MINUTES

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

April 24, 2014 – 2:00 P.M.

Deputy Treasurer Michael Paparian, serving as Chairman, called the meeting to order at 2:00 P.M.

Roll Call

Members Present:	**Michael Paparian for Bill Lockyer, State Treasurer**
	Alan Gordon for John Chiang, State Controller
	Eraina Ortega for Michael Cohen, Director of Finance
	Judith N. Frank
	Pedro Reyes
	Jay Hansen
	Ann Madden Rice
Members Absent:	**Jack Buckhorn**
	Oscar Sablan, M.D.

Chairman Paparian declared a quorum present.

Approval of the Minutes from the March 27, 2014 Meeting
Ms. Ortega moved approval of the minutes, Mr. Hansen seconded the motion. The motion was adopted with a 6-aye vote; Mr. Reyes abstained.

Executive Director's Report
Barbara Liebert, Executive Director, welcomed Mr. Reyes, an Assembly Speaker appointee, back to the CHFFA.

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
Sisters of Charity of Leavenworth Health System, Series 2003 ("SCLHS"): On March 1, 2014, SCLHS requested CHFFA execute written direction to redeem its CHFFA Variable Rate Demand Revenue Bonds, Series 2003. To effectuate redemption of the CHFFA bonds,

SCLHS also requested CHFFA execute a Release of the Series 2003 Loan Agreement, a Release of the Series 2003 Bond Indenture, and a Certificate of the Authority. Deborah Yang, State Treasurer's Office ("STO") Legal Counsel along with Julia Bilaver, Issuer's Counsel from the Office of the Attorney General, both confirmed the proposed actions fell within CHFFA's delegation resolution.

HELP II Loan Program Delegation of Powers Monthly Update

No actions were taken pursuant to the delegation of power resolution.

Children's Hospital Program of 2004 (Proposition 61) Amendments to Regulations for Second Funding Round

Ms. Liebert reported staff submitted the amended regulations to the Office of Administrative Law. Ms. Liebert stated the regulations would likely take effect by the end of the fiscal year. There were no objections or comments during the public comment period.

Ms. Frank inquired about the status of the California Health Access Model Program grant. Ms. Liebert replied that a grant agreement had not yet been executed, but that the parties were inching closer to finalizing one. Ms. Liebert also noted that grant money would be disbursed in increments.

Ms. Frank recused herself from the next agenda item and declared her conflict of interest arising out of the consulting work she provides to Los Angeles County.

Agenda Item #4 Investment in Mental Health Wellness Act of 2013
Resolution No. MH 2014-01 through MH 2014-22 (Action Item)

Ms. Liebert introduced Robert Oakes, Executive Director, California Mental Health Care Directors Association. Also, introduced were Deborah Yang, STO's Legal Counsel, to answer any regulatory questions or legal issues and Carolyn Aboubechara, staff analyst, who prepared the excel chart of grantees.

Ms. Liebert provided a brief background on the funding for the program and an overview of the application process. The first funding round deadline for grant applications was January 22, 2014. CHFFA received 33 grant applications from 37 counties representing 46 counties. The total amount requested was $111 million in capital funding. Proposals aimed to produce 1,001 new beds, 98 new mobile crisis teams and 193 new personnel. Staff recommended CHFFA fund $71 million in capital funding and $3.9 million in personnel funding to create 827 new beds, 39 new mobile crisis teams, with 60 new employed personnel for 20 counties with an impact to 28 counties. If approved, there would be approximately $70 million remaining for crisis residential, $184,000 for crisis stabilization, $529,000 for mobile crisis and $25,000 for personnel.

Three appeals from San Joaquin, Sacramento, and Monterey County were addressed by the Executive Director. No appeals were filed with the Authority members.

Two counties in the Bay Area Region (Napa and Monterey) declined their initial allocations for capital funding because no funding remained for mobile crisis personnel after initial allocations were given for higher rated applications. These counties determined that their proposed projects were not feasible without personnel funding and could not be scaled back. As a result, there were 20 remaining initial allocations. However, Contra Costa declined some of its capital costs and Monterey might be eligible for these funds. Two other counties, San Luis Obispo and Ventura, scaled back their projects.

Ms. Liebert also stated the next funding round was expected to begin June 19, 2014. Staff planned to work on the grant agreement phase so that disbursements could soon occur. CHFFA would provide webinars in May to assist with the second phase.

Mr. Reyes inquired how the amount for each region was calculated. Ms. Liebert stated regional allocations were determined using the Mental Health Service Act's allocation percentage funding determined by Proposition 63.

Mr. Reyes inquired if the 2,000 bed objective would be met. Ms. Liebert stated it would be determined by future rounds but if the beds were amortized from where it currently stood, the objective might not be met.

Ms. Ortega inquired if a 2nd round in June would allow enough time for grantees to put their capital plans in place.

Mr. Oakes responded that the short application time frame was not the barrier for grantees to accept the funds. The barrier was establishing sustainability for crisis residential treatment programs, which would include permanent staffing on an ongoing basis.

Staff recommended approval of final allocations to certain grant applicants listed in Attachment A. Staff also recommended a second funding round in all regions.

Mr. Hansen requested prevailing wage language be written into all of the grant agreements.

Chairman Paparian asked if there were any questions or public comments. Each county's request was heard and voted on individually for final allocations. Mr. Reyes moved for approval. Mr. Hansen seconded. The resolutions were adopted with a unanimous 6-aye roll call vote for the following counties: Alameda Butte, Contra Costa, Fresno, Lake, Los Angeles, Marin, Mendocino, Riverside, Sacramento, San Diego, San Joaquin, San Luis Obispo, Santa Barbara, Santa Clara, Sonoma, Ventura, and Yolo. The resolutions for Merced County and Nevada County were adopted with a unanimous 5-aye roll call vote.

Chairman Paparian commented that the dedication and hard work of CHFFA staff was remarkable. He further asked for public comment. Hearing none and with no additional business, the meeting was adjourned at 3:32 P.M.

Attachment A

Applicant		Capital Funding			Personnel Funding	Total Initial Allocation
		Crisis Residential	Crisis Stabilization	Mobile Crisis	Mobile Crisis	
1.	Alameda County	$4,806,949.37	0.00	0.00	0.00	$4,806,949.37
2.	Butte County	$867,425.00	0.00	0.00	0.00	$867,425.00
3.	Contra Costa County	0.00	0.00	$290,753.52	$377,243.71	$667,997.23
4.	Fresno County	0.00	$794,795.45	0.00	0.00	$794,795.45
5.	Lake County	0.00	0.00	$114,035.09	$142,228.00	$256,263.09
6.	Los Angeles County	$35,000,000.00	$4,210,526.31	$559,233.00	$1,122,941.18	$40,892,700.49
7.	Marin County	0.00	0.00	$87,200.00	$352,168.05	$439,368.05
8.	Mendocino County	0.00	0.00	0.00	$40,713.18	$40,713.18
9.	Merced County *	$2,010,627.00	0.00	0.00	0.00	$2,010,627.00
10.	Monterey County	0.00	0.00	0.00	0.00	$ 0.00
11.	Napa County	0.00	0.00	$78,186.83	0.00	$78,186.83
12.	Nevada County	0.00	$500,000.00	0.00	0.00	$500,000.00
13.	Riverside County	$3,778,935.00	$2,102,065.00	$176,000.00	$599,415.22	$6,656,415.22
14.	Sacramento County	0.00	0.00	$54,696.49	$211,590.52	$266,287.01
15.	San Diego County	$3,688,468.00	0.00	0.00	0.00	$3,688,468.00
16.	San Joaquin County	0.00	$1,836,783.50	$206,400.00	$465,520.62	$2,508,704.12
17.	San Luis Obispo County	0.00	0.00	$155,215.00	0.00	$155,215.00
18.	Santa Barbara County	$450,000.00	$1,500,000.00	$50,000.00	$663,525.96	$2,663,525.96
19.	Santa Clara County	$3,963,106.00	$736,842.11	0.00	0.00	$4,699,948.11
20.	Sonoma County	0.00	$2,000,000.00	0.00	0.00	$2,000,000.00
21.	Ventura County	0.00	$1,134,777.11	$360,877.93	0.00	$1,495,655.04
22.	Yolo County	0.00	0.00	$177,500.00	0.00	$177,500.00
	Sub-Totals:	$54,565,510.37	$14,815,789.48	$2,310,097.86		
	Capital Funding Total Recommended:	**$71,691,397.71**				
		Personnel Funding Total Recommended (12-Months):			**$3,975,346.44**	
					Grand Total:	**$75,666,744.15**

*With Madera, Tuolumne, Calaveras, and Mariposa