REVISED MINUTES

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

Alternate Location for CHFFA Teleconference Participation

Asset Strategies
c/o Gensler
500 S. Figueroa Street
Los Angeles, California 90071

May 29, 2014 – 1:30 P.M.

Deputy Treasurer Michael Paparian, serving as Chairman, called the meeting to order at 1:36 P.M.

Roll Call

Members Present:	Michael Paparian for Bill Lockyer, State Treasurer
	Ruth Holton-Hodson for John Chiang, State Controller
	Eraina Ortega for Michael Cohen, Director of Finance
	Judith N. Frank – via teleconference
	Pedro Reyes
	Jay Hansen
	Jack Buckhorn*
	Oscar Sablan, M.D.
Member Absent:	Ann Madden Rice

Chairman Paparian declared a quorum present.

Approval of the Minutes from the April 14, 2014 Meeting
Ms. Ortega moved for approval of the minutes, Ms. Holton-Hodson seconded the motion. The motion was adopted with a 5-aye roll call vote; Mr. Reyes and Ms. Frank abstained. Barbara Liebert, Executive Director, reported that the April 24, 2014 meeting minutes would be noted on the June 26, 2014 agenda.

Executive Director's Report
Ms. Liebert submitted the CHFFA Fund Balances for the record and the Comprehensive Debt List Summaries of CHFFA's top 14 borrowers.

Tax-Exempt Bond Delegation of Powers Monthly Update
Kaiser Permanente, Series 2011A, Series 2011B, Series 2011C, and Series 2011D
Kaiser Permanente requested CHFFA staff to execute written direction to be delivered to the current bond trustee and remove The Bank of New York Mellon Trust Company, N.A. and appoint Wilmington Trust, National Association as the successor trustee. CHFFA's legal counsel confirmed the proposed action fell within CHFFA's delegation resolution. The Executive Director executed the written direction on May 6, 2014.

HELP II Loan Program Delegation of Powers Monthly Update
No actions were taken pursuant to the delegation of power resolution.

Amendments to the Regulations for the Children's Hospital Program of 2004 Update
Ms. Liebert reported amendments to the regulations for The Children's Hospital Program of 2004 were approved and effective as of May 19, 2014.

*Mr. Buckhorn joined the CHFFA meeting at 1:41 P.M.

Responding to Authority members' inquiries about the California Health Access Model Program ("CHAMP") Grant Program and the Investment in Mental Health Wellness Grant Program, Ms. Liebert gave a brief summary of both programs.

CHAMP
Ms. Liebert informed the Authority of a slight management change at San Francisco Health Plan since the approval of the CHAMP grant. Dr. Kelly Pfeifer who was the Chief Medical Officer has moved back into private practice. Staff is scheduled to meet with the Interim Chief Medical Officer and has been assured that the infrastructure is still in place and is moving forward. Once the grant agreement is executed, 25% of the monies would be disbursed per the grant regulations, which is approximately $350,000.

Investment in Mental Health Wellness Grant Program
Ms. Liebert informed the Authority that CHFFA was hosting an information webinar on June 12, 2014 for potential applicants. In addition, staff was considering opening the application period from approximately June 15-June 16 for about 60 days. Also, staff was working with previous applicants, who did not score well in the first funding round, to improve their applications in the next funding round.

Authority members discussed moving those dates back so counties could produce quality applications and whether or not keeping the application period open until all of the funds were committed (instead of providing a deadline to apply) would be a good idea. Ideas for encouraging and assisting counties that did not apply in the first funding round were also discussed.

Chairman Paparian summarized that the Authority members were comfortable with a later deadline for applications for the next funding round.

Item #4 Providence Health System – Southern California ("PHS – Southern California"), Amendment to Resolution No. 392 (Action Item)
Brock Lewis, staff analyst, reported PHS – Southern California sought Authority approval to amend Resolution No. 392. PHS – Southern California requested a one year extension to the Resolution providing additional time by which PHS – Southern California may price and close its bonds. PHS – Southern California also sought Authority approval to increase the not-to-exceed par amount of the bond issue from $149,705,000 to $308,000,000 to refund all or a portion of the outstanding CHFFA/Providence Health & Services Series 2008C Fixed Rate Bonds (presently at $272,725,000).

Representing PHS – Southern California: Sue Painter, Vice President/Treasurer; Kenneth Vallrugo (by phone), Underwriter, Bank of America Merrill Lynch; Gerald McGovern, Bond Counsel, Sidley Austin.

Staff recommended the Authority approve the amendment to Resolution No. 392 to extend the expiration date by one year and to increase the not-to-exceed principal amount of the bonds to $308,000,000. 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.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Mr. Reyes moved approval of Resolution No. 392, Ms. Holton-Hodson seconded the motion. The motion was adopted with an 8-aye roll call vote.

Item #5 **California Family Life Center ("CFLC"), Hemet, California, Resolution No. HII-286 (Action Item)**

Michael Tang, staff analyst, presented CFLC. HELP II loan proceeds would be used to purchase a building currently leased by CFLC located at 25873 Hemet Street, Hemet, CA 95844. The property is licensed as a group home. The purchase of the property would save approximately $7,680 per year.

Staff recommended the Authority approve Resolution No. HII-286 in an amount not to exceed $213,750 for a term not to exceed 15 years, 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.

Representing CFLC: Sheila Stephenson, Group Home Director.

Mr. Reyes noted for the record that the financing would not be used for foster family purposes as precluded by CHFFA's statute.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Dr. Oscar Sablan moved approval of Resolution No. HII-286, Ms. Frank seconded the motion. The motion was adopted with an 8-aye roll call vote.

Ms. Frank recused herself from the remaining agenda items and declared her conflict of interest arising from consulting work she performs for Los Angeles County ~~and Santa Barbara County~~ from time to time.

Item #6 **Investment in Mental Health Wellness Act of 2013, Amendment to Resolution No. MH 2014-06 (Los Angeles County) (Action Item)**

The Authority approved a Final Allocation for an Investment in Mental Health Wellness Grant for Los Angeles County in an amount not to exceed $40,892,700.49 at its April 24, 2014 meeting. After discussions between the Authority staff and the Los Angeles staff, Los Angeles provided an updated project description and revised budget. Adjustments to the overall plan for beds and mobile crisis teams were not reflected within the project description that was attached to the approved resolution. Staff sought to correct the project description.

Representing Los Angeles County (Countywide Resource Management): Luis Quintanilla, Psychiatric Social Worker; Mary Marx, District Chief; Angela Shaw, Health Program Analyst; Victoria Gonzalez, Health Program Analyst.

Staff recommended the Authority approve the Amendment to Resolution No. MH 2014-06 to revise the project description for the crisis stabilization and mobile crisis support programs for Los Angeles County. All other conditions of the Resolution remain the same and in full effect.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Mr. Reyes moved approval of Amendment to Resolution No. MH 2014-06, Ms. Ortega seconded the motion. The motion was adopted with a 7-aye roll call vote.

Item #7 Investment in Mental Health Wellness Act of 2013, Amendment to Resolution No. MH 2014-18 (Santa Barbara County), (Action Item)

The Authority approved a Final Allocation for an Investment in Mental Health Wellness Grant for Santa Barbara County in an amount not to exceed $2,663,525.96 at its April 24, 2014 meeting. The resolution approving the grant dollars for each of the crisis programs to be funded identified a specific location for the placement of Santa Barbara's proposed crisis stabilization but after Santa Barbara received its Final Allocation from the Authority, Santa Barbara learned the identified property was no longer available. The proposed modification revised the language from, *"The County identified a building located three blocks from Cottage Hospital" to "The County will identify a suitable building."* Santa Barbara reported the change in property location would not materially impact their project timeline.

Staff recommended the Authority approve an Amendment to Resolution No. MH 2014-18 to revise the project description as described herein and as depicted in the resolution. All other conditions in the Resolution remain the same and in full effect.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Mr. Reyes moved approval of Amendment to Resolution No. MH 2014-18, Mr. Buckhorn seconded the motion. The motion was adopted with a 7-Aye roll call vote.

Item #8 Resolution of the California Health Facilities Financing Authority Approving the Adoption of Regulations and Authorizing Permanent Rulemaking Proceedings for the Investment in Mental Health Wellness Act of 2013, Resolution No. 2014-03 (Action Item)

Ms. Liebert stated staff sought permanent rule making authority for the Investment in Mental Health Wellness Act of 2013 grant program. Specifically, staff sought permission to submit the permanent regulations to the Office of Administrative Law ("OAL") for approval.

There were no substantive changes to the framework of the program previously developed and approved by the Authority.

Mr. Reyes stated he was prepared to recommend approval with some latitude for staff to make adjustments as needed to meet the OAL requests.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Mr. Reyes moved approval of Resolution No. 2014-03, Dr. Sablan seconded the motion. The motion was adopted with a 7-aye roll call vote.

Item #9 **Other Business**

Mr. Hansen commented on the Providence presentation and stated that it is important to remember what CHFFA's mission is and that tax exempt financings should provide a benefit to the State of California and that it is valuable to show evidence of the public benefit. Additionally, Mr. Hansen requested that the information be provided in future staff reports.

Ms. Liebert noted the summary of the desired information is currently provided within the staff reports and offered to include a link to the community benefit reports lodged with the Office of Statewide Health Planning and Development.

Mr. Buckhorn expressed the great job CHFFA staff performs and at every Authority meeting CHFFA staff is complimented on the superior products they produce and would like to use the complementary quotes in CHFFA's marketing brochures.

Ms. Brewer suggested utilizing quotes in CHFFA's quarterly newsletter.

Item #10, 11 **Public Comment, and Adjournment**

Chairman Paparian asked for public comment. Hearing none and with no additional business, the meeting was adjourned at 2:51 P.M.