MINUTES

California Health Facilities Financing Authority
("CHFFA" or "Authority")
915 Capitol Mall, Room 587
Sacramento, California 95814
September 28, 2017 – 1:30 P.M.

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

OPEN SESSION

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

Chairperson Brown 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:	Vincent P. Brown for John Chiang, Chairperson, State Treasurer Alan LoFaso for Betty T. Yee, Vice Chairperson, State Controller Eraina Ortega for Michael Cohen, Director, Department of Finance Judith Frank Oscar Sablan, M.D. Jack Buckhorn Sumi Sousa
Member Absent:	Jay Hansen Robert Cherry, M.D.

Chairperson Brown declared a quorum present.

Item #2 **Approval of the Minutes from the August 24, 2017 Meeting**

Chairperson Brown asked if there were any corrections or changes to the minutes or public comment; there were none.

Authority Action

Motion to approve the minutes from the August 24, 2017 meeting.

MOTION: Member Buckhorn SECOND: Member Ortega

AYES: .....Members: Sousa, Buckhorn, Sablan, Frank, Ortega, LoFaso, Brown
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION ADOPTED.

CHFFA Fund Balances and Comprehensive Debt List Summaries

Mr. Washington introduced CHFFA's newest staff analyst, Susan Lauck. Ms. Lauck joins us from the Department of Public Health and will be working with Carolyn Aboubechara, Program Manager, for the Grant Programs.

Chairperson Brown noted for the record that Ms. Sousa arrived at 1:35 P.M.

Mr. Washington, Acting Executive Director of CHFFA, reported on the July 31, 2017 Executive Director's Report. Three line items were added to the fund balance report, Clinic Lifeline Grant Program, Community Service Infrastructure Program (Jail Diversion Program), and the No Place Like Home Program. Two of the additional line items had a fund balance. The Clinic Lifeline Grant Program had not yet been funded but would be funded out of the HELP II Loan Program. Also, a column was added for the source of funding, as listed. Year-end closing was on June 30, 2017; any adjustments afterwards would be reflected in the fund balance report.

Tax-Exempt Bonds Delegation of Powers Monthly Update

Ampla Health ("Ampla") Series 2016 – Amendment to the Indenture. Mr. Washington reported that Ampla requested to amend its Indenture to include sinking fund payments. Mr. Washington indicated typical Indentures include semi-annual sinking fund payments, but Ampla's Indenture only included annual payments. The drafters of the documents intended to include semi-annual payments. CHFFA's in-house counsel and the Attorney General's Office confirmed the proposed action fell within CHFFA's bond financing program delegation resolution. The Acting Executive Director signed the documents on August 24, 2017.

Front Porch Communities and Services 1997 Series A and 1999 Series A – Termination Agreements and Certificate of Authority. Mr. Washington reported Front Porch Communities redeemed its 1997A and 1999A Bonds in August 2017. As a result, CHFFA executed Termination Agreements and Certificate of Authority. CHFFA's in-house counsel and the Attorney General's Office confirmed the proposed action fell within CHFFA's bond financing program delegation resolution. The Acting Executive Director signed the documents on August 31, 2017.

HELP II Loan Program Delegation of Powers Monthly Update

Chico Feminist Women's Health Center ("CFW) – Amendment to the Loan and Security Agreement and Promissory Note. Mr. Washington reported that CFW closed its Sacramento office and moved the financed equipment to its Redding and Chico offices on April 28, 2017. CHFFA's in-house counsel reviewed the amendments and confirmed the proposed action fell within CHFFA's HELP II Loan Program delegation resolution. The amendments to the Loan and Security Agreement and Promissory Note reflected the change in locations and were executed by the Acting Executive Director on September 1, 2017.

Site visits

Mr. Washington visited the Solano County Rosewood Crisis Residential Treatment Facility in Vallejo, California. The Solano facility opened in May 2017, which was delayed by four months due to the installation of a sprinkler system that flooded the facility. The location operates a 16-bedroom, six-shower and bathroom facility. The average stay for a client was 14-days. The County shared that the neighborhood supported the location for the program.

Mr. Washington visited the Casa Paseo Center Crisis Residential Treatment Facility in San Bernardino, California. A 16-bed facility with approximately 11,000 square feet.

Loma Linda University of Children's Hospital

Mr. Washington reported that he had the opportunity to meet with the Loma Linda University Children's Hospital staff to discuss their grant awards under the Children's Hospital Program for the building of a new children's hospital tower next to an adult tower sharing the same platform. It appeared that Loma Linda University Children's Hospital Program was on a path for success.

No Place like Home Program

Mr. Washington reported that before a service contract can be executed by CHFFA and the Department of Housing & Community Development, the service contract must be reviewed by the Mental Health Services Oversight and Accountability Commission ("MHSOAC"). Under the Welfare and Institutions Code, CHFFA was required to submit the service contract to MHSOAC for approval. The service contract could either be approved or rejected within 10 days of submission. Mr. Washington submitted the service contract on September 19, 2017. The 10 day period ended on September 29, 2017. At the MHSOAC meeting on September 28, 2017, the commission voted to not take action on the request; therefore, the service contract was deemed approved as provided under the statute.

Item #4 **Investment in Mental Health Wellness Act of 2013**
Second Amendment to Resolution Number MH 2015-04
(Third Funding Round) County of Sacramento, California

Brock Lewis, staff analyst, presented. Mr. Lewis introduced Uma Zykofsky, Deputy Director of Behavioral Health Services and Jane Ann Zakhary, MHSA Program Manager, of Behavioral Health Services. The County of Sacramento (the "County") requested the Authority's approval for an amendment to Resolution No. MH 2015-04 to extend the grant period and resolution expiration date from December 31, 2017 to December 31, 2020.

Sacramento County purchased buildings and was prepared to begin renovations for two of its three Crisis Residential Treatment ("CRT") programs in mid-2018. Sacramento's third residential treatment program had met with opposition from the community. The County was currently exploring the next steps for the program, which could possibly require a new location.

Attendees: Uma Zykofsky, Deputy Director and Jane Ann Zakhary, MHSA Program Manager, Sacramento County Behavioral Health Services.

Ms. Zykofsky elaborated on the County's successes, challenges, and progress with implementing the CRT programs. Ms. Zykofsky also noted that delays were due to a robust community engagement process of speaking with stakeholders on multiple occasions and ensuring the County was meeting all regulatory requirements.

Mr. LoFaso inquired which entity would own the property and who was responsible for siting properties.

Ms. Zykofsky replied that the nonprofit service provider would own the property, but the County and the nonprofit service provider work together on siting the property.

Chairperson Brown asked to clarify if two of the three projects were moving forward and only the third needed the extension.

Ms. Zykofsky responded that all projects needed the extension for various reasons.

Authority members discussed their concerns regarding project siting, educational tools, understanding the project development process, and the possibility of hiring consultants.

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

Authority Action

Motion to approve a Second Amendment to Resolution Number MH 2015-04 to extend the resolution and grant period expiration date to December 31, 2020 subject to meeting the milestones outlined in the resolution.

MOTION: Member Buckhorn SECOND: Member LoFaso

AYES: .....Members: Sousa, Buckhorn, Sablan, Frank, Ortega, LoFaso, Brown
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION ADOPTED.

Chairperson Brown requested that Mr. Washington discuss with staff on how long it would take to develop a report or toolkit with lessons learned/checklists on the SB 82 program.

Mr. Buckhorn inquired whether the Legislature was aware of CHFFA's inability to reach the 2,000 bed goal in the Investment in Mental Health Wellness Act of 2013. Ms. Aboubechara mentioned that there have been conversations with the Legislature, and they are aware. Also, the beds approved versus the goals are shared with the Legislature through the CHFFA Report to the Legislature.

Item #5 Investment in Mental Health Wellness Act of 2013, (First Funding Round) County of Los Angeles' Project Update

Carolyn Aboubechara, Program Manager, presented and introduced Dr. Jonathan Sherin, M.D., PhD, Director of Los Angeles County Department of Mental Health. Los Angeles County was unable to implement the project before the expiration date. Los Angeles County would come back to the Authority requesting a reinstatement, extension and an amendment of the project mainly to discuss what prohibited the county from executing the original project, why the county chose to let the grant expire, the proposed new project the County is exploring and how it is consistent with the intent and the purposes of the original project, and the proposed timelines, budgets and steps that the county will take to make sure the new project is successful. Dr. Sherin went over a number of items as well as a presentation.

Attendees: Jonathan Sherin, MD, PhD, Director, Los Angeles County Department of Mental Health, and additional staff via phone.

Authority members expressed their disappointment, frustration, and concern to Los Angeles County for not providing CHFFA with correct data and not implementing the project.

Dr. Sherin replied that he would come back and work with CHFFA staff to come before the Authority and seek approval of reinstatement of the resolution for the proposed new/modified project.

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

Item #6 Lifeline Grant Program Development Presentation

Amy Voong, staff analyst, presented. The Clinic Lifeline Grant Program (the "Program"), authorized by the Senate Bill 97 - Clinic Lifeline Act of 2017 (the "Act") and signed into law in July 2017. The intent of the Program was to assist small and rural health facilities, including community-based clinics, that may be adversely affected financially by a reduction or elimination of federal government assistance and that have little to no access to working capital.

The Program was appropriated $20,000,000 from the Authority's HELP II Loan Program sub fund account. All grant funds must be encumbered by June 30, 2020 and any remaining monies not disbursed as of June 30, 2022, will revert to the originating sub fund account. The Act allows the Authority to develop the Program's selection criteria, the process for awarding grants, and the adoption of emergency regulations for implementation.

Chairperson Brown noted that the maximum number of grants that could be awarded if all eligible health facilities requested the maximum amount of $250,000 would be eighty (80). Ms. Voong also shared that before emergency regulations are adopted, the Authority would have the opportunity to discuss and engage in the development process.

The Authority members asked for clarification with regard to eligibility requirements, proposed funding distribution, and timelines regarding the enactment of the federal budget or the repeal of the Affordable Care Act. Mr. Washington provided context that staff has reached out to individual health facilities, parent organizations, and health associations that represent multiple healthcare organizations and that innovative uses of the grant funds and sustainability would be focuses of the program.

Chairperson Brown requested staff ask stakeholders to provide more information about how they anticipate being financially impacted by potential federal cuts. He further asked if there were any questions or public comment. There were none.

Item # 7 **California Health Access Model Program ("CHAMP")**
San Francisco Health Plan Presentation

Ms. Voong, staff analyst presented. Ms. Voong introduced Maria Raven, Principal Investigator; Courtney Gray, Care Management Director; and Dr. Jim Glauber to present San Francisco Health Plan's ("SFHP"), recipient of the CHAMP grant, final evaluation of its pilot demonstration project. The final evaluation included data collected from the original two year grant period and six months thereafter. The representatives from SFHP presented the evaluation key findings, an overview of the project's achievements, an overview of evaluation objectives, a member's profile and lessons learned. The presentation also touched upon the current replication process through the Health Homes Program.

Ms. Gray thanked and acknowledged the Authority.

Ms. Sousa asked Mr. Washington if there was a staff recommendation regarding replicability of the SFHP project. Mr. Washington replied there would be a discussion with staff and that staff would return to the Authority with recommendation considerations.

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

Item #8 **Grant Program Update**

Mr. Washington provided an update and overview of the Authority's grant programs, including funding sources, funding disbursement deadlines, program status/development, regulation status, and application periods.

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

Items #9, #10, #11 **Other Business/Public Comment/Adjournment**

Chairperson Brown asked for public comment. Hearing none and with no additional business, the meeting adjourned at 4:20 P.M.