

MINUTES

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (AUTHORITY)

**First Floor Conference Room
901 P Street, Room 102
Sacramento, California 95814**

Pursuant to Government Code section 11133, the Authority provided Board members, participants, and members of the public the opportunity to participate in this meeting through teleconferencing.

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

May 25, 2023 – 1:30 P.M.

OPEN SESSION

Chief Deputy Treasurer Patrick Henning, Chair, called the meeting to order at 1:32 P.M.

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

Item #1	Roll Call
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Members Present:	Patrick Henning for Fiona Ma, CPA, State Treasurer David Oppenheim for Malia M. Cohen, State Controller Iliana Ramos for Joe Stephenshaw, Director of Finance Antonio Benjamin Robert Cherry, M.D. Robert Hertzka, M.D. Katrina Kalvoda Keri Kropke, M.A., M.A., CCC-SLP
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Members Absent:	Francisco Silva
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Staff Present:	Carolyn Aboubechara, Executive Director Sondra Jacobs, Staff Services Manager I Matt Francis, Staff Services Manager I Erica Rodriguez, Associate Government Program Analyst Tyler Bui, Associate Government Program Analyst Eman Hariri, Associate Government Program Analyst Rana Mayers, Associate Government Program Analyst Chris Healy, Associate Government Program Analyst Careen Prince, Staff Services Analyst
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Chair Henning declared a quorum present.

Item #2**Approval of the Minutes from the April 27, 2023****Authority Meeting (Action Item)**

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

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

Authority Action

Motion to approve the minutes from the April 27, 2023 Authority meeting.

MOTION: Member Oppenheim

SECOND: Member Benjamin

AYES:.....Members: Kalvoda, Hertzka, Cherry, Kropke, Benjamin, Ramos,
Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #3**Executive Director's Report (Information Item)****Contract Delegation of Powers Update**

Executive Director Carolyn Aboubechara presented a Contract Delegation of Powers Update. Executive Director Aboubechara reported that CHFFA executed an amendment to extend the contract with TAP International. Inc. through Fiscal Year 2023-2024.

Other Items

Executive Director Aboubechara reported that Hazel Hawkins Memorial Hospital, a current borrower under the Authority's programs, filed for Chapter 9 bankruptcy on May 23, 2023 and shared with the Board that staff would continue to monitor the situation.

Executive Director Aboubechara reported the promotion of Bianca Smith to Deputy Executive Director.

Members Kropke and Benjamin congratulated her.

Executive Director Aboubechara reported the addition of a new staff member, Janae Davis.

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

Item #4**Marshall Medical Center****Bond Financing Program****Supplement and Amendment to Resolution No. 440 (Action Item)**

Staff member Erica Rodriguez presented. Staff member Rodriguez reported that the Authority adopted Resolution No. 440 in March 2020 for Marshall Medical Center (Marshall). Bond proceeds were authorized to finance the costs of the acquisition, construction, expansion, remodeling, renovation, furnishing, equipping and reimbursement of multiple facilities either owned or leased by Marshall as well as to refund the CHFFA 2004 Series B bonds. In April 2020, Marshall issued the Series 2020A for approximately \$47 million. Due to the COVID-19 pandemic, Marshall was unable to use bond proceeds for certain projects, leaving a \$13 million balance in unspent bond proceeds.

Marshall requested the Authority supplement and amend Resolution No. 440 to apply remaining bond proceeds to an additional project: to finance a portion of the costs of acquisition and remodeling of a building to be used for clinical services, located in El Dorado Hills, CA.

Attendees: (via teleconference) Laurie Eldridge, Chief Financial Officer, Marshall Medical Center, Borrower; and Jenna Magan, Partner and Mayling Leong, Senior Associate, Orrick, Herrington & Sutcliffe LLP, Bond Counsel.

Chief Financial Officer Eldridge thanked the Authority and described how the amendment would allow Marshall to best serve the members of its community through the purchase and renovation of a 2-story property in El Dorado Hills.

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

Authority Action

Motion to approve Supplement and Amendment to Resolution No. 440 for Marshall Medical Center, with all prior provisions and conditions remaining unchanged and in full effect.

MOTION: Member Cherry

SECOND: Member Kropke

AYES:.....Members: Kalvoda, Hertzka, Cherry, Kropke, Benjamin, Ramos,
Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #5

**Chinatown Service Center
Healthcare Expansion Loan Program II (HELP II)
Resolution No. HII-344 (Action Item)**

Staff member Tyler Bui presented. Staff member Bui reported that Chinatown Service Center (CSC) requested a HELP II loan of \$2,000,000 for the purchase of an existing property to be used as a community clinic, which will expand access to healthcare services to residents of the city of Alhambra.

Attendees: (via teleconference) Peter Ng, Chief Executive Officer and Yeryca Ramos, Chief Financial Officer, Chinatown Service Center.

Chief Executive Officer Ng thanked the Authority and gave an overview of CSC's project.

Member Oppenheim commented on the worthiness of the applicant's organization and commended the applicant for their cause.

Member Cherry reiterated Member Oppenheim's sentiment and asked whether the project would include hearing care.

Chief Executive Officer Ng reported that while there would be no dedicated hearing care department, the referral system would be able to resolve these issues and, if needed, the social services department would also intervene by way of economic assistance.

Chair Henning echoed the community need for health care services from culturally competent organizations such as CSC.

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

Authority Action

Motion to approve Resolution No. HII-344 for Chinatown Service Center in an amount not to exceed \$2,000,000, subject to the terms and conditions in the resolution.

MOTION: Member Oppenheim

SECOND: Member Benjamin

AYES:.....Members: Kalvoda, Hertzka, Cherry, Kropke, Benjamin, Ramos,
Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #6

**Northeastern Rural Health Clinics
HELP II**

Resolution No. HII-345 (Action Item)

Staff member Careen Prince presented. Staff member Prince reported that Northeastern Rural Health Clinics (Northeastern RHC) requested a HELP II renovation loan of \$332,500 to replace an aging boiler and a HELP II equipment loan of \$80,000 to purchase 40 laptops and personal computers to update antiquated computer systems.

Attendees: (via teleconference) Lacey Lively, Interim Chief Executive Officer and Chief Financial Officer and Janeen Hales, Interim Financial Director, Northeastern Rural Health Clinics.

Interim Chief Executive Officer Lively gave an overview of the project and noted that a pending Microsoft update would render the applicant's current computers obsolete stressing the urgency of the issue.

Member Kropke commented on the problem of the boiler and informed the applicant of the Board's desire to help.

Member Cherry asked for details regarding the type of boiler Northeastern RHC intended to purchase.

Interim Chief Executive Officer Lively reported that the maintenance team had found the most energy efficient boiler possible.

Chair Henning stated his appreciation for the applicant's service to the northeastern region of California and commented on the under-served nature of the region.

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

Authority Action

Motion to approve Resolution No. HII-345 for Northeastern Rural Health Clinics in an amount not to exceed \$332,500 for renovations and not to exceed \$80,000 for equipment, subject to the terms and conditions in the resolution.

MOTION: Member Kropke

SECOND: Member Kalvoda

AYES:.....Members: Kalvoda, Hertzka, Cherry, Kropke, Benjamin, Ramos,
Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #7

Asian Pacific Health Care Venture, Inc.

HELP II

First Amendment to Resolution No. HII-341 (Action Item)

Staff member Rana Mayers presented. Staff member Mayers reported that on December 1, 2022, Asian Pacific Health Care Venture, Inc. (Asian Pacific) was approved for a \$1,500,000 loan to renovate an existing facility. Staff member Mayers reported that Asian Pacific would not be able to submit the necessary documentation to close the loan prior to the June 1, 2023 resolution repeal date due to delays with a zoning requirement regarding the number of parking spaces required by the City of El Monte zoning department. The updated renovation start date is now October 2023. Staff member Mayers noted that the extension request would move the resolution repeal date to December 1, 2023 and allow the project to be completed by August 2024.

Attendees: (via teleconference) Kazue Shibata, Chief Executive Officer; Nardo Beltran, Chief Financial Officer; and Andrew Ma, Director of Facility Operations, Asian Pacific Health Care Venture, Inc.

Director of Facility Operations Ma reiterated that the delay was due to the zoning requirement and noted that the issue had been approved by the City of El Monte Zoning Review Committee.

Member Cherry asked if any appeals to the approval were received during the ten-day appeal window.

Director of Facility Operations Ma confirmed that there were no appeals and that they were signing documents to move forward with the project.

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

Authority Action

Motion to approve First Amendment to Resolution No. HII-341 for Asian Pacific Health Care Venture, Inc., all other conditions remain unchanged and in full effect.

MOTION: Member Hertzka

SECOND: Member Oppenheim

AYES:.....Members: Kalvoda, Hertzka, Cherry, Kropke, Benjamin, Ramos,
Oppenheim, Henning

NOES:.....NONE
ABSTAIN:.....NONE
RECUSE:.....NONE

MOTION APPROVED.

Item #8

County of Santa Clara
Community Services Infrastructure Grant program (Fourth Funding Round)
Resolution No. CSI 2023-03 (Action Item)

Staff member Sondra Jacobs presented. Staff member Jacobs reported the Community Services Infrastructure (CSI) Grant Program opened its fourth funding round, on December 12, 2022, with an application deadline of March 3, 2023. The Authority received four applications from three counties (Fresno, Santa Clara, and Yuba) and one from a non-profit entity requesting a combined total of approximately \$22 million dollars. Two applications were not eligible for scoring, as the non-profit entity did not meet the criteria of an eligible applicant, and Fresno County submitted its application after the submission deadline in the inaccurate format. Staff member Jacobs stated that Authority staff confirmed with legal counsel on their eligibility. Staff Member Jacobs reported that Yuba County later voluntarily withdrew its application due to the lack of county resources to manage grant activities. Staff Member Jacobs reported that Santa Clara County (the County) received an initial allocation of \$6 million and the grant would fund the purchase of three homes, which would allow the County to grow its Transitional Housing Unit program by 18 beds and provide behavioral health services to 36 justice-involved individuals annually.

Staff member Jacobs reported that the deadline to encumber funds for the CSI program was June 30, 2023 and that the remaining unallocated funds of approximately \$147 thousand would revert back to the General Fund.

Attendees: (via teleconference) Gabby Olivarez, Division Director and Rebeca Lemus-Mendez, Program Manager III, Santa Clara County Behavioral Health Services Department, Forensic, Diversion, and Reintegration Division and Khani Gustafson, CA Institute of Behavioral Health Solutions.

Division Director Olivarez thanked the Authority and gave an overview of the County's project.

Member Cherry commented regarding Yuba County's voluntary withdrawal of its application, stressing the importance of working with the counties and linking them with resources to help with grant writing and grant management.

Chair Henning commented that while the CSI program was in its final funding round, Authority staff had done outreach to work with applicants as much as possible.

Executive Director Aboubechara acknowledged and reiterated the need and importance to work collaboratively with counties and that Authority staff offers help to applicants prior to the application submission and encourages applicants to do so.

Member Kropke asked for clarification regarding the nature of services provided by the County's Behavioral Health Services Department and whether the program addressed learning disabilities of participants.

Division Director Olivarez elaborated on the County's forensic assertive community treatment services and assured the Authority that the County partners with multiple organizations to meet the need of program participants, 72% of whom present with developmental disabilities, autism or other co-occurring conditions.

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

Authority Action

Motion to approve Resolution No. CSI 2023-03 for the County of Santa Clara in a Final Allocation Amount not to exceed \$6,000,000.00.

MOTION: Member Kropke

SECOND: Member Cherry

AYES:.....Members: Kalvoda, Hertzka, Cherry, Kropke, Benjamin, Ramos,
Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #9

County of Santa Cruz
Investment in Mental Health Wellness Grant Program for Children and Youth
(Third Funding Round)

First Amendment to Resolution No. CY 2022-04 (Action Item)

Staff member Eman Hariri presented. The County of Santa Cruz (County) requested Authority approval to amend the milestone conditions and extend the grant period and resolution expiration dates to June 30, 2026. Staff member Hariri reported that the County would not be able to meet the milestone conditions of being open and operational by July 31, 2023 and of submitting all disbursement documentation by December 31, 2023. Staff member Hariri explained that due to County staff being diverted to COVID-19 pandemic emergency response and two atmospheric river storms, the County was limited to providing essential services, thereby causing a delay in the progress of the Children's Crisis Residential Program (CCRP) project. Staff member Hariri reported the County purchased an existing property for the project on April 13, 2023, instead of pursuing the initial plan of new construction. The extension would give the County the time needed to complete the renovation by July 31, 2025 and to be open and operational by December 31, 2025.

Attendees: (via teleconference) Karen Kern, Deputy Director and Lisa Gutierrez-Wang, Ph.D., Director of Children's Behavioral Health, County of Santa Cruz Behavioral Health Division

Director Gutierrez-Wang gave an overview of the challenges surrounding the project due to staff being diverted to address local disasters. Director Gutierrez-Wang explained that the original project location underwent a master planning process, leading the County to search for an alternative site for the CCRP project. The County was able to purchase a building located at an existing sheriff's public safety center campus. Director Gutierrez-Wang explained that the new location offered more square footage and was conveniently located in an area with quick access to emergency hospital services. Director Gutierrez-Wang added that the County had identified a service provider and assured the Board of the County's commitment to work with the service provider to secure staffing.

staff, at which point the Authority would issue the loans directly to the hospitals. Executive Director Aboubechara mentioned that there may be some clean up edits to the statutory language to ensure the effective implementation of this Program.

Attendees: (via teleconference) J.P. Marion, Deputy Director, the Department of Health Care Access and Information.

Deputy Director Marion reported on the Department's ability to perform financial analytics and the Department's lack of infrastructure to directly service loans as efficiently as the Authority. Deputy Director Marion explained that the Department was developing in collaboration with the Authority the loan methodology for scoring and approving the loans, which included four factors that would be considered: liquidity, profit and loss analysis, a turnaround plan, and the community need. Deputy Director Marion stated that the Department hosted a webinar in which it presented the criteria to stakeholders and offered channels for them to submit feedback and comments on the methodology.

Member Oppenheim stated support for the Program and asked for clarification regarding the fiduciary responsibility of the Authority.

Chair Henning shared Member Oppenheim's concern and stated that legal counsel was consulted on this issue.

Executive Director Aboubechara elaborated on the Authority's limited role in the implementation of the Program, acting as a contractor to the Department, that was being delegated to the Executive Director and the Deputy Executive Director to issue and administer the loans at the direction of the Department, who would make the decisions to approve or deny the loans and determine the loan amounts.

Member Ramos stressed the need for an expedited and thoughtful disbursement of funds to avoid closures.

Chair Henning thanked all parties involved, including the community of hospitals in California, and commended the Authority members' attention to this program to allow the money to quickly move out the door and assist the hospitals in need.

Member Kropke applauded the government of California and those involved for the ability to effect positive change.

Member Oppenheim requested notification be provided to the Authority of the program's first loan issuance.

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

Authority Action

Motion to approve Resolution No. 2023-01 to delegate authority to the Executive Director and the Deputy Executive Director, in the Executive Director's absence, to assist the Department with the implementation of the Program pursuant to an interagency agreement and to issue loans at the direction of the Department.

MOTION: Member Oppenheim

SECOND: Member Ramos

MOTION: Member Cherry

SECOND: Member Oppenheim

AYES:.....Members: Kalvoda, Hertzka, Cherry, Kropke, Ramos, Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #13 **Calendar Year 2022 Annual Report**
Bond and Tax-Exempt Equipment Financing Programs (Information Item)

Staff member Rana Mayers presented. Staff member Mayers gave an overview of the Bond & Tax-Exempt Equipment Financing Programs Annual Report for calendar year 2022.

Item #14 **HELP II Calendar Year 2022 Annual Report (Information Item)**

Staff member Careen Prince presented. Staff member Prince gave an overview of the HELP II 2022 Annual Report for calendar year 2022.

Chair Henning requested staff to take a look at interest rates to ensure the program remains competitive.

Items #15 and #16 **Public Comment and Adjournment**

Chair Henning asked for public comment. Hearing none, the meeting adjourned at 2:56 P.M.