MINUTES

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

Alternate Location for CHFFA Teleconference Participation:

Sablan Law Office
979 "O" Street, Suite B
Firebaugh, California 93622

April 9, 2015 – 1:30 P.M.

Deputy Treasurer, Vince Brown, serving as Chairman, called the meeting to order at 1:34 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
Oscar Sablan, M.D. via teleconference
Judith N. Frank
Jay Hansen
Jack Buckhorn
Pedro Reyes

Member Absent: Ann Madden Rice

Chairman Brown declared a quorum present.

Approval of the Minutes from the February 26, 2015 meeting
Chairman Brown asked if there were any questions or public comment; there were none.

Board Action
Motion to approve the minutes from February 26, 2015 CHFFA meeting.

MOTION: Member Reyes SECONDED: Member LoFaso
AYES: .....Members Reyes, Buckhorn, Sablan, Hansen, Frank, Ortega, LoFaso, Brown
NOES: .....None
ABSTAIN: .....None
RECUSE: .....None

MOTION ADOPTED

Executive Director's Report

CHFFA Fund Balances and Comprehensive Debt List Summaries

Barbara Liebert, Executive Director, submitted fund balances for the record, as of February 28, 2015, which included the California Health Access Model Program ("CHAMP") fund balance and the Comprehensive Debt Limit Summaries of CHFFA's top 14 borrowers.

Tax-Exempt Bond Delegation of Powers Monthly Update

Northern California Presbyterian Homes and Services, Inc. Series 2004 Revenue Bonds. On February 26, 2015, the Executive Director executed the Second Supplemental indenture to change certain provisions related to the notice and timing requirements for the redemption of the CHFFA Series 2004 bonds. Changes were necessary in order to facilitate the refunding of the CHFFA Series 2004 bonds with proceeds from the CHFFA Series 2015 bonds. CHFFA's Issuer's Counsel (Attorney General's Office) and STO In-house Counsel confirmed that the action fell within the Executive Director's Tax-Exempt Bond Delegation of Powers Resolution.

HELP II Loan Program Delegation of Powers Monthly Update

No actions were taken pursuant to the HELP II Loan Program Delegation Resolution.

California Health Access Model Program (CHAMP) Update

There were no updates to report on CHAMP.

Site visit

There were no site visits to report.

Ms. Frank recused herself from Item #4 and declared her stock ownership in Wells Fargo Bank.

Agenda Item #4 **El Camino Hospital, Mountain View, California, Resolution No. 402**

Brock Lewis, staff analyst introduced representatives from El Camino Hospital ("ECH"). He reported that bond proceeds would be used to refund all or a portion of the outstanding Santa Clara County Financial Authority (SCCFA) Series 2007A, 2007B, & 2007C Revenue Bonds. In addition, ECH planned to upgrade and perform various capital improvement projects at its Los Gatos campus.

Representing El Camino Hospital: Iftikhar Hussain, Chief Financial Officer; Chad Kenan, Underwriter, Citigroup Global Markets; and Lina Thoreson, Bond Counsel, Orrick, Herrington & Sutcliffe, LLP.

Staff recommended the Authority approve Resolution No. 402 in an amount not to exceed $175,000,000 subject to the conditions in the resolution. Macias Gini & O'Connell, LLP, the Authority's financial analyst, and Fieldman, Rolapp & Assoicates, Inc. the Authority's financial advisor, concurred with the Authority's staff recommendation.

The representatives from El Camino Hospital shared community benefits of its programs. Chairman Brown asked if there were any questions or public comment; there were none.

Board Action
Motion to approve Resolution No. 402 for El Camino Hospital.

MOTION: Member Reyes SECONDED: Member Buckhorn
AYES: .....Members Reyes, Sablan, Buckhorn, Hansen, Ortega, LoFaso, Brown
NOES: .....None
ABSTAIN: ....None
RECUSE: .....Member Frank

MOTION ADOPTED

Agenda Item #5 **Valley Children's Hospital, Madera, California**
Resolution No. CHP-3 2015-01

Janae Davis, staff analyst introduced representatives from Valley Children's Hospital, formerly known as Children's Hospital Central California.

Representing Valley Children's Hospital: Stephanie Vance, Vice President, Finance and via phone: David Christensen, M.D., Sr. Vice President, Medical Affairs & Chief Medical Officer and Danny Davis, Vice President, Clinical Operations.

Staff recommended the Authority approve Resolution No. CHP-3 2015-01 for Valley Children's Hospital to provide a grant not to exceed $15,193,272 (less costs of issuance and administrative costs) subject to all requirements of the Children's Hospital Program of 2008.

Mr. Buckhorn asked if Valley Children's Hospital paid prevailing wage for these projects. Ms. Vance replied yes.

Mr. Hansen inquired about Valley Children's coordinated efforts with University of California, Merced.

Dr. Sablan asked about future opportunities for resident training at Valley Children's Hospital.

Dr. Christianson replied that residents would be able to complete their training at the hospital.

Chairman Brown asked for public comment; there were none.

Board Action
Motion to approve Resolution No. CHP-3 2015-01 for Valley Children's Hospital.

MOTION: Member LoFaso SECONDED: Member Reyes
AYES: .....Members Reyes, Buckhorn, Sablan, Hansen, Frank, Ortega, LoFaso, Brown
NOES: .....None
ABSTAIN: ....None
RECUSE: .....None

MOTION ADOPTED

Agenda Item #6 Foothill Health Center, dba Foothill Community Health Center, San Jose, California, Resolution No. HII-291

Ms. Liebert advised the Authority of a revised resolution with corrections to the applicant's name.

Michael Tang, staff analyst introduced Foothill Health Center dba Foothill Community Health Center ("FHC") and reported that the HELP II loan proceeds would be used to purchase medical, dental, vision and office equipment to operate a new community health clinic.

Representing FHC: Salvador Chavarin, Chief Executive Officer and Michael Victor, Chief Financing Officer.

Staff recommended the Authority approve Resolution No. HII-291 for Foothill Health Center dba Foothill Community Health Center in an amount not to exceed $550,000 for a term not to exceed five 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 recommendations.

Mr. Chavarin provided some highlights of its operation and success of the project.

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

Board Action
Motion to approve Resolution No. HII-291 for Foothill Health Center dba Foothill Community Health Center.

MOTION: Member Reyes SECONDED: Member LoFaso
AYES: .....Members Reyes, Buckhorn, Sablan, Hansen, Frank, Ortega, LoFaso, Brown
NOES: .....None
ABSTAIN: ....None
RECUSE: .....None

MOTION ADOPTED

Ms. Frank recused herself from Items #7, #8 and #9 due to a conflict of interest associated with a contract with Los Angeles County and previous work with Santa Clara County.

Agenda Item #7 Adoption of Amendments to the Regulations for the Investment in Mental Health Wellness Act of 2013 and Authorize Rulemaking Proceedings, Resolution No. 2015-02

Ms. Liebert reported that at the February 26, 2015 Authority meeting, the Authority approved amendments to the Investment in Mental Health Wellness Act of 2013 grant program regulations through the Authority's emergency regulatory authority and gave approval to pursue emergency rulemaking proceedings with the Office of Administrative Law. Amendments to the regulations included language that only addressed and allowed for acquisition by a private nonprofit organization and did not specifically address whether such entities that are acquiring real property may also directly receive funds to perform related construction and renovation on the acquired property.

She reported that staff is seeking to further clarify the regulations to also permit designated private nonprofit corporation or public agencies to directly receive grant funds for construction and renovation when such an entity is also directly receiving funds to acquire real property.

Staff recommended the Authority approve the updated proposed amendments to the Program's regulations.

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

Board Action

Motion to approve Resolution No. 2015-02 and adopt amendments to the regulations for the Investment in Mental Health Wellness Act of 2013 and authorize rulemaking proceedings.

MOTION: Member Buckhorn SECONDED: Member Hansen
AYES: .....Members Reyes, Buckhorn, Sablan, Hansen, Ortega, LoFaso, Brown
NOES: .....None
ABSTAIN: ....None
RECUSE: .....Member Frank

MOTION ADOPTED

Agenda Item #8 Investment in Mental Health Wellness Act of 2013 Approving the Execution and Delivery of Grant Funding Under the Investment in Mental Health Wellness Grant Program to the County of Los Angeles, Second Amendment to Resolution No. MH 2014-06

Margrit Lockett, staff analyst introduced representatives from Los Angeles County and reported that Los Angeles County would like to incorporate the flexibility of allowing designated non-profit organizations to use grant funds to purchase and construct/renovate real property into its Crisis Residential Treatment and Crisis Stabilization program request for proposals.

Representing Los Angeles County: Mary Marx, Mental Health Clinical District Chief for Los Angeles County Department of Mental Health, and Luis Quintanilla, Psychiatric Social Worker for Los Angeles County Department of Mental Health, via phone.

Staff recommended the Authority approve the Second Amendment to Resolution No. MH 2014-06 to revise the Grant Agreement and project description. All other conditions in the Resolution remained the same and in full effect.

Mr. LoFaso inquired on the timeline of the project and how this amendment would affect the timeline.

Ms. Marx replied that they are modifying the request for proposal to reflect the amendment if approved before they go out for proposals.

Mr. Hansen wanted assurance from staff as well as Los Angeles County that prevailing wage will still be paid if the designated service provider receives grant funding for construction or renovation.

Deborah Yang, Senior Attorney, replied that prevailing wage would still be required because the grant monies were state funds and Los Angeles County confirmed that it would require prevailing wage.

Ms. Liebert also replied that prevailing wage was part of the grant agreement.

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

Board Action
Motion to approve Second Amendment Resolution No. MH 2014-06, Approving the Execution and Delivery of Grant Funding Under the Investment in Mental Health Wellness Grant Program to the County of Los Angeles.

MOTION: Member Reyes SECONDED: Member Ortega
AYES: .....Members Reyes, Buckhorn, Sablan, Hansen, Ortega, LoFaso, Brown
NOES: .....None
ABSTAIN: ....None
RECUSE: .....Member Frank

MOTION ADOPTED

Agenda Item #9 Investment in Mental Health Wellness Act of 2013 Grant Funding Progress

Ms. Liebert reported that CHFFA staff would soon score the grant applications received in the third funding round. Grant applications received by CHFFA were for the following counties: Kings, Los Angeles, Mendocino, Sacramento, and San Bernardino. Staff continued the discussion on the various options as well as an additional concept developed by staff as seen in the staff summary. She also reported that she had testified before the Senate Budget & Fiscal Review Subcommittee earlier that day and that generally the subcommittee was appreciative and pleased with CHFFA's SB 82 related progress.

Guest speaker: Diane Van Maren, Independent Policy Consultant on behalf of the California Behavioral Health Director's Association ("CBHDS").

Ms. Van Maren complimented Ms. Liebert on having done such an excellent job presenting at the Senate Budget & Fiscal Review hearing that occurred that morning, and she stated that every member of the subcommittee complimented CHFFA. In addition, she stated that Senator Stone stated that this was the most complete presentation he had ever seen, and that they were very happy that a state entity worked so well with local partners.

A discussion ensued on the various options staff provided that would change the grant program to facilitate the counties' ability to access the remaining grant program funds.

Ms. Liebert reported that she understood the direction to hasten the progress and no changes would happen without Authority approval. She continued that CHFFA may be too late for some options, but that staff could work up proposals and present it to the Authority at the next meeting with various recommendations; and expressed that the Authority could choose to postpone the proposals if the members are not yet ready to vote.

Ms. Van Maren thanked the Authority members and the helpfulness of CHFFA staff and that staff has been fabulous to work with on the program. She continued that CBHDS wanted to be a continued partner with CHFFA.

Mr. Hansen left the meeting at 2:58 P.M.

Mr. Reyes left the meeting at 3:12 P.M.

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

Agenda Items 10 and 11 were moved to the next meeting tentatively scheduled for April 30, 2015.

Agenda Item #12, 13, 14 Other Business/Public Comment/Adjournment

Chairman Brown asked for public comment. Hearing none and with no additional business, the meeting was adjourned at 3:18 P.M.