MINUTES

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

May 28, 2015 – 2:00 P.M.

Deputy Treasurer, Vince Brown, serving as Chairperson, called the meeting to order at 2:01 P.M.

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
Jack Buckhorn
Ann Madden Rice

Members Absent: Jay Hansen
Judith Frank
Oscar Sablan, M.D.
Pedro Reyes

Chairperson Brown declared a quorum present.

Approval of the Minutes from the April 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 April 30, 2015 CHFFA meeting.

MOTION: Member Buckhorn SECONDED: Member LoFaso

AYES: ..... Members Rice, Buckhorn, Ortega, LoFaso, Brown
NOES: ..... None
ABSTAIN: ..... None
RECUSE: ..... None

MOTION ADOPTED.

Executive Director's Report

CHFFA Fund Balances and Comprehensive Debt Summaries

Barbara Liebert, Executive Director, submitted fund balances for the record as of April 30, 2015, which included the California Health Access Model Program ("CHAMP") fund balance and the Comprehensive Debt Limit Summaries of CHFFA's top 14 borrowers.

Ms. Liebert announced she was leaving CHFFA after eight years of service as the Executive Director.

Tax-Exempt Bond Delegation of Powers Monthly Update

√ Stanford Hospital and Clinics, 2012 Series D. Stanford Hospital and Clinics and CHFFA executed a First Supplemental Indenture to terminate the current Index Floating Rate Period and enter into a new Index Floating Rate Period of a longer term, resulting in an interest savings for Stanford. CHFFA's in-house counsel and the Attorney General's Office reviewed the request to execute the First Supplemental Indenture and confirmed the proposed action fell within CHFFA's delegation resolution.

HELP II Loan Program Delegation of Powers Monthly Update

√ Santa Cruz Women's Health Center to Santa Cruz Community Health Centers – Name change. Santa Cruz Women's Health Center notified CHFFA on February 20, 2015 about the name change to Santa Cruz Community Health Center. As a result, the Promissory Note and the Loan and Security Agreement were amended to reflect the new name. CHFFA's in-house counsel reviewed the amendments and confirmed the proposed action to amend the Promissory Note and the Loan and Security Agreement fell within CHFFA's delegation resolution. The Amendment to the Promissory Note was executed by the borrower and the Amendment to the Loan and Security Agreement was executed by both parties on May 5, 2015.

California Health Access Model Program (CHAMP) Update

Ms. Liebert reported staff was seeking legislation for a potential CHAMP sequel.

California Health Access Model Program Sequel Update SB 315 (Monning and Hernandez)

Ms. Liebert reported SB 315 (Monning and Hernandez) passed out of the Health Committee and Senate Appropriations. SB 315 (Monning and Hernandez) remains pending.

Site visits

√ **Valley Children's 101: An Inside Look at Valley Children's Health Center.** Carolyn Aboubechara, program manager, was invited to the Valley Children's Health Center to visit Valley's health system. The 101 tour covered patient safety, quality services; cat scan and imaging equipment, x-ray machines, ultra sound machine; a maternal fetal center and a NICU**.**

√ **Fresno County's Investment in Mental Health Wellness Crisis Stabilization Unit**. Ms. Aboubechara also visited Fresno County's crisis stabilization unit. Fresno County was awarded $800,000 for children and adults. Since opening the crisis stabilization, Fresno County has seen 100 patients in the first two weeks of operation.

On June 3, 2015, Ms. Aboubechara will visit the Pediatric Intensive Care Unit at the UC Davis Cancer Center. Authority members were invited to attend.

Peer Respite Update

Ms. Liebert reported there was a panel discussion on peer respite at the last Authority meeting.

Ms. Liebert further reported the benefits of allocating crisis residential monies to establish a peer respite program. Senator Holly Mitchell introduced legislation trailer bill language that would permit CHFFA to move $3,000,000 from the crisis residential program to a peer respite program.

CHFFA staff is in the process of developing a formal recommendation for the Authority's consideration to move the funds at the next Authority meeting.

Mr. LoFaso inquired about other respite programs in the context of peer respite.

Diane Van Maren, consultant to the County Behavioral Health Directors Association of California, gave an overview and explained the different types of respite.

Item #4 **Stanford Health Care ("SHC"), Stanford, California, Resolution No. 403**

Michael Tang, staff analyst, introduced representatives from Stanford Health Care. Bond proceeds would be used to finance a portion of the costs of the replacement and renovation of SHC's hospital facilities located in Palo Alto, California and may also be applied to the renovation of the Hoover Pavilion and the anticipated center in Redwood City. This initiative is part of Stanford's multi-year master plan, which would also address seismic compliance. The goal of the new Stanford Hospital is to create a place of healing that supports patient care, practitioner and staff productivity and environmental sustainability.

Representing Stanford Health Care: Ty Conner, Assistant Director, Treasury Services; John Landers, Managing Director, Morgan Stanley; and Kathleen A. Leak, Orrick, Herrington & Sutcliffe LLP.

Staff recommended the Authority approve Resolution Number 403 in an amount not to exceed $175,000,000 subject to the conditions in the resolution, including a bond rating of at least investment grade by a nationally recognized rating agency for publicly offered bonds.

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

Board Action
Motion to approve Resolution No. 403 for Stanford Health Care.

MOTION: Member Buckhorn SECONDED: Member Ortega.

AYES: .....Members Rice, Buckhorn, Ortega, LoFaso, Brown
NOES: .....None
ABSTAIN: .....None
RECUSE: .....None

MOTION ADOPTED.

Item #5 **California-Nevada Methodist Homes ("CNMH"), Oakland, California, Resolution No. 404**

Bianca Smith, staff analyst, introduced representatives for California-Nevada Methodist Homes. CNMH currently owns and operates two continuing care retirement communities. Bond proceeds would be used to refund the outstanding CHFFA 2006 Series Revenue Bonds. This Cal-Mortgage insured transaction would provide a cash flow relief to CNMH.

Representing California-Nevada Methodist Homes: Bob Hubbard, President & CEO, CNMH; Liz Hing, Vice President, Cain Brothers & Company, LLC; Jenna Magan, Partner, Orrick, Herrington & Sutcliffe LLP.

Staff recommended the Authority approve Resolution No. 404 in an amount not to exceed $35,000,000 subject to the conditions in the resolution and contingent upon Cal-Mortgage insurance approval.

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

Board Action
Motion to approve Resolution No. 404 for California–Nevada Methodist Homes, Oakland, California.

MOTION: Member Rice SECONDED: Member LoFaso

AYES .....Members Rice, Buckhorn, Ortega, LoFaso, Brown
NOES: .....None
ABSTAIN: .....None
RECUSE: .....None

MOTION ADOPTED.

Item #6 **Kids & Families Together, Camarillo, California, Resolution No. HII-293**

Brock Lewis, staff analyst, introduced the representative for Kids & Families Together. Kids & Families Together requested approval of a loan in an amount not to exceed $440,000 with a fixed interest rate of 3% for a term not to exceed 15 years for the purpose of refinancing as well as a second loan in an amount not to exceed $75,000 with a fixed interest rate of 2% for a term not to exceed 20 years for the purpose of renovations.

Representing Kids & Families Together: David Friedlander, President & CEO.

Staff recommended approval of Resolution No. HII-293 for Kids & Family Together in an amount not to exceed $440,000 for a term of 15 years for refinancing, and an amount not to exceed $75,000 for a term of 20 years for renovations, contingent upon financing terms acceptable to the Authority.

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

Board Action
Motion to approve Resolution No. HII-293 for Kids & Family Together.

MOTION: Member LoFaso SECONDED: Member Rice

AYES: .....Members Rice, Buckhorn, Ortega, LoFaso, Brown
NOES: .....None
ABSTAIN: .....None
RECUSE: .....None

MOTION ADOPTED.

Item #7 Mentally and Educationally Retarded Citizens, Inc., ("MERCI") Monterey Park, California, Resolution No. HII-294

Paul Dulai, staff analyst, introduced the representative for the Mentally and Educationally Retarded Citizens, Inc. Loan proceeds would be used to fund the completion of phase two and part of the construction of phase three of a three-phase construction project. Phase two is the construction of an administration building and is approximately 70% complete. MERCI's 2012 HELP II loan was used to fund a portion of the phase two construction. For this new HELP II loan, $400,000 of the loan proceeds would be used to finish construction on phase two. MERCI would use $500,000 of the loan proceeds to construct a one-story, 5,024 square foot multi-purpose building to be used for classroom space, increasing capacity by at least 75-96 clients. MERCI indicated the project would nearly double MERCI's capacity.

Representing Mentally and Educationally Retarded Citizens, Inc.: Marta Escanuelas, Executive Director, MERCI.

Staff recommended approval of Resolution No. HII-294 for Mentally and Educationally Retarded Citizens, Inc., MERCI in an amount not to exceed $900,000 for a term not to exceed 20 years and contingent upon financing terms acceptable to the Authority.

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

Board Action
Motion to approve Resolution No. HII-294 for Mentally and Educationally Retarded Citizens, Inc.

MOTION: Member Buckhorn SECONDED: Member Rice

AYES: .....Members Rice, Buckhorn, Ortega, LoFaso, Brown
NOES: .....None
ABSTAIN: .....None
RECUSE: .....None

MOTION ADOPTED.

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

Chairperson Brown presented a resolution to Barbara Liebert for her years of service. Ms. Liebert thanked everyone. Chairperson Brown also stated that Ronald Washington is the interim Executive Director for CHFFA until the position is filled permanently.

Mr. Buckhorn wished Ms. Liebert well and commented on her strong leadership skills, the growth and success of the Authority under her leadership, and the Authority's good fortune to have had her as an Executive Director.

Chairperson Brown asked for public comment. Hearing none and with no additional business, the meeting was adjourned at 2:46 P.M.