

## **MINUTES**

### **CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (AUTHORITY)**

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

Alternate Location for CHFFA Teleconference Participation:

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

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

July 27, 2023 – 1:45 P.M.

#### **OPEN SESSION**

Treasurer Fiona Ma, Chair, called the meeting to order at 1:48 P.M.

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

#### **Item #1**

#### **Roll Call**

Members Present: Fiona Ma, CPA, State Treasurer  
David Oppenheim for Malia M. Cohen, State Controller  
Guadalupe Manriquez for Joe Stephenshaw, Director 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, Executive Director  
Summer Nishio, Staff Services Manager II  
Matt Francis, Staff Services Manager I  
Ciprian Ungureanu, Associate Governmental Program Analyst  
Rana Mayers, Associate Governmental Program Analyst  
Stephanie Heiner, Associate Governmental Program Analyst  
Kylie Stasko, Associate Governmental Program Analyst  
Eman Hariri, Associate Governmental Program Analyst  
Ashley Etter, Staff Services Analyst

Chair Ma declared a quorum present.

**Item #2**                      **Approval of the Minutes from the June 29, 2023 Meeting (Action Item)**

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

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

**Authority Action**

Motion to approve the minutes from the June 29, 2023, Authority meeting.

MOTION:     Member Benjamin                                      SECOND:     Member Hertzka

AYES:.....Members:     Hertzka, Cherry, Benjamin, Manriquez, Oppenheim, Ma

NOES:.....NONE

ABSTAIN:.....Member Kropke

RECUSE:.....NONE

MOTION APPROVED.

**Item #3**                                      **Executive Director's Report (Information Item)**

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

Executive Director Aboubechara reported that the County of Tulare (the County) requested to extend its milestone condition deadline to be open and operational from June 30, 2023 to August 29, 2023. The County purchased a vehicle as planned and hired two of the four staff members allotted by the grant but needed additional time to recruit effectively. Executive Director Aboubechara reported that the action fell within delegated authority and executed the milestone extension on June 28, 2023.

**Distressed Hospital Loan Program Update**

Executive Director Aboubechara reported the Authority had been working closely with the Department of Health Care Access and Information to determine the loan closing process for the Distressed Hospital Loan Program (the Program). Executive Director Aboubechara reported that the Authority would hire outside counsel to assist with the complex situations surrounding hospitals in bankruptcy. The deadline for preliminary eligibility screening for the Program was June 30, 2023 and 16 applications were received. Executive Director Aboubechara reported the final deadline to apply was July 31, 2023, and staff would continue to update the Authority as necessary.

**Other Items**

Executive Director Aboubechara reported the promotion of Janae Davis to Staff Services Manager I.

Executive Director Aboubechara reported the retirement of Executive Assistant Tamara McNary.

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

**Item #4****University of California Los Angeles Medical Center  
Children's Hospital Program of 2008  
Resolution No. CHP-3 2023-02 (Action Item)**

---

Member Cherry recused himself from Item #4 because Member Cherry is an employee of the University of California Los Angeles.

Staff Member Ungureanu presented. Staff Member Ungureanu reported University of California Los Angeles Medical Center (UCLA) requested the Authority to approve a Proposition 3 grant in an amount not to exceed \$7,958,277.57 to reimburse and fund the cost of various pediatric patient care equipment for Mattel Children's Hospital at Ronald Reagan UCLA Medical Center and Santa Monica – UCLA Medical Center and Orthopaedic Hospital. Staff Member Ungureanu reported the equipment includes, but is not limited to, two ultrasound machines, one CT scanner, one RetCam system, three Arctic Sun machines, five Panda Warmers, and one transport isolette. Staff Member Ungureanu reported that UCLA's application satisfactorily met the six factors identified in Proposition 3, the Children's Hospital Bond Act of 2008.

Attendees: (via teleconference) Annabelle Lerman, Director of Budget and Finance, Shiva Borgheian, Clinical Director of CT, Anahit Sarin-Gulian, Unit Director for Ronald Reagan NICU, Niloufar Varahram, Finance Manager, Nursing Business Systems, University of California Los Angeles Medical Center.

Director Lerman thanked the Authority and gave an overview of the project.

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

**Authority Action**

Motion to approve Resolution No. CHP-3 2023-02 for University of California Los Angeles Medical Center to receive a grant not to exceed \$7,958,277.57, subject to all the requirements of the Children's Hospital Program of 2008.

MOTION: Member Hertzka

SECOND: Member Manriquez

AYES:.....Members: Kropke, Hertzka, Benjamin, Manriquez, Oppenheim, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....Member Cherry

MOTION APPROVED.

**Item #5****Transitions-Mental Health Association  
Healthcare Expansion Loan Program II (HELP II)  
Resolution No. HII-346 (Action Item)**

---

Staff Member Mayers presented. Staff Member Mayers reported that Transitions-Mental Health Association (Transitions) requested a HELP II loan in an amount not to exceed \$1,840,000 for the purchase of a residential property for its youth treatment program. The property would expand access to healthcare by providing three additional beds, private space for staff offices, space for one-on-one therapy sessions, and recreational flexibility.

Attendees: (via teleconference) Jeanie Hanson, Finance Director and Rick Wolfe, Consultant, Transitions-Mental Health Association.

Director Hanson thanked the Authority and gave an overview of the organization, its mission, services offered, and the project.

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

**Authority Action**

Motion to approve Resolution No. HII-346 for Transitions-Mental Health Association in an amount not to exceed \$1,840,000, subject to the terms and conditions in the resolution.

MOTION: Member Benjamin

SECOND: Member Hertzka

AYES:.....Members: Kropke, Hertzka, Cherry, Benjamin, Manriquez, Oppenheim, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

**Item #6**

**County of Monterey**

**Investment in Mental Health Wellness Grant Program for Children and Youth**

**(Third Funding Round)**

**First Amendment to Resolution No. CY 2022-03 (Action Item)**

Staff Member Heiner presented. The County of Monterey (County) requested Authority approval to amend the milestone conditions and extend the grant period and resolution expiration dates to June 30, 2026. Staff Member Heiner reported that the County would not be able to meet the milestone condition of being open and operational by September 30, 2023. The County had planned to renovate a facility to implement a crisis residential treatment (CRT) program and a crisis stabilization (CS) program but needed additional time to execute a lease agreement with the service provider, Seneca Family of Agencies (Seneca). Staff Member Heiner reported the extension would give the County the time needed to execute the lease agreement, obtain licensure, hire staff, and be open and operational by December 31, 2025.

Attendees: (via teleconference) Marni R. Sandoval, PsyD, Deputy Director, Child and Adolescent Services, Monterey County Behavioral Health Bureau, Dawn Henson, Regional Executive Director, Seneca Family of Agencies, Paul Felder, Assistant Director of Facilities, Seneca Family of Agencies.

Deputy Director Sandoval thanked the board and gave a brief overview of the project and the impact this project will make in their local community.

Chair Ma asked about the 24-hour time limit on CS programs and Executive Director Aboubechara clarified that while CS programs are limited to 24-hour stays, the CRT program may house an individual for up to 30 days.

Deputy Director Sandoval clarified that the County's plan was to build both facilities on the same campus to meet the needs of the community.

Member Benjamin inquired about the bed capacity of each program.

Deputy Director Sandoval reported that both the CS and CRT programs would have four beds each.

Member Cherry asked if there were any further anticipated delays.

Deputy Director Sandoval explained there were no further delays that could be foreseen.

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

**Authority Action**

Motion to approve a First Amendment to Resolution No. CY 2022-03 to amend the milestone conditions and extend the grant period and resolution expiration dates to June 30, 2026. All other conditions shall remain the same and in full effect.

MOTION: Member Kropke

SECOND: Member Oppenheim

AYES:.....Members: Kropke, Hertzka, Cherry, Benjamin, Manriquez, Oppenheim, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

**Item #7**

**County of San Mateo**

**Investment in Mental Health Wellness Grant Program for Children and Youth  
(Second Funding Round)**

**First Amendment to Resolution No. CY 2021-07 (Action Item)**

Staff Member Stasko presented. The County of San Mateo (County) requested Authority approval to amend the milestone conditions and to extend the grant period and resolution expiration dates to November 30, 2025. Staff Member Stasko reported that the County would not be able to meet the milestone condition of being open and operational by August 31, 2023, and to submit all disbursement documentations by February 28, 2024. Staff Member Stasko explained that the completion of another renovation project to the County's psychiatric acute care units and psychiatric emergency services, would have to be completed prior to the starting of the renovation of the children and youth CSU. The completion of the other project has been impacted by excessive flooding, power outages, supply chain delays, and an unstable workforce. Staff Member Stasko added that the County anticipates starting renovation in February 2024, and that the children and youth CSU would be open and operational by February 2025.

Attendees: (via teleconference) Carlton Mills, RN, Chief Nursing Officer, San Mateo Medical Center.

Chief Nursing Officer Mills thanked the board and gave an overview of the project, describing the challenges faced by the County.

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

**Authority Action**

Motion to approve a First Amendment to Resolution No. CY 2021-07 to amend the milestone condition to be open and operational to February 28, 2025, to amend its milestone condition deadline to submit all disbursement documentations to August 31, 2025, and to extend the grant period and resolution expiration dates to November 30, 2025. All other conditions shall remain the same and in full effect.

MOTION: Member Hertzka

SECOND: Member Manriquez

AYES:.....Members: Kropke, Hertzka, Cherry, Benjamin, Manriquez, Oppenheim, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

**Item #8**

**City of Hope and Certain of its Affiliates  
Bond Financing Program**

**Amendment to Resolution No. 384 (Action Item)**

Executive Director Aboubechara reported that Item #8 was removed from the agenda.

**Item #9**

**Specialty Dental Clinic Grant Program  
Resolution No. 2023-04 (Action Item)**

Staff Member Francis presented. Staff Member Francis provided a background on the Specialty Dental Clinic Grant Program (Dental Program), stating that it was initially chaptered into law in June 2022, with an initial \$25 million appropriation, but was given an additional appropriation of \$25 million, bringing the total amount available for the Dental Program to \$50 million. Staff Member Francis reported that grants must be used for the purposes of increasing access to oral health care for special health care needs populations, through the development and expansion of specialty dental clinics in California. Staff Member Francis explained the progress made regarding the establishment of guidelines, including establishing evaluation criteria, a regional distribution method, and defining eligible uses of funds, which all consider stakeholder feedback received while developing the program. The evaluation criteria is made up of five categories: improving timely access to patient care, increasing equity, supporting quality of care for special needs populations, reducing the need for sedation or general anesthesia, and that the project must be ready, feasible, and sustainable. Staff Member Francis reported that the application period would be open in Fall of 2023 and would remain open for six to eight months. Staff will also be hosting a technical assistance webinar to assist applicants in completing applications.

Attendees: (via teleconference) Mary McCune, Executive Director, California Dental Association Foundation, Jessica Moran, Legislative Advocate, California Dental Association.

Member Oppenheim asked how equity for historically underrepresented individuals would be ensured, and what measurements would be used to do so.

Staff Member Francis explained that many underrepresented populations may generally be dually-associated with those that use Medi-Cal or pay out of pocket, and that the evaluation criteria includes a mechanism that is set up so that applicants that demonstrate a higher percentage increase in Medi-Cal or out-of-pocket paying patients between what they currently serve and what they are projected to serve will be awarded more points, directly benefiting providers that serve a higher population of historically underrepresented individuals.

Member Benjamin asked whether the Program would be focused on Medi-Cal recipients.

Executive Director Aboubechara clarified that the Dental Program would be open to all dental clinics who serve the disabled population of California regardless of payor source, but noted that the providers must accept Medi-Cal.

Member Oppenheim asked if there was a strategy to ensure that small and very small regions would be able to access this funding.

Staff Member Francis explained that the six to eight month application period would ensure that smaller providers have sufficient time to submit stronger applications, and that staff was planning on holding an application technical assistance webinar to walk prospective applicants through the application.

Chair Ma asked for clarification regarding what types of providers could apply for the Dental Program.

Executive Director Aboubechara clarified that any dental provider who meets the licensure, accreditation, and certification requirements may apply for the Dental Program.

Member Kropke asked a clarifying question about Medi-Cal recipients and the patients that the Dental Program would serve.

Executive Director Aboubechara explained that a question within the application asked how the applicant would reach those with special dental needs, including a requirement to describe relationships that it has with local regional centers and community-based organizations. Executive Director Aboubechara explained that Medi-Cal was one piece, but that the clinics would serve out of pocket patients and patients that are referred from other resources.

Member Cherry thanked Authority staff for their work on the Dental Program and for coming up with guidelines that fairly navigate the 50 percent caseload requirement and stated that the Dental Program will have a large benefit to the populations that it is intended to serve.

Member Manriquez asked for clarification regarding the plan to redistribute funds if there were a surplus in a given area after the first funding round closed.

Executive Director Aboubechara described that there was a bit of flexibility built into the guidelines and that the Authority could reallocate funds if one region did not request all of its funds in the first funding round. Executive Director Aboubechara explained that the first round is built so that all regions have the opportunity for funding, but for any subsequent rounds, the allocated amounts and regions would go away.

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

**Authority Action**

Motion to approve Resolution No. 2023-04 to adopt the guidelines for the Specialty Dental Clinic Grant Program.

MOTION: Member Benjamin

SECOND: Member Hertzka

AYES:.....Members: Kropke, Hertzka, Cherry, Benjamin, Manriquez, Oppenheim, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

**Item #10**

**Commercial Paper Financing  
Resolution No. 2023-05 (Action Item)**

Staff Member Nishio presented. Staff Member Nishio reported that staff requested approval of certain parameters for considering the establishment of Commercial Paper (CP) programs, as well as a fee structure for such programs. Staff Member Nishio provided a brief summary of CP; a financing vehicle implemented through the issuance of notes in the short-term municipal market. Staff Member Nishio noted although CP is allowable under the CHFFA Act, no CHFFA borrowers have utilized this form of financing. Due to the mechanics of rolling over CP notes, only borrowers with high self-liquidity or a third-party liquidity and the highest short-term credit rating could apply for a CP program. Staff Member Nishio reported that if a borrower were to request a CP program, the borrower would need to meet the minimum requirements set forth in Resolution No. 2023-05 and would also need to inform the Authority of program terms that would be tailored to their specific needs, such as the maximum aggregate of CP outstanding at any one time, a list of projects to be financed, and desired maturity timeline.

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

Member Benjamin asked what the Authority would expect a borrower to issue under the CP program.

Staff Member Nishio explained that there is one borrower under the CP program for the California Educational Facilities Authority, and their maximum aggregate amount of CP that can be issued is up to \$300,000,000, but only about \$300,000 was issued at any given time.

Chair Ma asked if this program is like a line of credit and who would be able to access this program.

Executive Director Aboubechara noted it is similar to a line of credit and that that only Authority borrowers with high self-liquidity or a high credit rating can utilize the CP program.

Staff Member Nishio explained that self-liquidity is key because when the short-term notes mature, if the market does not exist to refund the existing notes using new CP issuances, the borrower must pay out-of-pocket to repay the existing notes.

Chair Ma asked when borrowers should apply, and how long is the approval process.



David Leifer explained that borrowers could establish a program when their credit is strong and noted there would be on-going monitoring to ensure the borrower maintains its good standing.

Executive Director Aboubechara explained the process by which CP would be issued and stated that the process is similar to the Bond Financing Program, whereby applicants who apply in the beginning of the month would go before the Authority at the end of the month.

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

**Authority Action**

Motion to approve Resolution No. 2023-05 to authorize consideration of potential applications for the issuance of commercial paper.

MOTION: Member Oppenheim

SECOND: Member Benjamin

AYES:.....Members: Kropke, Hertzka, Cherry, Benjamin, Manriquez, Oppenheim, Ma

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

**Item #11**

**County of Los Angeles**

**Investment in Mental Health Wellness Grant Program (First Funding Round)**

**Resolution No. MH 2014-06 (Information Item)**

Staff Member Hariri presented. Staff Member Hariri reported that the Authority approved a reinstatement of and an amendment to Resolution No. MH 2014-06 for the County of Los Angeles (County) under the Investment in Mental Health Wellness Grant Program for approximately \$40,900,000 to create crisis residential treatment programs, to expand a crisis stabilization unit, to establish mobile support teams, and to hire 1 clerical staff.

Staff Member Hariri reported that the Authority required the County to provide quarterly updates detailing milestones achieved, progress and challenges related to the completion of the projects.

Attendees: (via teleconference) Jo Ann Yanagimoto-Pinedo, Deputy Director, Strategic Initiatives, County of Los Angeles Department of Health Services.

Deputy Director Yanagimoto-Pinedo thanked the authority and reported that two of the projects were completed and were open and operational over the past two months. Deputy Director Yanagimoto-Pinedo added that one project was expected to be completed ahead of schedule, while another was experiencing delays due to HVAC issues. Deputy Director Yanagimoto-Pinedo reported that one of the provider partners was experiencing challenges with community care licensing, but the County was able to resolve the issues. Deputy Director Yanagimoto-Pinedo also stated that the LAC+USC campus had recently been renamed LA General.

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

**Items #12 and #13**

**Public Comment and Adjournment**

Chair Ma asked for public comment. Hearing none, the meeting adjourned at 2:52 P.M.