

MINUTES

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority or CHFFA)

**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

December 12, 2024, 1:45 P.M.
(or upon adjournment of the California Educational Facilities Authority meeting)

OPEN SESSION

Deputy Treasurer Khaim Morton, Chair, called the meeting to order at 1:55 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>
Members Present:	Khaim Morton for Fiona Ma, State Treasurer David Oppenheim for Malia M. Cohen, State Controller Guadalupe Manriquez for Joe Stephenshaw, Director of Finance Katrina Kalvoda (via teleconference) Keri Kropke, M.A., M.A., CCC-SLP (<u>via teleconference</u>)
Members Absent:	Antonio Benjamin Francisco Silva Robert Cherry, M.D. Robert Hertzka, M.D.
Staff Present:	Carolyn Aboubechara, Executive Director Bianca Smith, Deputy Executive Director Sondra Jacobs, Staff Services Manager I Rana Mayers, Associate Governmental Program Analyst

Chair Morton reminded virtual attendees to mute their microphones until their respective turn to speak and requested all attendees to state their names for the record.

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

Authority Action

Motion to approve the minutes from the September 26, 2024 Authority meeting.

MOTION: Member Manriquez **SECOND:** Member Oppenheim

AYES:.....Members: Kalvoda, Kropke, Manriquez, Oppenheim, Morton

NOES:.....NONE

ABSTAIN:NONE

RECUSE:.....NONE

MOTION APPROVED.

Bond Delegation of Powers Update

Executive Director Aboubechara reported that Dignity Health provided notice of its intent to partially redeem its Series 2012A Bonds and Series 2016A Bonds. Executive Director Aboubechara report that, after consultation with legal counsel and the Office of the Attorney General, the Certificate and Request Regarding Redemption of Bonds for each bond was executed on September 30, 2024.

Executive Director Aboubechara reported that Cedars-Sinai Health System provided notice of its intent to purchase U.S. Treasury Securities – State and Local Government Series (SLGS) with unused proceeds from its Series 2021A Bonds. Executive Director Aboubechara report that, after consultation with legal counsel and the Office of the Attorney General, a letter authorizing the purchase of the SLGS was executed on October 1, 2024.

Executive Director Aboubechara reported that CommonSpirit Health provided notice of its intent to defease a portion of its Series 2020A Bonds and purchase SLGS. Executive Director Aboubechara report that, after consultation with legal counsel and the Office of the Attorney General, the SLGS subscription letter and the Notice of Establishment of Defeasance Escrow was executed on October 23, 2024.

Executive Director Aboubechara reported that Gateways Hospital and Mental Health Center provided notice of its intent to prepay and defease its Series 2011A Bonds and Series 2011B Bonds. Executive Director Aboubechara report that, after consultation with legal counsel and the Office of the Attorney General, the Notice of Prepayment for the bonds was executed on October 11, 2024.

Executive Director Aboubechara reported on the summary of delegation actions for calendar year 2024 and that there were nine bond delegation actions taken in 2024, all of which had been reported as they were executed throughout the year.

Executive Director Aboubechara reported on the summary of delegation actions for calendar year 2024 and that there was one HELP II delegation action taken in 2024, which was reported at the January 25, 2024 Authority meeting.

Contract Delegation of Powers Update

Executive Director Aboubechara reported on the summary of delegation actions for calendar year 2024 and that there were four contract delegation actions taken in 2024, all of which had been reported as they were executed throughout the year.

Community Services Infrastructure Grant Program Delegation of Powers Update

Executive Director Aboubechara reported that the Authority received a request from the County of Merced to extend its milestone condition deadline of being open and operational from November 30, 2024 to January 29, 2025. Executive Director Aboubechara report that, after consultation with legal counsel, the milestone extension was executed on November 18, 2024.

Executive Director Aboubechara reported that the Authority received a request from the County of Santa Clara to extend its milestone condition deadline of being open and operational from November 30, 2024 to January 29, 2025. Executive Director Aboubechara report that, after consultation with legal counsel, the milestone extension was executed on November 25, 2024.

Nondesignated Public Hospital Bridge Loan Programs (NDPH) Update

Executive Director Aboubechara reported that all \$40,000,000 in loans under the two rounds of the NDPH I program had been repaid to the Authority. Two of the nine hospitals that received loans under the NDPH II program had also been repaid and that staff had been in contact with all hospitals about their due dates. Executive Director Aboubechara also reported that AB 2098, intended to extend the repayment period of NDPH II, had been vetoed, so the end date of NDPH II remained unchanged.

Specialty Dental Clinic Grant Program (Dental Program) Update

Executive Director Aboubechara reported that Authority staff had scored all applications for the Dental Program and initial allocations had been made for 15 applicants in the amount of \$47.5 million. Final allocations would be presented to the Authority for approval at the next Authority meeting on January 30, 2025.

Authority Tentative Meeting Schedule for Calendar Year 2025

Executive Director Aboubechara presented a tentative meeting schedule for 2025. If additional meetings need to be scheduled, the Authority would be informed ahead of time in accordance with the Bagley-Keene Act.

Other Items

Executive Director Aboubechara reported that the Authority hired two new staff members. Balpreet Chahal joined the Bonds and Loans Unit as a Staff Services Analyst and Layly Roodsari joined the Grants Unit as a Staff Services Analyst.

Chair Morton expressed gratitude for the swift development of the Dental Program. Member Oppenheim commended Authority staff for the equitable geographic distribution of funds under the Dental Program.

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

Item #4

**South Central Family Health Center (the Center),
Los Angeles, Los Angeles County**

HELP II

Resolution No. HII-359 (Action Item)

Staff Member Mayers reported that the Center requested a HELP II loan in an amount not to exceed \$1,500,000. Loan proceeds would be used to purchase furnishings, equipment, and information technology for seven of its locations.

Attendees: (via teleconference) Genevieve Filmardirossian, Chief Executive Officer and Paul Ramos, Chief Financial Officer, South Central Family Health Center.

Chief Financial Officer Ramos explained that they intend to use the funds to equip exam rooms, to purchase dental chairs, an air conditioner, a power generator in case of a power loss, and upgraded computers.

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

Authority Action

Motion to approve Resolution No. HII-359 in an amount not to exceed \$1,500,000 for the Center for the HELP II Loan Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Oppenheim SECOND: Member Manriquez

AYES:Members: Kalvoda, Kropke, Manriquez, Oppenheim, Morton

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED.

Item #5

**Hart Community Homes, Inc. (Hart Homes),
Fullerton, Orange County**

HELP II

Resolution No. HII-360 (Action Item)

Staff Member Mayers reported that Hart Homes requested a HELP II loan in an amount not to exceed \$802,000. Loan proceeds would be used to demolish an existing, four-unit apartment complex purchased with HELP II funds in 2020 and to construct a larger facility that would accommodate up to 30 individuals in foster care who remain unadopted.

Attendees: (via teleconference) Carissa Hart, Executive Director, Hart Community Homes, Inc.

Executive Director Hart gave an overview of the project and expressed gratitude for CHFFA's support over the last decade.

Chair Morton expressed his excitement to support what Hart Homes is doing for foster youth.

Members Oppenheim and Kropke seconded Chair Morton's willingness to support Hart Homes.

Attorney Monical Jimenez asked Executive Director Hart to comment on The Monkey Business Café and to explain what Hart Homes does in that aspect. Executive Director Hart explained the history of Hart Homes' efforts to offer their foster children employment through the Monkey Business Café and described their target population.

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

Authority Action

Motion to approve Resolution No. HII-360 in an amount not to exceed \$802,000 for Hart Homes for the HELP II Loan Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Kropke

SECOND: Member Manriquez

AYES:Members: Kalvoda, Kropke, Manriquez, Oppenheim, Morton

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED.

Item #6

County of Los Angeles (the County)
Investment in Mental Health Wellness Grant Program
(First Funding Round)
Ninth Amendment to Resolution No. MH 2014-06 (Action Item)

Staff Member Jacobs reported the County requested Authority approval to amend the milestone condition deadlines of being open and operational from December 31, 2024 to July 31, 2025 and to extend the grant period and resolution expiration dates from March 31, 2025 to October 31, 2025. Staff Member Jacobs reported that 13 of the CRTPs were open and operational, but the County would not be able to meet the milestone condition deadline of being open and operational for two of its 15 Crisis Residential Treatment Program (CRTP) projects due to further delays. The LAC+USC campus was still pending fire clearance, Community Care Licensing (CCL) approval, Medi-Cal certification, and staffing. The County anticipated the LAC+USC campus would be open and operational by July 31, 2025. The Olive View CRTP was pending Medi-Cal certification and had an anticipated open and operational date of January 31, 2025.

Attendees: (via teleconference) Damien Parker, Chief, Administrative Support Bureau, Los Angeles County Department of Mental Health.

Chief Parker gave an update on the project and also stated that the LAC+USC campus had received fire clearance.

Member Oppenheim expressed support for the County's project despite delays.

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

Authority Action

Motion to approve Ninth Amendment to Resolution No. MH 2014-06 to amend the milestone conditions and extend the grant period and resolution expiration dates, subject to the terms and conditions in the resolution.

MOTION: Member Kalvoda

SECOND: Member Oppenheim

AYES:Members: Kalvoda, Kropke, Manriquez, Oppenheim, Morton

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED.

Item #7

County of Santa Clara (County)
Community Services Infrastructure Grant Program
(Third and Fourth Funding Rounds)
Resolution No. CSI 2023-02 and Resolution No. CSI 2023-03 (Information Item)

Staff Member Jacobs reported that the County received Authority approval on February 29, 2024 to combine the funding from two CSI grants for the acquisition of one larger property for the combined total of 26 beds and that the County had identified three potential buildings for their Transitional Housing Unit (THU) Program. After conducting site visits, none of the buildings were deemed suitable for the project. However, in June of 2024, the County received approval from Santa Clara County Board of Supervisors to acquire two properties in San Jose. In September of 2024, the City of San Jose declined to sell one of the properties due to community concerns regarding housing justice-involved individuals. Staff Member Jacobs reported that the County was finalizing the acquisition of one of the properties, which would accommodate approximately 12 beds. The County was in the process of implementing a contingency plan to identify another suitable property for the remaining 14 beds.

The Community Services Infrastructure Grant Program statutory end date was scheduled for June 30, 2025, leaving six months for the County to finalize the purchase of one property, complete the purchase of an additional property, become open and operational, submit all supporting documentation for disbursement, and for Authority staff to review all documentation, reconcile the disbursement, and approve disbursement of funds. Staff Member Jacobs provided an overview of possible courses of action depending on the County's progress by the open and operational date of January 29, 2025. Possible courses of action included amending one or both of the resolutions and/or recommend the Authority set a cure period for one or both of the projects.

Attendees: (via teleconference) Gabby Olivarez, M.A., MBA, Division Director and Rebeca Lemus-Mendez, Division Manager, County of Santa Clara, Forensic, Diversion & Reintegration Division.

Division Director Olivarez updated the Authority regarding the escrow status of the purchase in progress, which was scheduled to close on January 14, 2025.

Member Oppenheim expressed hope for the Authority to work with the County to provide assistance and flexibility through a difficult situation.

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

Item #8

Distressed Hospital Loan Program (DHLP)
Loan Modification Application Development Update (Information Item)

Executive Director Aboubechara reported that the Department of Health Care Access and Information was statutorily mandated to collaborate with the Authority and the Department of Finance to develop a loan modification or forgiveness process. As such, Authority staff had worked closely the Department of Health Care Access and Information to develop a two-step process for loan modification and forgiveness, which was signed off by the Department of Finance. The first step, loan modification, would require an applicant to apply for a 12-month extension of the payment deferral period and of the maturity date, with no extension being provided beyond July 1, 2031, due to the sunset date of the program at the end of 2031. Step two, loan forgiveness, would require the applicant, if still facing financial distress, to apply annually for forgiveness of the following 12 months of debt service. Denial at any point in the process would require the applicant to wait 12 months before applying again.

Attendees: (via teleconference) Dean O'Brien, Acting Deputy Director, Department of Health Care Access and Information.

Acting Deputy Director O'Brien confirmed that the plan had been reviewed and approved by the Department of Health Care Access and Information, the Department of Finance, and the Governor's Office.

Member Manriquez expressed gratitude for the quick implementation of the DHLP.

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

Items #9 and #10

Public Comment and Adjournment

Chair Morton asked for public comment. Hearing none, the meeting adjourned at 2:36pm.