

MINUTES

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (CHFFA or Authority)

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

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

December 7, 2023, 1:50 P.M.

OPEN SESSION

Deputy Treasurer Patrick Henning, Chair, called the meeting to order at 1:50 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 Chris Ferguson for Joe Stephenshaw, Director of Finance Antonio Benjamin Robert Hertzka, M.D. Keri Kropke, M.A., M.A., CCC-SLP
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Members Absent:	Robert Cherry, M.D. Francisco Silva Katrina Kalvoda
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Staff Present:	Carolyn Aboubechara, Executive Director Bianca Smith, Deputy Executive Director Sondra Jacobs, Staff Services Manager I Rana Mayers, Associate Governmental Program Analyst Tyler Bui, Associate Governmental Program Analyst Ciprian Ungureanu, Associate Governmental Program Analyst Chris Healy, Associate Governmental Program Analyst
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Chair Henning kept roll open for Member Kropke, who had technical issues. Chair Henning declared a quorum present.

Item #2	Approval of the Minutes from the October 26, 2023 Meeting (Action Item)
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Chair Henning asked the Authority members if there were any changes or edits to the minutes.	
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Chair Henning asked if there were any questions or public comment; there were none.	
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Authority Action

Motion to approve the minutes from the October 26, 2023 Authority meeting.

MOTION: Member Oppenheim

SECOND: Member Ferguson

AYES:.....Members: Hertzka, Benjamin, Ferguson, Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

Member Kropke had technical issues during this item, and therefore, was absent, and did not participate in the vote. Nonetheless, a quorum vote was obtained.

MOTION APPROVED.

Item #3

Executive Director's Report (Information Item)

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

Executive Director Aboubechara presented. Executive Director Aboubechara reported that in 2022, County of Kings (County) was approved for a grant of \$227,365.00 to establish a Mobile Crisis Support Team. In October 2023, the Executive Director approved, under delegated authority, the County's request to extend the milestone condition deadline of being open and operational by 60 days. Executive Director Aboubechara reported that the County's mobile crisis support team became open and operational on December 1, 2023.

Community Services Infrastructure Grant Program Delegation of Powers Update

Executive Director Aboubechara presented. Executive Director Aboubechara reported that in 2019, County of San Joaquin (County) was approved for a \$2,500,000 grant, and in 2020, the County was approved for a second grant in the amount of \$2,900,000 to develop two jail diversion programs, one for adult males and one for adult females. In November 2023, the Executive Director, under delegated authority, approved the County's request to extend the milestone condition deadline of being open and operational by 60 days.

Authority Tentative Meeting Schedule for Calendar Year 2024

Executive Director Aboubechara presented. Executive Director Aboubechara presented a tentative meeting schedule for 2024. If additional meetings need to be scheduled, the Authority would be informed ahead of time and would plan in accordance with the Bagley-Keene Act.

Distressed Hospital Loan Program Update

Executive Director Aboubechara presented. Executive Director Aboubechara reported that nine disbursements had been made to eight hospitals, totaling approximately \$136,000,000. The eight hospitals were Chinese Hospital, El Centro Regional Medical Center, Martin Luther King Jr. Community Hospital, Palo Verde Hospital, Pioneers Memorial Health Care District, Ridgecrest Regional Hospital, Tri City Medical Center, and Watsonville Community Hospital. There were still disbursements for eight hospitals remaining, and CHFFA staff would continue to work with the hospitals on finalizing subordination agreements and loan documents.

Staff Member Bui presented. Staff Member Bui reported that this transaction would be the first one under Assembly Bill 839, which was chaptered into law on October 10, 2023 with an effective date of January 1, 2024, and added stand-alone residential care facilities for the elderly as an eligible health facility. Staff Member Bui reported that ECS requested Authority approval to issue tax-exempt bonds in an amount not to exceed \$128,040,000. Bond proceeds would be used for the expansion, construction, remodeling, renovation, furnishing and equipping of ECS's MonteCedro, The Canterbury, and the Covington campuses, and to fund capitalized interest. Bond proceeds would also be used to pay certain costs of issuance.

Chief Financial Officer and Senior Vice President of Finance Rahilly thanked the Authority and gave an overview of ECS and the projects.

Authority Action

MOTION: Member Ferguson SECOND: Member Oppenheim

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

**Item #6 On Lok Senior Health Services, San Francisco, San Francisco County
Bond Financing Program
Resolution No. 456 (Action Item)**

**Item #7 Adventist Health System/West (Adventist), Roseville, Placer County
Bond Financing Program
Resolution No. 457 (Action Item)**

Staff Member Mayers presented. Staff Member Mayers reported that Adventist requested Authority approval to issue tax-exempt bonds in an amount not to exceed \$78,000,000. Bond proceeds would be used to refund the CHFFA 2011 Series A bonds. The refunding would allow Adventist to lock in current rates, which would result in a net present value savings of approximately \$256,000 over the life of the bonds.

Attendees: Jenna Magan (in person), Partner, Orrick, Herrington & Sutcliffe LLP; John Beaman, Chief Financial Officer, Adventist Health System/West; and Steve Kim, Director, Barclays Capital Inc.

Chief Financial Officer Beaman thanked the Authority and gave an overview of the project.

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

Authority Action

Motion to approve Resolution No. 457 in an amount not to exceed \$78,000,000 for Adventist Health System/West for the Bond Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Ferguson

SECOND: Member Henning

AYES:.....Members: Kropke, Hertzka, Benjamin, Ferguson, Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

**Item #8 Willie Young's Home for Young Men, Inc. DBA Walt's Home for Young Men
(Walt's Home), North Hills, Los Angeles County
Healthcare Expansion Loan Program II (HELP II)
Resolution No. HII-348 (Action Item)**

Staff Member Bui presented. Staff Member Bui reported that Walt's Home requested Authority approval of a HELP II loan in an amount not to exceed \$522,500. Loan proceeds would be used to finance the purchase of a property located in Kern County to be used for the relocation of one of Walt's Home's current short-term residential therapeutic program and mental health facilities.

Attendees: (via teleconference) Samuel Campbell, Director; Millicent Pitts, Head of Service - Mental Health and Ivan Colon, Accountant and Consultant, Willie Young's Home for Young Men, Inc.

Director Campbell thanked the Authority and provided an overview of the facility and the project. Head of Service - Mental Health Pitts thanked the Authority and gave an overview of the mental health benefits that would be added to the facility due to this project.

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

Authority Action

Motion to approve Resolution No. HII-348 in an amount not to exceed \$522,500 for Willie Young's Home for Young Men, Inc. DBA Walt's Home for Young Men for the Healthcare Expansion Loan Program II, subject to the terms and conditions in the resolution.

MOTION: Member Kropke

SECOND: Member Benjamin

AYES:.....Members: Kropke, Hertzka, Benjamin, Ferguson, Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #9	Children's Hospital of Orange County (CHOC), Orange, Orange County Children's Hospital Program of 2018 Resolution No. CHP-4 2023-05 (Action Item)
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Staff Member Ungureanu presented. Staff Member Ungureanu reported that Children’s Hospital of Orange County requested Authority approval of a Children’s Hospital Program of 2018 grant in an amount not to exceed \$135,000,000 to reimburse and fund the pediatric portion of constructing a new nine-story 333,000-square foot medical office building known as the Southwest Tower (SWT). The pediatric subspecialty care services that would relocate and expand services in the new SWT included, but were not limited to, dentistry, orthodontics, craniofacial services, a cancer center, pulmonology, endocrinology, orthopedics, and orthopedic imaging. Staff Member Ungureanu reported that CHOC started construction on the SWT in October 2020 and anticipated that the project would be completed by September 2025.

Attendees: (via teleconference) William Rohde, Vice President of Finance; Beth Goodman, Executive Director, Strategy Activation and Change Management; and David Schinderle, Treasurer, Children's Hospital of Orange County.

Vice President Rohde thanked the Authority and the citizens of California for voting for Proposition 4. Vice President Rohde then gave a brief overview of the project, including how the new SWT would increase CHOC's capacity to care for patients seeking subspecialty care services at CHOC.

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

Authority Action

Motion to approve Resolution No. CHP-4 2023-05 in an amount not to exceed \$135,000,000 for Children's Hospital of Orange County for the Children's Hospital Program of 2018 (Proposition 4), subject to the terms and conditions in the resolution.

MOTION: Member Hertzka

SECOND: Member Kropke

AYES:.....Members: Kropke, Hertzka, Benjamin, Ferguson, Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #10	Children's Hospital Los Angeles, Los Angeles, Los Angeles County (CHLA) Children's Hospital Program of 2018 Resolution No. CHP-4 2023-06 (Action Item)
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Staff Member Ungureanu presented. Staff Member Ungureanu reported that Children’s Hospital Los Angeles requested Authority approval of a Children’s Hospital Program of 2018 grant in an amount not to exceed \$44,937,853 to fund the renovation, equipping, and furnishing of an existing space in CHLA’s Radiology department, located on the first floor of the Duque Building, to expand its Post Anesthesia Care Unit (PACU), and to relocate and expand its Positron Emission Tomography and Computed Tomography (PET/CT), Nuclear Medicine (NM), and Magnetic Resonance Imaging (MRI) departments. The pediatric patient care equipment for this project included, but was not limited to, one PET/CT machine, two NM gamma cameras, and one 3T MRI machine. The portion of the radiology expansion project that included the PACU renovation and the PET/CT and NM department relocation, equipping, and

furnishing was scheduled to begin in February 2024 and was estimated to be completed by May 2025. The expansion of the MRI department, including equipping and furnishing, was scheduled to begin in May 2025 and was estimated to be completed by December 2025.

Attendees: (via teleconference) Scott Lieberenz, Senior Vice President and Chief Financial Officer; Crystal Jack, Vice President of Clinical Operations; Luis Ayala, Vice President of Government and Community Affairs; Robert Capulong, Executive Director of Finance Strategy and Operations; William Luiz, Executive Director of Decision Support; Kelly Estes, Executive Director of Design and Construction; and Mario Pistilli, Executive Director of Radiology, Children's Hospital Los Angeles.

Executive Director Capulong thanked the Authority and provided an overview of the facility and project, including how the grant would allow CHLA to treat more under privileged children and reduce the wait time for care.

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

Authority Action

Motion to approve Resolution No. CHP-4 2023-06 in an amount not to exceed \$44,937,853 for Children's Hospital Los Angeles for the Children's Hospital Program of 2018 (Proposition 4), subject to the terms and conditions in the resolution.

MOTION: Member Oppenheim

SECOND: Member Benjamin

AYES:.....Members: Kropke, Hertzka, Benjamin, Ferguson, Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

**Item #11 Investment in Mental Health Wellness Grant Program for Children and Youth
Fifth Funding Round Final Allocations
Resolution No. CY 2023-01 through CY 2023-05 (Action Item)**

Staff Member Jacobs presented. Ms. Jacobs stated that representatives from the Counties of Humboldt, Kern, Los Angeles, San Benito, and Santa Cruz were available via teleconference to answer any questions at the end of the presentation. Staff Member Jacobs stated that the fifth funding round for the Investment in Mental Health Wellness Grant Program for Children and Youth (Children and Youth Program) closed on July 28, 2023, with approximately \$10.8 million in capital funding and approximately \$192,000 in mobile crisis support team (MCST) annual personnel funding for up to five years available. CHFFA received ten applications from eight counties and two non-profit organizations requesting approximately \$34.7 million in capital funding and \$2.1 million in MCST personnel funding. Ms. Jacobs gave an overview of the application process including review, scoring and ineligibility.

County of Humboldt – Resolution No. CY 2023-01

Staff recommended a grant award in the amount of \$2,509,305.40 for the County of Humboldt (County), Department of Health and Human Services Behavioral Health, to expand its existing Crisis Residential Treatment (CRT) program by adding three new beds to their existing nine-bed program, that would serve children and youth ages seven to eighteen. The County would renovate an existing facility by adding additional square footage to accommodate the additional

beds and ensure that they were being compliant for clients with disabilities. This Program would also be available for clients from neighboring counties of Del Norte and Trinity as well as neighboring indigenous tribes. The County anticipated the three new CRT beds would serve approximately 108 clients annually.

County of Kern – Resolution No. CY 2023-02

Staff recommended a grant award in the amount of \$1,926,998.95 for the County of Kern (County), Behavioral Health and Recovery Services, to develop two new four-bed Crisis Residential Treatment (CRT) programs through the purchase of two homes that would serve children and youth ages eight to seventeen. The County anticipated the CRT programs would serve approximately 330 clients annually.

County of Los Angeles – Resolution No. CY 2023-03

Staff recommended a grant award in the amount of \$3,970,442.53 for the County of Los Angeles (County), Department of Health Services, to expand its existing Crisis Stabilization (CS) programs by adding a total of fifteen new beds for children and youth ages three to twelve. The expansion would include the renovation of a County-owned facility to develop a new nine-bed CS program at the High Desert Restorative Care Village and by renovating two existing facilities for the addition of three beds to each of its existing six-bed programs located at the Olive View-UCLA Medical Center Campus and the Martin Luther King, Jr. Healthcare Campus. The County anticipated that the programs would serve approximately 9,855 clients annually.

County of San Benito – Resolution No. CY 2023-04

Staff recommended a grant award in the amount of \$539,477 for the County of San Benito (County), Behavioral Health, to expand its community-based services by adding four new Mobile Crisis Support Teams through the purchase of four new vehicles and hiring two full-time equivalent licensed clinicians. The County anticipated the teams would serve approximately 250 clients.

County of Santa Cruz – Resolution No. CY 2023-05

Staff recommended a grant award in the amount of \$2,125,000.00 for the County of Santa Cruz (County), Behavioral Health Division, to renovate an existing County-owned facility to add a new eight-bed Crisis Stabilization (CS) program for children and youth ages five to seventeen. The CS program would also be available to clients from neighboring counties of Monterey and San Benito. The County anticipated the program would serve approximately 1,500 clients annually.

Staff member Jacobs stated that if the Authority approved the recommended fifth funding round final allocations, no funding would remain in the Children and Youth Program for subsequent funding rounds.

Chair Henning asked if there were any questions or public comments and thanked the County of Humboldt for going through the process and including services to the indigenous tribes as well as some of the neighboring counties.

Member Oppenheim thanked staff for their work specifically for Exhibit B-1, the map of California and expressed his concern with the lack of service in the northeast region of the state.

Member Oppenheim asked if there would be any action staff would take in the future to better assist those vast rural areas.

Executive Director Aboubechara explained that there had been attempts by staff to work with the rural counties and get them to apply, but counties expressed that they did not have the dedicated staff to do the projects or even apply for grant funding.

Member Oppenheim expressed his experience working with the county association specifically the rural counties and offered his assistance with outreach, ideas and how to help in the future.

Member Kropke understood the struggles that some of the counties go through just to fill out the application. Member Kropke confirmed that the application process was time consuming and dedicated staff was needed and agreed with Member Oppenheim that more assistance with the application process would be helpful, but commended staff for doing everything in their power.

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

Authority Action

Motion to approve Resolution Nos. CY 2023-01 through CY 2023-05, for final allocations, in an amount not to exceed \$11,071,223.88 for County of Humboldt, County of Kern, County of Los Angeles, County of San Benito and County of Santa Cruz for the Investment in Mental Health Wellness Grant Program for Children and Youth, subject to the terms and conditions in the resolution.

MOTION: Member Kropke

SECOND: Member Benjamin

AYES:.....Members: Kropke, Hertzka, Benjamin, Ferguson, Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Chair Henning asked Executive Director Aboubechara to reach out to the Controller's office to assist with more outreach in the future.

Item #12

**Delegation Resolution for Bond Financings
Resolution No. 2023-06 (Action Item)**

Staff Member Healy presented. Staff Member Healy reported that staff requested Authority approval of Resolution No. 2023-06 to authorize the delegation of certain functions related to bond financings to the Executive Director and the Deputy Executive Director. The previous delegation resolution, Resolution No. 2022-05, would be repealed on January 31, 2024. Resolution No. 2023-06 delegated the same authority and duties as the previous delegation resolution and has a repeal date of January 31, 2026. Staff Member Healy added that Resolution No. 2023-06 assisted in streamlining the borrowing process by authorizing the Chair, any deputy to the Chair, the Executive Director, and the Deputy Executive Director, upon the Executive Director's written authorization, to consent to specific actions and various amendments without first obtaining the approval of the Authority.

In addition, the annual summary of the delegations was presented to the Authority.

Attendees: (via teleconference) None.

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

Authority Action

Motion to approve Resolution No. 2023-06, authorizing the Chair, any deputy to the Chair, the Executive Director, and the Deputy Executive Director the delegation of certain functions related to bond financings with a repeal date of January 31, 2026.

MOTION: Member Oppenheim

SECOND: Member Kropke

AYES:.....Members: Kropke, Hertzka, Benjamin, Ferguson, Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #13

**Delegation Resolution for Loan Financings
Resolution No. 2023-07 (Action Item)**

Staff Member Healy presented. Staff Member Healy reported that staff requested Authority approval of Resolution No. 2023-07 to authorize the delegation of certain actions related to loan financings to the Executive Director and the Deputy Executive Director. The previous delegation resolution, Resolution No. 2022-06, would be repealed on January 31, 2024. Staff Member Healy noted that the only change in the proposed resolution from previous year's resolution was the reference to the term short-term debt to include all types of short-term debt not only lines of credit. Staff member Healy added that Resolution No. 2023-07 would assist in streamlining the borrowing process by authorizing the Chair, any deputy to the Chair, the Executive Director, and the Deputy Executive Director, upon the Executive Director's written authorization, to consent to specific actions and various amendments without first obtaining the approval of the Authority.

In addition, the annual summary of the delegations was presented to the Authority.

Attendees: (via teleconference) None.

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

Authority Action

Motion to approve Resolution No. 2023-07, authorizing the Chair, any deputy to the Chair, the Executive Director, and the Deputy Executive Director the delegation of certain functions related to loan financings with a repeal date of January 31, 2026.

MOTION: Member Kropke

SECOND: Member Hertzka

AYES:.....Members: Hertzka, Kropke, Benjamin, Ferguson, Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item # 14**Delegation Resolution of Power to Enter into Contracts
Resolution No. 2023-08 (Action Item)**

Staff Member Healy presented. Staff Member Healy reported that staff requested Authority approval of Resolution No. 2023-08, to authorize the Executive Director, and any designee to the Executive Director to enter into contracts and interagency agreements on behalf of the Authority for amounts not to exceed \$500,000. The previous delegation resolution, Resolution No. 2018-11, allowed for the execution of contracts in an amount not to exceed \$300,000. Due to inflation and substantial cost increases across the market, staff requested the amount be increased to \$500,000.

In addition, the annual summary of the delegations was presented to the Authority.

Attendees: (via teleconference) None.

Chair Henning noted that the amount of contract delegation had not been adjusted in quite some time. Chair Henning reminded the Authority that Executive Director Aboubechara would still inform the Authority when action was taken on contracts even though the amount was increased.

Member Kropke agreed with Chair Henning's comment.

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

Authority Action

Motion to approve Resolution No. 2023-08, authorizing to the Chair, any deputy to the Chair, the Executive Director, and any designee to the Executive Director to enter and execute contracts and interagency agreements on behalf of the Authority for amounts not to exceed \$500,000 with a repeal date of January 31, 2026.

MOTION: Member Kropke

SECOND: Member Oppenheim

AYES:.....Members: Hertzka, Kropke, Benjamin, Ferguson, Oppenheim, Henning

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

MOTION APPROVED.

Item #15 & #16**Public Comment and Adjournment**

Chair Henning asked for public comment. Hearing none, the meeting adjourned at 2:47 P.M.