

MINUTES (DRAFT)

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

5th Floor Conference Room

**915 Capitol Mall, Room 587
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

December 1, 2022 – 1:45 P.M.

OPEN SESSION

Patrick Henning, 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: Patrick Henning for Fiona Ma, CPA, State Treasurer
Indira McDonald for Betty T. Yee, State Controller
Adam Dorsey for Joe Stephenshaw, Director of Finance (joined at 1:54 P.M.)
Antonio Benjamin
Robert Cherry, M.D.
Robert Hertzka, M.D.
Katrina Kalvoda
Keri Kropke, M.A., M.A., CCC-SLP

Members Absent: Francisco Silva

Staff Present: Carolyn Aboubechara, Executive Director
Brock Lewis, Staff Services Manager I
Sondra Jacobs, Staff Services Manager I
Tyler Bui, Associated Governmental Program Analyst
Rana Mayers, Associate Governmental Program Analyst
Ari Jimenez, Associate Governmental Program Analyst
Chris Healy, Associate Governmental Program Analyst
Erica Rodriguez, Staff Services Analyst

Chair Henning declared a quorum present.

Item #2

**Approval of the Minutes from the October 27, 2022,
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 October 27, 2022, Authority meeting.

MOTION: Member Benjamin SECOND: Member Kropke

AYES:Members: Kalvoda, Hertzka, Cherry, Kropke, Benjamin, Dorsey,
McDonald, Henning

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED.

Item #3

Executive Director’s Report (Information Item)

Bond Delegation of Powers Update

Executive Director Aboubechara presented the Summary of Delegation Actions taken from December 2021 to November 2022.

Healthcare Expansion Loan Program II (HELP II) Delegation of Powers Update

Executive Director Aboubechara presented the Summary of Delegation Actions taken from December 2021 to November 2022.

HELP II Loan Program Debt Service Payment Deferrals Update

Executive Director Aboubechara presented the Summary of Delegation Actions taken from December 2021 to November 2022.

COVID-19 Emergency HELP Loan Program Update

Executive Director Aboubechara presented the Summary of Delegation Actions taken from December 2021 to November 2022.

Contract Delegation of Powers Update

Executive Director Aboubechara presented a Contract Delegation of Powers update. Executive Director Aboubechara reported that the Authority entered into a new contract with Orrick, Herrington & Sutcliffe LLP (Contractor), in an amount not to exceed \$75,000 for the duration of the contract. The Contractor would act as Issuer’s Counsel by representing the Authority in connection with bond financings and special projects on an as-needed basis. The Authority would assign bond transactions and projects to the Contractor when the Attorney General’s Office cannot provide legal representation. Executive Director Aboubechara reported that the contract term is from October 1, 2022, through June 30, 2024, with a one-year option to renew. Executive Director Aboubechara signed the agreement on October 5, 2022.

Additionally, Executive Director Aboubechara presented the Summary of Delegation Actions taken from December 2021 to November 2022.

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

Executive Director Aboubechara presented the Summary of Delegation Actions taken from December 2021 to November 2022.

Community Services Infrastructure Grant Program Delegation of Powers Update

Executive Director Aboubechara presented the Summary of Delegation Actions taken from December 2021 to November 2022.

Community Services Infrastructure Grant Program Update

Executive Director Aboubechara gave an update on the Community Services Infrastructure (CSI) Grant Program third application funding round, which closed on November 15, 2022. The third funding round had approximately \$10.5 million in available funds, and the Authority received two applications from two counties requesting a total amount of \$4.5 million. The applications were under review and would be presented at a future board meeting. Approximately, \$6 million remained in the program. Authority staff opened a fourth funding round on December 2, 2023, with a March 3, 2023 application submission deadline. CSI Grant Program funding needs to be encumbered by June 30, 2023, any remaining funds after that date would be returned to the State General Fund.

Nondesignated Public Hospital Bridge Loan Program II Loan Approvals

Executive Director Aboubechara gave an update on the Nondesignated Public Hospital Bridge Loan Program II Loan Approvals. Executive Director Aboubechara stated that the application deadline for the first funding round was October 14, 2022, and the Authority received nine applications in total of which six nondesignated public hospitals were approved for loans, with three hospitals pending approval.

Specialty Dental Clinic Grant Program Update

Executive Director Aboubechara gave an update on the development of the Specialty Dental Clinic Grant Program. Executive Director Aboubechara noted that the Authority held a stakeholder kickoff meeting on November 3, 2022, to gather input on the development of the program. Executive Director Aboubechara also stated that the Authority was intending to enter into a technical advisor contract with the California Dental Association.

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

Item #4

**Adventist Health System/West
Bond Financing Program
Resolution No. 449 (Action Item)**

Tyler Bui presented. Adventist Health System/West (Adventist) requested Authority approval to issue tax-exempt bonds through CHFFA's Bond Financing Program in an amount not to exceed \$115,000,000. Tyler Bui reported the bond proceeds would be used to finance, and/or reimburse, and/or refinance certain costs of the construction, expansion, remodeling, renovation, furnishing, equipping, and/or acquisition of certain health facilities, all owned by Adventist and/or its affiliates.

Attendees: (via teleconference) John Beaman, Chief Financial Officer and Brandon Seibold, Treasurer, Adventist Health System/West, Borrower; Blake Pinell, Vice President, RBC Capital Markets, LLC, Underwriter; and Jenna Magan, Partner and Lina Thoreson, Of Counsel, Orrick, Herrington & Sutcliffe LLP, Bond Counsel.

Adventist's Chief Financial Officer Beaman gave an overview of Adventist's projects.

Member Cherry recused himself from Item #4 because Member Cherry serves on the Adventist board.

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

Authority Action

Motion to approve Resolution No. 449 for Adventist Health System/West in an amount not to exceed \$115,000,000, subject to the conditions in the resolution.

MOTION: Member Benjamin SECOND: Member Kropke

AYES:.....Members: Kalvoda, Hertzka, Kropke, Benjamin, Dorsey, McDonald, Henning

NOES:.....NONE

ABSTAIN:NONE

RECUSE:Member Cherry

MOTION APPROVED.

**Item #5 Southern Humboldt Community Healthcare District
HELP II
Resolution No. HII-340 (Action Item)**

Brock Lewis presented. Southern Humboldt Community Healthcare District (Southern Humboldt) requested the Authority approve a HELP II loan in an amount not to exceed \$2,000,000. Brock Lewis reported the loan proceeds would be used for renovations to the acute care hospital to meet seismic requirements for Non-structural Performance Category 3.

Attendees: (via teleconference) Paul Eves, Chief Financial Officer and Kent Scown, Chief Operating Officer, Southern Humboldt Community Healthcare District, Borrower.

Southern Humboldt's Chief Financial Officer Eves provided background of Southern Humboldt's acute care hospital.

Southern Humboldt's Chief Operating Officer Scown gave an overview of Southern Humboldt's project.

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

Authority Action

Motion to approve Resolution No. HII-340 for Southern Humboldt Community Healthcare District in an amount not to exceed \$2,000,000, subject to the terms and conditions in the resolution.

MOTION: Member Kalvoda SECOND: Member Cherry

AYES:.....Members: Kalvoda, Hertzka, Cherry, Kropke, Benjamin, Dorsey, McDonald, Henning

NOES:.....NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED.

Executive Director Aboubechara answered in the affirmative.

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

Authority Action

Motion to approve Resolution No. 2022-05, authorizing the delegation of certain functions related to bond financings with a repeal date of January 31, 2024.

MOTION: Member Kropke SECOND: Member McDonald

AYES:.....Members: Kalvoda, Hertzka, Cherry, Kropke, Benjamin, Dorsey,
McDonald, Henning

NOES:.....NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED.

Item #11

**Delegation Resolution for Loan Financings
Resolution No. 2022-06 (Action Item)**

Chris Healy presented. The Authority requested the approval of Resolution number 2022-06, authorizing the delegation of certain actions related to HELP II loan financings to the Executive Director and the Deputy Executive Director. The Authority sought approval of a new resolution, delegating the same authority and duties as the current resolution, with a repeal date of January 31, 2024. Chris Healy noted that in the interest of expediting the administrative processes, approval of this resolution authorizes the Chair, any deputy to the Chair, the Executive Director, and the Deputy Executive Director to consent to various amendments without first obtaining the approval of 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. 2022-06, authorizing the delegation of certain functions related to HELP II loan financings with a repeal date of January 31, 2024.

MOTION: Member McDonald SECOND: Member Kropke

AYES:.....Members: Kalvoda, Hertzka, Cherry, Kropke, Benjamin, Dorsey,
McDonald, Henning

NOES:.....NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED.

