MINUTES
California Health Facilities Financing Authority
("CHFFA")
915 Capitol Mall, Room 587
Sacramento, California 95814
January 5, 2016 – 1:30 P.M.

Public Participation
Call-In Number: 877.810.9415 and Participant Code: 6535126

Deputy Treasurer, Vincent Brown, serving as chairperson, called the meeting to order at 1:32 P.M.

Roll Call

Members Present:	Vincent P. Brown for John Chiang, State Treasurer
	Alan LoFaso for Betty T. Yee, State Controller
	Eraina Ortega for Michael Cohen, Director of Finance
	Judith Frank
	Jay Hansen
	Ann Madden Rice
	Oscar Sablan, M.D.
	Pedro Reyes
Members Absent:	Ann Madden Rice
	Jack Buckhorn

Chairperson Brown declared a quorum present.

Diane Stanton, Executive Director, stated the Executive Director's report, meeting minutes, and fund balances will be shared at the next Authority meeting.

Ms. Frank recused herself from item #2 due to her ownership of Wells Fargo stock. Also, Mr. Reyes recused himself due to his wife working for Sutter Health.

Item #2 Sutter Health, Resolution No. 409

Brock Lewis, Program Analyst introduced Sutter Health representatives and presented. Sutter Health seeks to issue $550,000,000 in fixed rate revenue bonds for the costs and reimbursement of acquisitions, construction, expansion, furnishing, and equipping of three hospitals. Sutter Health provides a broad range of health care services, including acute, sub-acute, long-term, home health, outpatient care, and physician delivery systems. Bond proceeds would be used to finance the construction of two new replacement hospitals in San Francisco, and would reimburse Sutter Health for the construction of a new replacement hospital in Santa Rosa. The San Francisco Hospitals have an estimated completion date of 2019. The Santa Rosa Hospital was completed in 2014. All three new hospitals would satisfy the seismic regulations mandate.

Attendees: Svend Ryge, Vice President and Treasurer, Sutter Health, John Landers, Managing Director, Underwriter, Morgan Stanley, and Traci Van, Community Benefit Director, Sutter Health.

Mr. Ryge provided pictures of the Sutter West Bay Hospitals dba California Pacific Medical Center ("CPMC"), Van Ness and Geary Campus Hospital, CPMC St. Luke's Campus Hospital and Sutter Santa Rosa Regional Hospital. Mr. Ryge described the status of each hospital and answered questions from Authority members.

Mr. Hansen expressed to staff that in the future he would like to see how community service benefits were being calculated.

Ms. Stanton responded that she will work with the hospital and OSHPD to get a better understanding of the different calculations and methodology. Staff would also conduct research and provide its findings to the Authority.

Chairperson Brown asked if there were any questions or public comment. There were none.

Authority Action
Motion to approve Resolution No. 409 in an amount not to exceed $550,000,000 for Sutter Health.

MOTION: Member Hansen SECONDED: Member Sablan

AYES:.....Members: Sablan, Hansen, Ortega, LoFaso, Brown
NOES:.....None
ABSTAIN: ...None
RECUSE:.....Members: Frank, Reyes

MOTION ADOPTED.

Ms. Frank recused herself from items #3 and #4 due to her consulting work with counties.

Item #3 **Approving the Adoption of Emergency Regulations for Peer Respite Care Grants and Authorizing Emergency Rulemaking Proceedings, Resolution No. 2016-01**

Ms. Stanton and Carolyn Aboubechara, Program Manager, presented. Staff seeks approval to adopt emergency regulations to award grants for Peer Respite Care programs for a total amount of up to $3,000,000 in unencumbered funds from the Investment in Mental Health Wellness Act grant program. Upon approval by the Authority, staff will file emergency regulations with the Office of Administrative Law for review and approval.

Attendees: Diane Van Maren, Consultant to the County Behavioral Health Director's Association.

Ms. Aboubechara noted a correction to section 7220(f) after "Following Initial Allocations made pursuant to subsection E, Initial Allocations may be considered for Applications scoring less than 70 points" the addition of "to encumber all Peer Respite Care Program funds."

Noel O'Neal, Behavioral Director of Trinity County joined the meeting via teleconference and expressed satisfaction with the proposed Peer Respite Care Program implementation.

Jane Adcock, Executive Officer for the California Mental Health Planning Council joined the meeting via teleconference and expressed their support for the Peer Respite Care Program.

Chairperson Brown asked if there were any questions or public comment. There were none.

Authority Action
Motion to approve Resolution No. 2016-01 of the California Health Facilities Financing Authority for the adoption of emergency regulations for Peer Respite Care programs.

MOTION: Member Hansen SECONDED: Member LoFaso

AYES:.....Members: Reyes, Sablan, Hansen, Ortega, LoFaso, Brown
NOES:.....None
ABSTAIN: ...None
RECUSE:.....Member Frank

MOTION ADOPTED.

Item #4 Approving Flexibility of Funding for the Investment in Mental Health Wellness Grant Program, Resolution No. 2016-02

Ms. Stanton and Ms. Aboubechara presented. Staff seeks approval for flexibility in funding the Investment in Mental Health Wellness Grant Program ("Program") in the Fifth Funding Round, which is tentatively scheduled to open January 8th and close March 8th. The Authority has approximately $31 million in Program funds remaining. Capital funding may increase due to the forfeiture of unused grant funds allocated in previous funding rounds. Staff's recommendation foreshadows counties' needs not fully aligning with the capital funds available in each program and the desire to award all remaining funds by the June 30, 2016 deadline. After June 30, 2016, all un-awarded funds would revert back to the General Fund.

Attendees: Diane Van Maren, Consultant to the County Behavioral Health Director's Association.

Chairperson Brown asked for public comment. There was none.

Ms. Aboubechara corrected the available amount of Mobile Crisis funds from $221,340.14 to $275,358.29 due to forfeiture of unused program funds from two counties.

Ms. Aboubechara noted the potential increase of available funding due to forfeiture of additional unused funds.

Mr. LoFaso, Mr. Hansen, Mr. Brown, and Ms. Ortega inquired about the possibility of funding remaining available for the implementation of peer respite care programs after funds for crisis residential treatment, crisis stabilization and mobile crisis programs are awarded.

Mr. Hansen moved to modify the proposed resolution to set aside $3,000,000 for peer respite.

Chairperson Brown asked if there were any questions or public comment. There were none.

Authority Action

Motion to approve Resolution No. 2016-02 of the California Health Facilities Financing Authority for the flexibility to reallocate remaining Program funds to maximize the likelihood of awarding all Program funds while, to the extent possible, maintaining the integrity of the Program allocations and to set aside $3,000,000 for the Peer Respite Care Grant Program.

MOTION: Member Hansen SECONDED: Member LoFaso

AYES:.....Members: Reyes, Sablan, Hansen, Ortega, LoFaso, Brown
NOES:.....None
ABSTAIN:.....None
RECUSE:.....Member Frank

MOTION ADOPTED.

Items #5, #6, #7 Other Business, Public Comment, Adjournment

Chairperson Brown asked for public comment. Hearing none and with no additional business, meeting adjourned at 3:04 P.M.