MINUTES

California Health Facilities Financing Authority
("CHFFA")
915 Capitol Mall, Room 587
Sacramento, California 95814

August 27, 2015 – 1:30 P.M.

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

Deputy Treasurer, Vince Brown, serving as chairperson, called the meeting to order at 1:45 PM.

Roll Call

Members Present: Vince 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.
Jack Buckhorn

Member Absent: Pedro Reyes

Chairperson Brown declared a quorum present and introduced Diane Stanton as CHFFA's new Executive Director.

Approval of the Minutes from the July 30, 2015 Meeting
Chairperson Brown asked if there were any questions or public comment; there were none.

Board Action
Motion to approve the minutes from the July 30, 2015 CHFFA meeting.

MOTION: Member Ortega SECONDED: Member LoFaso

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

MOTION ADOPTED.

Executive Director's Report CHFFA Fund Balances

Ronald Washington introduced CHFFA's new staff (Matthew Saha and Yuanyuan Wei) to the Authority.

CHFFA Fund Balances and Comprehensive Debt List Summaries

Mr. Washington submitted fund balances for the record as of July 31, 2015, which included the California Health Access Model Program fund balances and the Comprehensive Debt Limit Summaries of CHFFA's top 15 borrowers.

Tax Exempt Bond Delegation of Powers Monthly Update

No actions were taken pursuant to the Tax-Exempt Bond Delegation Resolution.

HELP II Loan Program Delegation of Powers Monthly Update

Mr. Washington stated that Foothill Health Center requested to open a line of credit with Citibank, N.A. of approximately $750,000 to help finance ongoing or recurring expenses, major events, large purchases or unexpected expenses. Mr. Washington reported Foothill Health Center requested CHFFA to execute a subordination agreement. CHFFA's in-house counsel reviewed the request and confirmed the proposed action fell within CHFFA's delegation resolution. The Acting Executive Director executed the acknowledgment letter on July 31, 2015.

Mr. Washington reported Foothill Health Center has elected not to enter into a line of credit with Citibank, N.A. The executed subordination agreement has been cancelled.

Martha Maldonado, Operations Manager, stated the debt service coverage ratio was 6x.

California Health Access Model Program ("CHAMP") Status Update

Mr. Washington reported the San Francisco Health Plan provided CHFFA with a quarterly report for the period ending June 30, 2015.

California Health Access Model Program Sequel Update (SB315) Status Update

No update was given.

Site Visits

No site visits were taken.

Jack Buckhorn joined the meeting at 1:55 pm.

Item #4 California-Nevada Methodist Homes ("CNMH"), Oakland, California
Resolution No. 406

Bianca Smith, staff analyst, introduced representatives from California-Nevada Methodist Homes. Ms. Smith reported that CNMH was previously approved at the May 28, 2015 Authority meeting for the issuance of $35 million in Revenue Bonds to be used to refund the outstanding Cal-Mortgage insured CHFFA 2006 Series Revenue Bonds. Ms. Smith stated that CNMH has strategically decided to add a new money portion to the already approved bond refunding transaction and is now requesting the Authority's approval to use the bond proceeds to refund the outstanding CHFFA 2006 Series Revenue Bonds and to finance capital improvement projects.

Representing California-Nevada Methodist Homes: Bob Hubbard, President & CEO, California Nevada Methodist Homes; Katherine A. Kirchoff, Managing Director, Cain Brothers & Co.; Jenna Magan, Partner, Orrick, Herrington & Sutcliffe; Mayling Leong, Managing Associate; and Jennifer Binger, Orrick, Herrington & Sutcliffe.

Staff recommended the Authority approve Resolution No. 406 in an amount not to exceed $35,000,000 subject to the conditions in the resolution and contingent upon Cal-Mortgage Insurance approval. Resolution No. 406 superseded Resolution No. 404 approved by the Authority on May 28, 2015. Macias Gini & O'Connell, LLP, the Authority's financial analyst, and Fieldman, Rolapp & Associates, Inc. the Authority's financial advisor, concurred with the Authority's staff recommendation.

Chairperson Brown asked if there were any public comment; there were none.

BOARD ACTION
Motion to approve Resolution No. 406 for California-Nevada Methodist Homes.

MOTION: Member Ortega SECONDED: Member LoFaso

AYES:.....Members: Buckhorn, Sablan, Madden Rice, Hansen, Frank, Ortega, LoFaso, Brown
NOES:.....None
ABSTAIN:.....None
RECUSE:.....None

MOTION ADOPTED.

CHFFA entered into closed session at 2:11 p.m.

Item #5 Closed Session
California State Auditor ("CSA") confidential final draft audit report regarding the Children's Hospital Program (Government Code Section 11126.2(a))

Discuss response to CSA's confidential final draft audit report as authorized under Government Code Section 11126.2(a)

At 2:31 p.m., the closed session concluded and CHFFA held open session.

Item #6, #7, #8 Other Business, Public Comment, Adjournment
Chairperson Brown asked for public comment. Hearing none and with no additional business, the meeting adjourned at 2:31 P.M.