MINUTES
California Health Facilities Financing Authority
("CHFFA" or "Authority")
915 Capitol Mall, Room 587
Sacramento, California 95814
JUNE 28, 2018 – 1:30 P.M.

Alternate Location for CHFFA Teleconference Participation

Peter Morton Medical Building
200 UCLA Medical Plaza, Room 647
Los Angeles, CA 90095

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

OPEN SESSION

Deputy Treasurer, Ruth Holton-Hodson, serving as Chairperson, called the meeting to order at 1:34 PM.

Chairperson Holton-Hodson announced in an effort to promote transparency, a live, interactive, call-in number was available to the public to provide access to Authority meetings. Open meetings would be available live to all who wish to call-in to listen and participate.

Item #1 **Roll Call**

Members Present: Ruth Holton-Hodson for John Chiang*, Chairperson, State Treasurer
Alan LoFaso for Betty T. Yee, Vice Chairperson, State Controller
Jacqueline Wong-Hernandez for Michael Cohen, Director, Department of Finance
Judith N. Frank
Robert Cherry, M.D. – via teleconference
Jack Buckhorn

Member Absent: Jay Hansen
Oscar Sablan, M.D.
Sumi Sousa

Chairperson Holton-Hodson declared a quorum present.

Item #2 **Approval of the Minutes from the May 24, 2018**

Chairperson Holton-Hodson asked if there were any changes, questions or public comment; there were none.

Authority Action
Motion to approve the minutes from the May 24, 2018 meeting.

MOTION: Member LoFaso SECOND: Member Wong-Hernandez

AYES: .....Members: Buckhorn, Cherry, Frank, Wong-Hernandez, LoFaso, Holton-Hodson
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION ADOPTED.

*Treasurer John Chiang joined the meeting at 1:40 P.M.

Item #3 Executive Director's Report

CHFFA Fund Balances and Comprehensive Debt List Summaries

Ronald Washington, Executive Director, reported the CHFFA fund balances, and the outstanding debt information as of May 31, 2018.

Tax-Exempt Bonds Delegation of Powers Monthly Update

Mr. Washington presented the Delegation of Powers report regarding AltaMed Health Services Corporation ("AltaMed"), execution of the First Supplemental Bond Indenture for Series 2015A and 2015B. Mr. Washington reported that AltaMed requested an amendment to the Bond Indenture to adjust the interest rates. The Attorney General's Office reviewed the request and confirmed that the proposed action fell within the Executive Director's delegated authority under CHFFA's Bond Financing Program's Delegation Resolution No. 2017-01. The Executive Director executed the First Supplemental Bond Indenture for Series 2015A and 2015B on May 24, 2018.

Mr. Washington presented the Delegation of Powers report regarding Sutter Health ("Sutter"), Series 2007A, 2007B, and 2007C (collectively the "2007 Bonds"), execution of the IRS Forms 8038-R, 8821, and 2848. Mr. Washington reported that in May 2012, Bond Logistix ("BLX") scheduled a rebate calculation for the 2007 Bonds and determined that Sutter had an arbitrage rebate payment due to the Federal Government. Mr. Washington also reported that in March 2018, BLX determined the 2007 Bonds earned negative arbitrage. Mr. Washington stated Sutter is seeking a refund of the arbitrage rebate payment from the I.R.S. The State Treasurer's Office Legal Counsel reviewed the request and confirmed the proposed action fell within the Executive Director's delegated authority under the Bond Financing Program's Delegation Resolution No. 2017-01. The Executive Director executed the IRS Forms 8038-R, 8821, and 2848 on May 25, 2018.

Mr. Washington, presented the Delegation of Powers report regarding Dignity Health's, formerly Catholic Healthcare West (the "Corporation"), execution of a Certificate of Redemption for Series 1988C bonds. Mr. Washington reported that on July 18, 2018, the outstanding aggregate principal amount of $29,500,000 in bonds was paid in full. The State Treasurer's Office's Legal Counsel reviewed the request and confirmed the proposed action fell within the Executive Director's delegated authority under the Bond Financing Program's Delegation Resolution No. 2017-01. The Executive Director executed the Certificate of Redemption for Series 1988C on June 12, 2018.

HELP II Loan Program Delegation of Powers Monthly Update

No action was taken pursuant to the HELP II Loan Program Delegation of Powers Resolution.

Investment in Mental Health Wellness Grant Program Quarterly Milestones

Mr. Washington mentioned one change and one highlight to the Investment in Mental Health Wellness Quarterly Milestones Report. The change is on page one for the County of Sacramento (the "County") shaded in blue. Mr. Washington reported that the County missed its first milestone, which was to start construction by May 31, 2018. The County had sixty days from its milestone deadline to meet the requirement under the delegation resolution. Mr. Washington mentioned that on page three, staff added a section that refers to the forfeited projects as of June 2018.

Site Visits
Mr. Washington stated that the site visit to the County of Napa's Crisis Stabilization Unit would be presented after Item #10

Carolyn Aboubechara, Program Manager, presented the board with a handout that provides a status update on the two Children's Hospital Programs (Proposition 61 and 3) and highlighted the two hospitals, University of California Los Angeles Medical Center and University of California Irvine Medical Center, who have funds remaining in the first funding round of Proposition 3 and that she would go over the Proposition 61 part under Item #6 on the agenda.

Dr. Cherry recused himself from Item 4 through Item 6 due to his employment with the University of California, Los Angeles Medical Center and recent affiliation with Miller Children's Hospital.

Item #4 **University of California, Irvine Medical Center, Resolution No. CHP-3 2018-04**

Ms. Aboubechara, presented. University of California, Irvine Medical Center (the "Hospital") requested Authority approval of a grant in an amount not to exceed $29,284,802. Ms. Aboubechara reported that the proceeds of the grant would be used to construct, equip, and furnish a new two-story building to operate the Center for Child Health ("CCH"). The new CCH would allow the Hospital to consolidate four different services into a single location.

Attendees: via teleconference – Neil Myers, Director of Finance, Dr. Michael Stamos, Dean of the School of Medicine, Dr. KV Le-Bucklin, Interim Chair, Department of Pediatrics, Francine Jeffrey, Associate Dean of Administration, Ron Cortez, Chief Financial Officer and Vice Chancellor of Finance and Administration, Janet Mason, Assistant Vice Chancellor Capital Planning, Tara Massimino, Director, Research Development, School of Medicine, Financial Administration, Maryann Pack, Chief Administrative Officer, Pediatrics.

Chairperson Chiang asked if there were any questions or public comment; there were none.

Authority Action
Motion to approve Resolution No. CHP-3 2018-04 in an amount not to exceed $29,284,802 for the University of California, Irvine Medical Center, less issuance and administrative costs, subject to all requirements of the Children's Hospital Program of 2008.

MOTION: Member Frank SECOND: Member LoFaso

AYES: .....Members Buckhorn, Frank, Wong-Hernandez, LoFaso, Chiang
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....Member Cherry

MOTION ADOPTED.

Item # 5 **University of California, Los Angeles Medical Center, Resolution No. CHP-3 2018-05**

Nicole Weaver, staff analyst, presented. The University of California, Los Angeles Medical Center (the "Medical Center") requested Authority approval of a grant in an amount not to exceed $14,200,000. Ms. Weaver reported the grant funds would be used to reimburse the costs of neonatal and pediatric patient care equipment for Santa Monica – UCLA Medical Center and Orthopaedic Hospital (the "Santa Monica facility") and for UCLA Mattel Children's Hospital, and

the expansion of the fifth floor neonatal intensive care unit ("NICU") of UCLA Mattel Children's Hospital ("Mattel"), with related NICU patient care equipment and information technology systems.

Attendees: Santiago Munoz, Chief Strategy.

Chairperson Chiang asked if there were any questions or public comment; there were none.

Authority Action
Motion to approve Resolution No. CHP-3 2018-05 in an amount not to exceed $14,200,000 for the University of California, Los Angeles Medical Center, less costs of issuance and administrative costs, subject to all requirements of the Children's Hospital Bond Act of 2008.

MOTION: Member LoFaso SECOND: Member Wong-Hernandez

AYES: .....Members Buckhorn, Frank, Wong-Hernandez, LoFaso, Chiang
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....Member Cherry

MOTION ADOPTED.

Item #6 The Children's Hospital Program of 2004, Resolution No. CHP 2018-05
Ms. Aboubechara, presented. Staff requested Authority approval of the execution and delivery of grant funding under the Children's Hospital Bond Act of 2004 Third Funding Round.

Ms. Aboubechara reported the Authority received eight applications from hospitals requesting the remainder of their funds available under Proposition 61's Third Funding Round. The applicants were Children's Hospital of Los Angeles, Children's Hospital & Research Center at Oakland, Children's Hospital of Orange County, Loma Linda University Children's Hospital, Long Beach Memorial Medical Center, Earl and Loraine Miller Children's Hospital, University of California, Irvine Medical Center, University of California, Los Angeles Medical Center, and the University of California, San Francisco Medical Center. Ms. Aboubechara stated that six out of eight applications were for equipment projects and two were for capital projects presented in items 4 and 5 on the agenda and that staff evaluated each of the applications to ensure they met the program's six evaluation factors.

Ms. Aboubechara mentioned that there remained $128,121 in funds available for a Proposition 61 Fourth Funding Round beginning July 1, 2018 that would be available on a first-come, first-served basis for applications from any University of California children's hospital.

Attendees: Representatives from the hospitals via teleconference.

Chairperson Chiang asked if there were any questions or public comment; there were none.

Authority Action
Motion to approve Resolution No. CHP 2018-05 approving the execution and delivery of grant funding under the Children's Hospital Bond Act of 2004 to the eligible applicants for the amounts, projects, and project period end dates in Exhibit A attached to the Resolution.

MOTION: Member LoFaso SECOND: Member Wong-Hernandez

AYES: .....Members Buckhorn, Frank, Wong-Hernandez, LoFaso, Chiang
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....Member Cherry

MOTION ADOPTED.

Item #7 CommuniCare Health Centers, Resolution No. HII-314

CommuniCare Health Centers was removed from the agenda.

Item #8 Tulare Youth Service Bureau, Incorporated, Resolution No. HII-315

Crystal Wong, staff analyst, presented. Tulare Youth Service Bureau, Incorporated ("Tulare") requested the Authority approval of a HELP II loan in an amount not to exceed $1,500,000 to renovate one of Tulare's existing commercial buildings into additional office and meeting room spaces. Ms. Wong stated the additional office space would aid Tulare to provide better service to its community and improving its programs.

Attendees: Bob Pennington, Chief Financial Officer, Will Goodall, New Chief Financial Officer and Tim Zavala, Executive Director.

Chairperson Chiang asked if there were any questions or public comment; there were none.

Authority Action

Motion to approve Resolution No. HII-315 in an amount not to exceed $1,500,000 for Tulare Youth Service Bureau, Incorporated for a term not to exceed 20 years, and contingent upon financing terms acceptable to the Authority. Macias Gini & O'Connell LLP, the Authority's financial analyst, concurs with the Authority's staff recommendation.

MOTION: Member Wong-Hernandez SECOND: Member LoFaso

AYES: .....Members Buckhorn, Cherry, Frank, Wong-Hernandez, LoFaso, Chiang
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION ADOPTED.

Item #9 Lifeline Grant Program, Resolution No. LG~~B~~P 2018-01

Rosalind Brewer, Program Manager, presented. Staff requested Authority approval of 42 Final Allocation Awards and to grant the Executive Director the delegated powers outlined in the Resolution. Ms. Brewer reported the Lifeline Grant Program was to assist small and rural health facilities that may be adversely financially affected by a reduction or elimination of federal government assistance and have little to no access to working capital. Ms. Brewer stated that of the 42 eligible applications, 15 applicants indicated they have already experienced a federal trigger and 27 applicants anticipate a federal trigger to happen sometime between the fall of 2018 and January 2019. Ms. Brewer also reported the emergency regulations will expire August 23, 2018. The Permanent Regulations will be brought to the Authority no later than the August 2018 Authority meeting. The application period was open for 30 days, from February 26, 2018 and ended at 5:00 p.m. March 26, 2018.

Attendees: Representatives from the health facilities via teleconference

Chairperson Chiang asked if there were any questions or public comment; there was one.

Michael Helmick with CaliforniaHealth+ Advocates thanked the Authority staff for all the work they did on the Lifeline Grant Program and he stated CaliforniaHealth+ Advocates reached out to many of the clinics in the regions across the State and shared the webinars that the Authority staff created.

Authority Action

Motion to approve Resolution No. LG~~B~~P 2018-01 approving the final allocation of grant funds to the Grantees as shown in Exhibit A of the Resolution attached hereto and to grant certain delegated powers to the Executive Director to take the necessary steps to execute the grant agreements and disburse grant funds.

MOTION: Member Frank SECOND: Member Wong-Hernandez

AYES: .....Members Buckhorn, Cherry, Frank, Wong-Hernandez, LoFaso, Chiang
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION ADOPTED.

Item #10 Investment in Mental Health Wellness Act of 2013, County of Napa Update

Erin Lane, staff analyst, presented. County of Napa Update (the "County"). Ms. Lane provided a summary of the County's approved project and status update. She reported that in December 2017, the Authority approved an extension and amendment to the resolution for the County's Crisis Residential Treatment ("CRT") program from eight to 12 beds. Ms. Lane stated that Progress Foundation agreed to sell the County its existing property to expand the current CRT program and services. The County would conduct a feasibility study to provide new construction and labor costs estimates to determine if the County would have sufficient funds to purchase and expand the current facility. Ms. Lane stated the County was in discussions with the County Executive Officer regarding the potential need to leverage additional funds for this project, pending the results of the feasibility study. She added that the County and Progress Foundation continued to work diligently towards meeting the current milestones and project deadlines.

Felix Bedolla stated that given the recent wildfires and anticipated increase in costs for labor and materials, the County has received approval from the County's Board of Supervisors to spend $30,000 to perform a feasibility study that would determine if the project is still within budget and can still meet the current project timeline. Mr. Bedolla mentioned that he believes the County can meet the first two milestones; and when the feasibility study is complete, the County would be able to speak with more authority on whether or not they can meet the third and fourth milestones.

Mr. Buckhorn suggested that staff move the County's next update from September 2018 to January 2019 so staff can report back on the results of the feasibility study.

Attendees: Felix Bedolla, Project Manager, and Bill Carter, Director, Mental Health Division of Napa County Health and Human Services via teleconference.

Site Visit to the County of Napa's Crisis Stabilization Unit

Ms. Lane reported on a site visit she went on to the County's first Crisis Stabilization Unit ("CSU"). The County was approved in December of 2015 for a four bed facility. Ms. Lane stated the CSU opened in May 2017 with eight beds adding additional four beds. Ms. Lane reported the CSU is open 24 hours. She added that the CSU provides services for adults and children and 5150 holds and training. About 50% of clients served are referrals or self check-ins and the other 50% are police drop offs. Approximately 16-18% of clients served are children.

Item #11 Closed Session

The Closed Session was removed from the agenda.

Items #12, #13, #14 Other Business, Public Comment, Adjournment

Chairperson Chiang asked for public comment. Hearing none and with no additional business, the meeting adjourned at 2:22 P.M.