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

Alternate Location for CHFFA Teleconference Participation
Qiu Accountancy Corporation
3580 Wilshire Boulevard, Suite 1126
Los Angeles, California 90010

January 30, 2014 – 2:00 P.M.

Deputy Treasurer Michael Paparian, serving as Chairman, called the meeting to order at 2:06 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
Samuel Qiu (via teleconference)
Jay Hansen
Judith N. Frank

Members Absent: Jack Buckhorn
Ann Madden Rice
Oscar Sablan, M.D.

Chairman Paparian declared a quorum present.

Approval of the Minutes from the October 7, 2013 and the October 31, 2013 Meetings
Ms. Frank moved approval of the October 7, 2013 and the October 31, 2013 meeting minutes and Ms. Ortega seconded the motion. The motion was adopted with a 6-aye roll call vote.

Executive Director's Report

CHFFA Fund Balances and Comprehensive Debt List Summaries
Barbara Liebert, Executive Director, submitted two months of fund balances for the record, as of November 30, 2013 and December 31, 2013, which included the California Health Access Model Program ("CHAMP") fund balance and the Comprehensive Debt Limit Summary of CHFFA's top 13 borrowers.

Tax-Exempt Bond Delegation of Powers Monthly Update
√ **Rady Children's Hospital – San Diego ("the "Hospital"), Series 2011** – A supplement was added to the Tax Certificate and Agreement to allow the Hospital to allocate a portion of bond proceeds to capitalized interest for the project that was financed by the bonds. CHFFA's in-house counsel confirmed the action fell within the Authority's Delegation Resolution and bond counsel concluded the supplement did not materially impact the original bond opinion regarding the tax-exempt nature of the bonds. The Executive Director acknowledged the Supplement to the Tax Certificate and Agreement on January 6, 2014.

√ **Summary of Delegation Actions taken from 01/01/13 to12/31/13:** A summary of the five delegated actions taken over the calendar year 2013 was provided to Authority members.

HELP II Loan Program Delegation of Powers Monthly Update

√ No actions were taken pursuant to the delegation of power resolutions.

√ Summary of Delegation Actions Taken from 01/01/13 to 12/31/13 – No actions were taken pursuant to the delegation of powers resolution for the calendar year 2013.

Investment in Mental Health Wellness Act of 2013

Ms. Liebert provided an update noting that CHFFA received 33 applications from 37 counties serving 42 counties. Several counties partnered together on the applications. One county's proposal would affect five counties. The capital funding amounts available and requested by region for all programs were as follows:

Central Region	Available: $25M	Total request: about $15M or 60%
Superior Region	Available: $6.5M	Total request: about $3.5M or 54%
Bay Area Region	Available: $26M	Total request: about $20M or 78%
Southern Region	Available: $45M	Total request: about $32M or 72%
Los Angeles Region	Available: $40M	Total request: a little over $40M or roughly 100%
Total All Regions	Available: $142.5M	Total request: about $111.7M or 78%

Personnel Funding for Mobile Crisis Support Team

Available: $6.8M Total requested: approximately $14.5M or about 213%

Item #4 Aldea, Inc., Napa, California, Resolution No. HII-284

Michael Tang, staff analyst, reported Aldea, Inc. requested the Authority to approve a HELP II loan in an amount not to exceed $780,000 to refinance an existing loan to allow Aldea, Inc. to "lock in" a long–term fixed interest rate and avoid a variable interest rate adjustment in March 2016, as well as a balloon payment of $534,000 due in March 2012. The refinancing would result in an estimated cash flow savings of approximately $56,000 or 6% over the life of the loan.

Representing Aldea, Inc.: Mark Bontrager, Executive Director, and John Kneip, Chief Financial Officer.

Staff recommended the Authority approve Resolution No. HII-284 for Aldea, Inc. in an amount not to exceed $780,000 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 staff recommendation.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Ms. Ortega moved approval of Resolution No. HII-284 and Ms. Holton-Hodson seconded the motion. The motion was adopted with a 6-aye roll call vote.

Item #5 Ukiah Valley Association for Habilitation ("UVAH")
Ukiah, California, Resolution No. HII-285

Carolyn Aboubechara, staff analyst, reported UVAH requested the Authority to refinance two existing loans, renovate three existing facilities owned/operated by UVAH, and install solar arrays at two existing facilities. The refinancing of the two loans would result in annual interest savings of approximately $9,000 per year. The renovations would improve the safety of the buildings and enhance environments for people with developmental disabilities. UVAH would comply with prevailing wage laws, and the installation of the solar arrays would provide an annual utility

savings of approximately $7,500. The HELP II loan would be secured by a first lien position on two properties. Because two properties are offered as security and the transaction itself is a bit more complex, CHFFA staff plans to issue two separate loans to be closed on two separate dates. A full appraisal on the both properties would be required prior to closing.

Representing UVAH: Pam Jensen, Executive Director and Barbara Redding, Treasurer of the Board.

Staff recommended approval of Resolution No. HII-285 for Ukiah Valley Association for Habilitation for two loans totaling an amount not to exceed $500,000 for total terms not to exceed 15 years, and contingent upon financing terms acceptable to the Authority. Macias Gini & O'Connell, LLP, the Authority's financial analyst concurred with staff recommendation.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Ms. Holton-Hodson moved approval of Resolution No. HII-285 and Ms. Ortega seconded the motion. The motion was adopted with a 6-aye roll call vote.

Item #6 Resolution Approving California Health Access Model Program ("CHAMP") Grant Funding to San Francisco Health Plan ("SF Health Plan") in an Amount Not to Exceed $1,426,089 for a Demonstration Project, Resolution No. 2014-01

Ms. Liebert reported on this item and requested the Authority approve CHAMP funding for the SF Health Plan in the amount of up to $1,500,000 to expand and evaluate SF Health Plan's existing pilot program for high-risk, high-cost patients to improve their health outcomes and experience of care, as well as to lower costs. Ms. Liebert explained that SF Health Plan's Community-Based Care Management existing pilot program known as "CareSupport" serves vulnerable SF Health Plan members who are high utilizers of hospital inpatient and emergency departments and at extremely high risk for mortality and morbidity due to factors such as housing instability, mental illness, and addiction. Funding this grant would allow the SF Health Plan to expand its existing pilot to serve an additional 300 high-risk, high-utilizing SF Health Plan members and to more rigorously evaluate the impact on clinical outcomes, member experience and costs through comparison with a control group. The grant would also allow SF Health Plan to develop materials to support the replication of the model by other public and nonprofit Medi-Cal managed care plans in California. The model appears to have promising sustainability: SF Health Plan reports that the cost of one saved hospital day per member per year, for 30 members, would cover the annual cost of a community coordinator. A successful demonstration of the model may have significant implications in terms of improved outcomes, enhanced patient experiences, improved safety net coordination and cost savings for the San Francisco Department of Public Health, the City and County of San Francisco and the State of California's Medi-Cal program.

Representing San Francisco Health Plan: Kelly Pfeifer, M.D., Chief Medical Officer, San Francisco Health Plan, and Maria Raven, M.D., Principal Investigator and Assistant Professor, University of California, San Francisco.

Ms. Liebert proposed to increase the grant amount from SF Health Plan's request of $1,426,089 to up to $1,500,000 for accounting purposes and to allow for additional funding for additional services. Mark Paxson, State Treasurer's Office General Counsel, stated that if staff wants to increase the amount to $1,500,000, SF Health Plan would need to justify in writing the need for

the additional $74,000 and submit a detailed budget demonstrating that the purposes are consistent with the application and objectives of the CHAMP grant program.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Ms. Holton-Hodson moved approval of Resolution No. 2014-01 as amended and Mr. Hansen seconded the motion. The motion was adopted with a 6-aye roll call vote.

Item #7 Resolution Approving the Adoption of Amendments to the Regulations for Proposition 61 Children's Hospital Program of 2004 (the "Pro and Authorizing 2014-02

Barbara Webster-Hawkins, Program Manager, presented the resolution to approve the Adoption of proposed Amendments to the regulations for the Children's Hospital Program of 2004 the ("Program") and to authorize rulemaking proceedings.

Staff worked closely with the California Children's Hospital Association ("CCHA") to determine the proposed process for administering the remaining funds with a collective determination made to preserve an additional four years of remaining grant funds for Loma Linda Children's Hospital. CHFFA proposes a Second Funding Round defined as starting July 1, 2014 and expiring prior to July 1, 2018 on the same terms as presently exist. The termination of the First Funding Round (as defined by regulations) for the Proposition 3 Children's Hospital Grant Program will also end July 1, 2018, thereby providing an appropriate time to decide the process for administering any remaining funds in both programs.

Ms. Ann-Louise Kuhns, Chief Executive Officer of CCHA spoke in support of the proposed amendments.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Mr. Hansen moved approval of Resolution No. 2014-02 and Ms. Holton-Hodson seconded the motion. The motion was adopted with a 6-aye roll call vote.

Item #8 Bagley-Keene Open Meeting Act Presentation by the Attorney General's Office

Julia Bilaver, Deputy Attorney General, and Ted Prim, Deputy Attorney General provided an overview on the Bagley-Keene Open Meeting Act 2004.

Chairman Paparian asked for public comment. Hearing none and with no additional business, the meeting was adjourned at 3:37 P.M.