MINUTES

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

Alternate Location for CHFFA Teleconference Participation:

Asset Strategies
500 South Figueroa Street
Los Angeles, CA 90071

July 30, 2015 – 1:45 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 1:50 PM.

Chairperson Brown announced California State Treasurer John Chiang inaugurated a new service. In an effort to promote transparency, a live, interactive, call-in number is available to the public to provide access to board meetings. Open meetings will be available live to all who wish to call-in to listen and participate.

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 via Teleconference
	Oscar Sablan, M.D.
	Jack Buckhorn
	Pedro Reyes
Members Absent:	Ann Madden Rice
	Jay Hansen

Chairperson Brown declared a quorum present.

Approval of the Minutes from the June 25, 2015 Meeting
Chairperson Brown asked if there were any questions or public comment; there were none.

Authority Action
Motion to approve the minutes from the June 25, 2015 CHFFA meeting.

MOTION: Member Reyes SECONDED: Member Buckhorn

AYES:.....Members Reyes, Buckhorn, Frank, LoFaso, Ortega, Brown
NOES:.....None
ABSTAINS:.....Member Sablan
RECUSE:.....None

Executive Director's Report CHFFA Fund Balances

CHFFA Fund Balances and Comprehensive Debt List Summaries
Ronald Washington, Acting Executive Director, submitted fund balances for the record as of May 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
Foothill Health Center borrowed approximately $500,000 from First American Commercial Bancorp, Inc. to finance an equipment loan for one of its community health clinics. Foothill Health Center requested CHFFA to execute an acknowledgment letter to exclude CHFFA from the equipment loan financed by First American Commercial Bancorp, Inc. to avoid any potential conflicting lien. CHFFA's in-house counsel confirmed the proposed action fell within CHFFA's delegation resolution. The Acting Executive Director executed the acknowledgment letter on July 6, 2015.

California Health Access Model Program ("CHAMP") Status Update
Status update was moved to agenda item #6.

California Health Access Model Program Sequel Update (SB315) Status Update
Status update was moved to agenda item #6.

Site Visits
No site visits were taken.

Item #4 AltaMed Health Services Corporation ("AltaMed"), Los Angeles, California, Resolution No. 405

Brock Lewis, staff analyst, introduced representatives from AltaMed. AltaMed is a non-profit community health center founded in 1969 as a volunteer-staffed clinic in East Los Angeles. AltaMed provides medical and dental services to predominantly low-income Latino, multi-ethnic and underserved communities throughout Los Angeles and Orange Counties. Bond proceeds would be used to finance various projects including the purchase of leased facilities, construction of new facilities, renovation of existing facilities, reimbursement of prior property purchases, capital expenditures, and refinancing of certain existing indebtedness. Note proceeds would be used to finance and refinance the purchase of equipment.

Representing AltaMed: Joe Esparza, VP Finance & CFO, AltaMed; Fernando Flores, Controller, AltaMed; Jenna Magan, Bond Counsel, Orrick, Herrington & Sutcliffe; and Mayling Leong, Bond Counsel, Orrick, Herrington & Sutcliffe LLP.

Staff recommended the Authority approve Resolution No. 405 in an amount not to exceed $130,000,000 subject to the conditions in the resolution. 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.

Authority Action
Motion to approve Resolution No. 405 for AltaMed Health Services Corporation.

MOTION: Member Reyes SECONDED: Member Sablan

AYES:.....Members Reyes, Sablan, Buckhorn, Frank, LoFaso, Ortega, Brown
NOES:.....None
ABSTAINS:.....None
RECUSE:.....None

MOTION ADOPTED.

Item #5 **Bi-Bett Corporation ("Bi-Bett") Concord, California**
Resolution No. HII-295

Bianca Smith, staff analyst, introduced representatives from Bi-Bett. This non-profit corporation was established in 1969 and operates alcoholism and drug addiction recovery facilities in Alameda, Contra Costa and Solano County. Bi-Bett requested a HELP II loan in order to purchase a new building that would accommodate services for 21 women and children. The purpose of the new building would allow Bi-Bett to expand capacity and provide additional living space for family activities.

Representing Bi-Bett Corporation: Susan Cinelli, Executive Director, Bi-Bett Corporation and Kevin Lee, Accountant, Bi-Bett Corporation.

Staff recommended approval of Resolution No. HII-295 for Bi-Bett Corporation in an amount not to exceed $693,545 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, concurred with the Authority's staff recommendation.

Authority members inquired about Bi-Bett's intent to comply with prevailing wage requirements for work related to the renovation of the property acquired with HELP II loan funds.

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

Authority Action
Motion to approve Resolution No. HII-295 for Bi-Bett Corporation.

MOTION: Member Reyes SECONDED: Member Buckhorn

AYES:.....Members Reyes, Sablan, Frank, Buckhorn, Ortega, LoFaso, Brown
NOES:.....None
ABSTAINS:.....None
RECUSE:.....None

MOTION ADOPTED.

Item #6 Lomi School Foundation ("Lomi"), Santa Rosa, California
Resolution No. HII-296

Lomi, a non-profit corporation founded in 1978, started the Lomi Psychotherapy Clinic to provide high quality, affordable, and accessible mental health care services while specializing in a mindfulness-based, integrated model of care. Lomi requested a HELP II loan to refinance an existing loan in an amount not to exceed $230,000 and to finance upgrades and renovations in an amount not to exceed $100,000. The refinancing loan would allow Lomi to lower its annual debt service payments and avoid a balloon payment.

Representing Lomi: Thomas Pope, Clinical Director, Lomi School Foundation and Ayne Shore, Program Director, Lomi School Foundation.

Staff recommended approval of Resolution No. HII-296 for Lomi School Foundation in an amount not to exceed $230,000 for a term not to exceed 15 years for refinancing, and an amount not to exceed $100,000 for a term not to exceed 20 years for renovations, contingent upon financing terms acceptable to the Authority. Macias Gini & O'Connell, LLP, the Authority's financial analyst, concurred with the Authority's staff recommendation.

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

Authority Action
Motion to approve Resolution No. HII-296 for Lomi School Foundation.

MOTION: Member Buckhorn SECONDED: Member Reyes

AYES:.....Members Reyes, Sablan, Frank, Buckhorn, Ortega, LoFaso, Brown
NOES:.....None
ABSTAINS:.....None
RECUSE:.....None

MOTION ADOPTED.

Item #7 HELP II Loan Program Financial Analysis

Rosalind Brewer, Program Manager, presented the agenda item. At the May 28, 2015 Authority meeting, staff presented a proposal for a Marginal Borrower Program designed to attract lower credit borrowers. The Authority then requested staff reach out to underserved markets before considering any new programs. Staff worked with Sperry Capital, the Authority's financial advisor, to evaluate various marketing strategies and to determine if $6.5 million could be withdrawn from the HELP II Loan Program fund to establish a CHAMP II Grant Program..

Representing Sperry Capital, Inc.: Jim Gibbs, Principal and Martha J. Vujovich, Principal.

Sperry Capital presented their HELP II Loan Program Financial Analysis on potential effects of withdrawing $6.5 million from the HELP II Loan fund for a CHAMP II grant program as well as other possible programs. Sperry Capital determined that with $6.5 million withdrawn from the HELP II Loan fund, the fund could maintain $6 million in reserves until 2025 if 11 loans per year were originated or could maintain $6 million in reserves until 2020 if 15 loans were originated per year.

Mr. Reyes stated he preferred the Authority give direction to staff on which industry sectors to focus marketing efforts. After a lengthy discussion, staff was directed to postpone further marketing efforts and focus on one or two industry sectors until a new Executive Director has been appointed.

Item #8 SB 315 Update

Four years after the CHAMP Grant Program was authorized, SB 315 was introduced and staff sought Authority approval to authorize funding for a CHAMP II grant program for a second demonstration project. Staff would work closely with the State Treasurer's Office to pursue legislative approval to utilize up to $1.5 million in funds from CHFFA's HELP II loan fund balance to support a second demonstration project designed to advance the innovative delivery of health care to underserved and vulnerable populations throughout California with up to an additional $5,000,000 for statewide implementation of the innovative model if the demonstration project is able to demonstrate cost savings, improved clinical outcomes and a sustainable state wide model, subject to both the Authority's desire to pursue a CHAMP II grant program and the ongoing availability of HELP II funds.

The State Treasurer's Office is in support of amending SB 315 to provide the Authority with the option to implement CHAMP II at the Authority's discretion.

Since SB 315 is a two-year bill, the Authority would have more time to explore the benefits of funding CHAMP II or other programs.

Item #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 3:07 P.M.