MINUTES

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

June 25, 2015 – 2:00 P.M.

Deputy Treasurer, Grant Boyken, serving as Chairperson, called the meeting to order at 2:05 P.M.

Roll Call

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

Chairperson Boyken declared a quorum present.

Approval of the Minutes from the May 28, 2015 Meeting
Chairperson Boyken asked if there were any questions or public comment; there were none.

Board Action
Motion to approve the minutes from the May 28, 2015 CHFFA meeting.

MOTION: Member Buckhorn SECONDED: Member Ortega

AYES: .....Members Ortega, LoFaso, Buckhorn, Boyken
NOES: .....None
ABSTAIN: .....Members Reyes, Hansen, Frank
RECUSE: .....None

MOTION ADOPTED.

Executive Director's Report
Ronald Washington, CHFFA's Acting Executive Director, introduced CHFFA's newest addition and staff analyst, Patrick Waterman, a UC Davis alumnus and MBA graduate.

CHFFA Fund Balances and Comprehensive Debt List Summaries
Mr. Washington submitted fund balances for the record as of May 31, 2015, which included the California Health Access Model Program ("CHAMP") fund balance 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

Chamberlain's Children Center, Inc. ("CCC"). CCC requested the Authority consent to incur additional debt from Northern California Community Loan Fund in the amount of $200,000, which secured the property held by the Authority as collateral. The Authority's in-house counsel confirmed the proposed action fell within the Authority's delegation resolution. The Acting Executive Director executed the letter for such consent on May 20, 2015.

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

Mr. Washington reported the San Francisco Health Plan project ("SFHP") is now fully staffed and no additional funds have been disbursed since the initial $356,000 disbursement in July 2014.

California Health Access Model Program Sequel Update (SB 315)

Mr. Washington requested the Authority's input on developing a CHAMP II Program by utilizing funds out of the HELP II Loan Program.

Mr. Hansen replied he would support a CHAMP II Program and it would be a wise use of the available money. He was also interested in staff exploring, through legislation or through regulations, the possibility of allowing small rural for-profit physicians serving over 50% Medi-Cal patients access the HELP II funds.

Ms. Ortega stated the Authority needs to discuss the possibility of how extending the eligibility of the HELP II Loan Program would potentially draw down the funds.
Chairperson Boyken stated that on behalf of Treasurer Chiang, he would like to see SB 315 as an agenda item next month for discussion and sought clarification on the available funding in the HELP II Loan fund.

Ms. Frank mentioned that she would like to see the list of all previous application concepts for the CHAMP program. The various program ideas previously submitted would give the Authority a better sense of potential programs to consider. Mr. Reyes supported this approach.

Mr. Buckhorn stated there was a previous extensive analysis of the HELP II Loan fund. In order to determine if $6.5 million would be the right amount to be utilized from the HELP II Loan Program, he would like to see what the impact of the recent changes to the HELP II Loan Program from the April 2015 meeting were. Mr. Buckhorn is also interested focusing on efforts to reach out to new borrowers before considering the CHAMP II program.

Mr. Buckhorn later stated that he was comfortable with moving forward with the bill knowing that the author of the bill would be willing to make and accept any amendments prior to passing to the Governor's desk.

Mr. Hanson inquired if SB 315 was a CHFFA-sponsored bill. Ms. Deborah Yang, CHFFA's in-house counsel, replied not as of yet. She explained that she was informed by CHFFA staff that the author does not want to move forward with the bill without the support of the Authority. Mr. Hansen further stated that the Authority needs to explore if SB 315 could be deferred until August and this bill could be a vehicle to allow the for-profits access to the HELP II Loan program.

Mr. Reyes stated that he is not personally in support of opening the HELP II Loan program to for-profit physicians.

CHFFA staff would work on an updated financial analysis of the HELP II Loan fund and would present it at the July meeting.

Site Visits

UC Davis Children's Hospital, Children's Hospital Program – Mr. Waterman presented CHFFA staff's site visit to UC Davis Children's Hospital and provided an update on the hospital's ongoing relocation and expansion project. Mr. Waterman distributed pictures of the hospital to Authority members.

Ms. Frank recused herself from item #4 and item #5 due to her work as a consultant/subcontractor for the County of Los Angeles and County of Santa Clara.

Item #4 Investment in Mental Health Wellness Act of 2013, Approval of Final Allocations to Certain Grant Applicants, Resolution Nos. MH 2015-01 through MH 2015-05.

Staff sought Authority approval of Final Allocations for the third funding round. The third funding round opened January 15 and closed March 30, 2015. The Authority received five grant applications from Kings, Los Angeles, Mendocino, Sacramento and San Bernardino counties.

Kings County

Michael Tang, staff analyst, introduced Kelly Baker, Deputy Director. The County of Kings would establish its first Crisis Residential Treatment Program to provide services to adults ages 18 to 59 who are experiencing a psychiatric crisis including those with co-occurring substance use. The CRT Program would expand the County's capacity by adding eight new beds, which would enhance the current continuum of care that heavily relies on law enforcement, hospital emergency departments and out-of-county placements.

Representing County of Kings: Kelly Baker, Deputy Director.

Staff recommended the Authority approve Resolution No. MH 2015-01 for Final Allocation in an amount not to exceed $995,903.84.

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

Board Action
Motion to approve Resolution No. MH 2015-01 for the County of Kings.

MOTION: Member Reyes SECONDED: Member LoFaso

AYES: .....Members Reyes, Hansen, Buckhorn, Ortega, LoFaso, Boyken
NOES: .....None
ABSTAIN: .....None
RECUSE: .....Member Frank

MOTION ADOPTED.

Los Angeles County
Paul Dulai, staff analyst, introduced Mary Marx, Mental Health Clinical District Chief, Department of Mental Health, and Luis Quintanilla, Countywide Resource Management, County of Los Angeles, Department of Mental Health. The County of Los Angeles proposed to purchase five additional vehicles to support the activities of its mobile teams providing crisis intervention services such as assessments intervention services, and referrals for any individuals experiencing mental health issues.

Representing County of Los Angeles: Mary Marx, Mental Health Clinical District Chief, Department of Mental Health and Luis Quintanilla, Department of Mental Health Countywide Resource Management.

Staff recommended the Authority approve Resolution Number MH 2015-02 for a Final Allocation in an amount not to exceed $135,000.

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

Board Action
Motion to approve Resolution No. MH 2015-02 for the County of Los Angeles.

MOTION: Member Reyes SECONDED: Member LoFaso

AYES: .....Members Reyes, Hansen, Buckhorn, Ortega, LoFaso, Boyken
NOES: .....None
ABSTAIN: .....None
RECUSE: .....Member Frank

MOTION ADOPTED.

Mendocino County

Bianca Smith, staff analyst, introduced Tom Pinizzotto, Assistant for the County of Mendocino Health and Human Services Agency. The County of Mendocino would implement a new 10-bed crisis residential treatment program. The CRT Program would provide a clinically effective and cost-efficient alternative to psychiatric hospitalization for individuals ages 18 and older experiencing a mental health crisis.

Representing County of Mendocino: Tom Pinizzotto, Assistant, Health and Human Services Agency (SA), Director of Health Services.

Staff recommended the Authority approve Resolution Number MH 2015-03 for a Final Allocation in an amount not to exceed $500,000.

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

Board Action

Motion to approve Resolution No. MH 2015-03 for County of Mendocino.

MOTION: Member Ortega SECONDED: Alan LoFaso

AYES: .....Members Reyes, Hansen, Buckhorn, Ortega, LoFaso, Boyken
NOES: .....None
ABSTAIN: .....None
RECUSE: .....Member Frank

MOTION ADOPTED.

Sacramento County

Brock Lewis, staff analyst, introduced Anthony Madariaga, Executive Director of the Sacramento County Mental Health Treatment Center and Jane Ann LeBlanc, MHSA Program Manager, Sacramento County Division of Behavioral Health Services. The County of Sacramento would implement three new 15-bed Crisis Residential Treatment Programs, each addressing a unique and specific focus.

Representing County of Sacramento: Anthony Madariaga, Executive Director of the Sacramento County Mental Health Treatment Center and Jane Ann LeBlanc, MHSA Program Manager, Division of Behavioral Health Services.

Staff recommended the Authority approve Resolution Number MH 2015-04 for a Final Resolution in an amount not to exceed $5,732,583.

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

Board Action
Motion to approve Resolution No. MH 2015-04 for County of Sacramento.

MOTION: Member Hansen SECONDED: Member Reyes

AYES: .....Members Reyes, Hansen, Buckhorn, Ortega, LoFaso, Boyken
NOES: .....None
ABSTAIN: .....None
RECUSE: .....Member Frank

MOTION ADOPTED.

San Bernardino County

Paul Dulai, staff analyst, introduced Sharon Nevins, Deputy Director, Department of Behavioral Health. The County of San Bernardino would construct a new 16-bed Crisis Residential Treatment Program to serve adults ages 18 and older in the central region of the County. The CRT Program services would be specialized to provide crisis intervention for individuals diagnosed with co- occurring substance use and mental health disorders in a safe home-like environment.

Staff recommended the Authority approve Resolution Number MH 2015-05 for a Final Allocation in an amount not to exceed $3,054,094.

Representing County of San Bernardino: Sharon Nevins, Deputy Director, Behavioral Health

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

Board Action
Motion to approve Resolution No. MH 2015-05 for the County of San Bernardino.

MOTION: Member Reyes SECONDED: Member LoFaso

AYES: .....Members Reyes, Hansen, Buckhorn, Ortega, LoFaso, Boyken
NOES: .....None
ABSTAIN: .....None
RECUSE: .....Member Frank

MOTION ADOPTED.

Item #5 Investment in Mental Health Wellness Grant Program Grant Funding Program Updates

Carolyn Aboubechara, Program Manager, presented an update on the Investment in Mental Health Wellness Grant Program. With the grant awards for the third funding round made prior to this item, the Authority would have granted awards for 31 applications for the benefit of 32 counties in a total amount of approximately $91.7 million in capital funding and almost all of the available personnel funding of approximately $4 million. As of this meeting, the Authority has made awards to add 48 vehicles, 58.25 staff, and 945 crisis residential and stabilization beds.

She further presented to the Authority the four programmatic changes that were implemented over the past few months. She also informed the Authority that staff would research the concept of a peer respite program and would come back to the Authority at an upcoming meeting with more information.

Staff planned a fourth funding round tentatively scheduled for July 1, 2015 through September 15, 2015.

Item #6 Annual Tax-Exempt Bond Fee Reduction Analysis

Brock Lewis, staff analyst, provided the Authority an update on the annual tax-exempt bond fee reduction analysis. In 2012, the Authority approved various fee reductions for its tax-exempt bond program, which included the following:

1) Eliminated Application fee of $500;
2) Reduced the initial fee from .075% of the aggregate amount of the issue to .05% of the aggregate amount of the issue;
3) Reduced the initial fee cap from $300,000 to $100,000;
4) Reduced the annual administration fee from .02% of the bonds outstanding to .0175% of the bonds outstanding; and
5) Eliminated the resolution renewal fee of $500.

At the time of approval, staff agreed to revisit the fee schedule annually to evaluate the impact of these changes.

Presenting the Annual Tax-Exempt Bond Fee Reduction Analysis: Daniel L. Wiles, Principal, Fieldman, Rolapp & Associates.

Item #7 HELP II Loan Program – Parameters for Marginal Borrowers

Brock Lewis, staff analyst, sought input from the Authority on recommendations for a marginal borrowers program within the HELP II Loan Program. A marginal borrowers program would assist struggling health facilities that do not meet the current financial eligibility guidelines of the HELP II Loan Program. The Authority did not approve moving forward with the implementation of a marginal borrowers program at this time.

Item #8, 9, and 10 Other Business, Public Comment, Adjournment

Chairperson Boyken asked for public comment. Hearing none and with no additional business, the meeting adjourned at 3.57 P.M.