported that on July 6, 2022, the Treasurer attended the ribbon cutting ceremony at the LAC + USC Medical Center campus in Los Angeles County that was awarded grant funds from CHFFA's Investment in Mental Health Wellness Grant Program. Ms. Aboubechara mentioned that \$10 million of the \$40 million grant approved were used for this site.

Ms. Aboubechara introduced a new staff member, an addition to the Children's Hospital team, Ariadna Jimenez.

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

Item #4

**AltaMed Health Services Corporation
Bond Financing Program
Resolution No. 447 (Action Item)**

Mr. Francis presented. AltaMed Health Services Corporation (AltaMed) requested Authority approval to issue tax-exempt bonds through CHFFA's Bond Financing Program in an amount not to exceed \$129,568,000. Mr. Francis reported that the bond proceeds would be used to refinance all or a portion of the outstanding CHFFA 2015 Series A & B bonds as well as the California Statewide Communities Development Authority 2007 bonds and 2018 bank loans.

Attendees: (via teleconference) Jose Esparza, Executive Vice President of Finance and Chief Financial Officer, Fernando Flores, Vice President of Finance, and Scott Swift, Corporate Controller, AltaMed Health Services Corporation, Borrower; and Jenna Magan, Partner and Mayling Leong, Senior Associate, Orrick, Herrington & Sutcliffe LLP, Bond Counsel.

Mr. Esparza thanked the Authority and staff and described AltaMed's facilities.

Mr. Flores gave an overview of AltaMed's projects.

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

Authority Action

Motion to approve Resolution No. 447 for AltaMed Health Services Corporation in an amount not to exceed \$129,568,000, subject to the conditions in the resolution.

MOTION: Member Benjamin

SECOND: Member Hertzka

AYES:.....Members: Hertzka, Cherry, Kropke, Benjamin, Miller, McDonald, Noda

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #5**Children's Hospital Los Angeles
Bond Financing Program
Resolution No. 448 (Action Item)**

Ms. Ramirez presented. Children's Hospital Los Angeles (CHLA) requested Authority approval to issue tax-exempt bonds through CHFFA's Bond Financing Program in an amount not to exceed \$105,000,000. Ms. Ramirez reported that the loan proceeds would be used to refund the outstanding Series 2012A CHFFA bonds and pay costs of issuance. The refunding is expected to generate a net present value savings of approximately \$7.6 million over the life of the bonds.

Attendees: (via teleconference) Scott Lieberenz, Chief Financial Officer; Aaron Shimizu, Assistant Controller; Rolando Gomez, Director, Community Relations and Strategic Initiatives, Government and Community Affairs; and Cynthia Godinez, Manager, Financial Reporting, Controller's Office, Children's Hospital Los Angeles, Borrower; and Jenna Magan, Partner, Orrick, Herrington & Sutcliffe LLP, Bond Counsel.

Mr. Lieberenz thanked the Authority and gave an overview of CHLA's projects.

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

Authority Action

Motion to approve Resolution No. 448 for Children's Hospital Los Angeles in an amount not to exceed \$105,000,000, subject to the conditions in the resolution.

MOTION: Member Kropke

SECOND: Member Miller

AYES:.....Members: Hertzka, Cherry, Kropke, Benjamin, Miller, McDonald, Noda

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #6**Heritage Group Homes, Inc.
HELP II Loan Program
Resolution No. HII-334 (Action Item)**

Ms. Ramirez presented. Heritage Group Homes, Inc. (Heritage) requested the Authority approve a HELP II loan in an amount not to exceed \$2,000,000. Ms. Ramirez reported that the loan proceeds would be used to finance the purchase of a residential facility in Los Angeles County or San Bernardino County that would be used for permanent supportive housing and mental health services to serve foster youth ages 18-26 at time of entry into the program.

Attendees: (via teleconference) Sandi K. Heyer, Executive Director, Heritage Group Homes, Inc., Borrower.

Ms. Heyer thanked the Authority and gave an overview of Heritage's facilities.

Member Cherry asked if Heritage was anticipating any challenges finding an appropriate property.

Ms. Heyer responded that there are challenges in the market for multiple family housing as several purchase opportunities have already been missed by not having a preapproval in hand. Ms. Heyer stated that having this preapproved HELP II loan would help Heritage be a more competitive buyer such that she does not anticipate that these challenges would prevent Heritage from being able to close on a property by the end of the year.

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

Authority Action

Motion to approve Resolution No. HII-334 for Heritage Group Homes, Inc., in an amount not to exceed \$2,000,000, subject to the conditions in the resolution.

MOTION: Member McDonald

SECOND: Member Miller

AYES:.....Members: Hertzka, Cherry, Kropke, Benjamin, Miller, McDonald, Noda

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #7

County of Sonoma

Community Services Infrastructure Grant Program (First Funding Round)

Second Amendment to Resolution No. CSI 2019-07(Action Item)

Ms. Jacobs presented. The County of Sonoma (County) requested Authority approval to amend the milestone condition deadlines of submitting all disbursement documentation from September 30, 2022, to August 31, 2023, and of being open and operational from July 31, 2022, to April 1, 2023. Staff also recommended extension of the grant period and resolution expiration dates to November 30, 2023. Ms. Jacobs reported that in March 2022, the County and the Sonoma County Community Development Commission (CDC) agreed to repurpose a property, that was purchased for another county program, for the CSI program. Ms. Jacobs reported that the property lot has four separate building structures: the main house, an unattached garage, and two cottages. The renovation on the main house and the garage had been delayed due to the building being historic and requires additional paperwork prior to permitting. Ms. Jacobs reported that the renovation of the two cottages cannot begin until the current tenants, who are clients of the Homeless Encampment Access and Resource Team Program, are re-housed. The County is working with other county agencies to secure a new location for the tenants and anticipates that the tenants would be re-housed by September 15, 2022. The County anticipates that all renovations would be completed by February 2023 and that the CSI program would be open and operational by April 2023. This extension would give the County the time needed to re-house the current tenants, obtain the necessary building permits, complete renovations, and begin providing services to justice involved individuals.

Ms. Jacobs reported that on September 23, 2021, the Governor signed Senate Bill 170, which extended the CSI encumbrance deadline to June 30, 2023, and extended the disbursement deadline and CSI program end dates to June 30, 2025.

Attendees: (via teleconference) Sid McColley, Acute and Forensic Services Section Manager, Sonoma County Department of Health Services – Behavioral Health Division, and Ray Tovar, Affordable Housing Asset Coordinator, Sonoma County Community Development Commission.

Ms. McColley thanked the Authority and gave an overview of the County’s project.

Member Kropke asked about the relocation plan for the tenants.

Ms. McColley responded that the County is working with a relocation consultant to secure a new location for the tenants and paying the relocation costs.

Mr. Tovar clarified that the County and CDC will also fund up to 42 months of housing assistance once the tenants are relocated. In addition, the County is working with the City and County of Santa Rosa to ensure that housing vouchers will be available to the tenants after the end of the 42 months of housing assistance. Mr. Tovar also explained that the tenants are amicable to the relocation plan.

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

Authority Action

Motion to approve the Second Amendment to Resolution No. CSI 2019-07 for the County of Sonoma to amend the milestone conditions and extend the resolution and grant period expiration dates to November 30, 2023.

MOTION: Member Kropke SECOND: Member Miller

AYES:.....Members: Hertzka, Cherry, Kropke, Benjamin, Miller, McDonald, Noda

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Items #8 and #9

Public Comment and Adjournment

Chair Noda asked for public comment. Hearing none, the meeting adjourned at 2:27 P.M.