MINUTES

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

January 29, 2015 – 2:00 P.M.

Deputy Treasurer Grant Boyken, serving as Chairman, called the meeting to order at 2:09 P.M.

Roll Call

Members Present:	Grant Boyken for John Chiang, State Treasurer Alan LoFaso for Betty T. Yee, State Controller Tom Dyer for Michael Cohen, Director of Finance Pedro Reyes Jay Hansen Judith Frank
	Judith Frank

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

Chairman Boyken declared a quorum present.

Approval of the Minutes from the January 29, 2015 Meeting

Barbara Liebert, Executive Director, rolled the meeting minutes to the end of the meeting.

Executive Director's Report

Ms. Liebert reported the CHFFA Fund Balances and Comprehensive Debt List Summaries for the record.

Ms. Frank inquired about the Investment in Mental Health Wellness Grant Program Fund balances.

Ms. Liebert replied further discussion would be at the February meeting.

Tax-Exempt Bond Delegation of Powers Monthly Update

Exceptional Children's Foundation 1995 Series A Revenue Bonds (Termination Agreement). The Executive Director executed the Termination Agreement associated with the payoff of Exceptional Children's Foundation 1995 Series A Insured Revenue Bonds on October 31, 2014 authorized by CHFFA's delegation resolution and in-house counsel.

The Hospital of Good Samaritan 1991 Series A Revenue Bonds (Bond Trustee Direction

Notice). The Executive Director executed the Bond Trustee Direct Notice on January 7, 2015 authorized by CHFFA's delegation resolution and in-house counsel. The Bond Trustee Direct Notice provided CHFFA's consent to the Trustee for the recordation of a lot line adjustment and road vacation.

Summary of Delegation Actions Taken from January 1, 2014 to December 4, 2014

A summary of 11 delegated actions taken was provided to the Authority members.

HELP II Loan Program Delegation of Powers Monthly Update

Women's Recovery Association of San Mateo Merger with HealthRIGHT 360. The Executive Director executed the First Amendment to the Loan and Security Agreement on January 13, 2015 authorized by CHFFA's delegation resolution and in-house counsel. The Promissory Note and the Loan and Security Agreement were amended to reflect the merger, the new name and address changed to HealthRIGHT's principal place of business.

Summary of Delegation Actions Taken from January 1, 2014 to December 4, 2014

A summary of 9 delegated actions taken was provided to the Authority members.

California Health Access Model Program ("CHAMP") Status Update

On January 26, 2015, CHFFA staff and a few Authority members went on a site visit to the San Francisco Health Plan. The site visit was very impactful and heart-warming.

Investment in Mental Health Wellness Grant Program Update

Ms. Liebert rolled this agenda item to Item 7.

Ms. Liebert acknowledged the gains and losses of the Authority since returning to CHFFA. Jim Rennie, staff analyst, had accepted employment at the IBank. His talent, capacity, and knowledge would be missed. Staff presented Mr. Rennie with a signed basketball.

In addition, Ms. Liebert acknowledged Grant Boyken who would serve as Chairman for CHFFA's meeting. Tim Schaefer would chair the CHFFA meetings until March and then Vince Brown would serve as Chairman.

Ms. Liebert welcomed Alan LoFaso, Health and Policy, at the State Controller's Office and Tom Dyer, Department of Finance.

Item #4 Life Steps Foundation, Inc., ("LSF") Culver City, California Resolution No. HII-290

Bianca Smith, staff analyst stated LSF intended to use loan proceeds for the construction of a new adult day health care center. Ms. Smith reported the center currently operates in a leased facility. Ownership of the new site would eliminate uncertainty associated with lease costs and increase daily capacity from 55 participants to 100 participants.

Representing LSF via teleconference: Virginia Franco, Chief Executive Officer and Awi Ramli, Controller.

Chairman Boyken asked for public comment, and there were none.

Staff recommended the Authority approve Resolution No. HII-290 for Life Steps Foundation, Inc. in an amount not to exceed \$1,000,000 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 Authority's staff recommendation.

Motion:Reyes Seconded:Frank

Ayes:Reyes, Frank, Dyer, LoFaso, Boyken Noes:None Abstentions:None Recusals:None

Motion adopted.

Item #5Resolution of the California Health Facilities Financing Authority
Approving Delegation of Power to Enter into Contracts, Resolution No. 2015-01Ms. Liebert reported Resolution No. 2015-01 authorizes the Executive Director of the
Authority to enter into interagency agreements and contracts on behalf of the Authority
without specific Authority approval, for amounts not to exceed \$300,000. Section 15436 of
the CHFFA Act specifically authorizes the Authority to delegate the power to the Executive
Director to enter into contracts on behalf of the Authority. Traditionally, this Section had
been utilized for contracts under \$250,000. Contracts that exceed \$250,000 had been brought
to the Authority for approval. Staff proposed to augment this amount by \$50,000 in
recognition of the increased contracts amount the Authority had been entertaining in recent
years and likely will entertain in years to come.

Mr. Hansen arrived at 2:25pm.

Ms. Frank requested a list of CHFFA's consultants separately.

Chairman Boyken asked for public comment, and there were none.

Staff recommended approval of Resolution No. 2015-01 to delegate power to the Executive Director for execution of contracts not exceeding \$300,000.

Motion:Reyes Seconded:Frank Ayes:Reyes, Hansen, Frank, Dyer, LoFaso, Boyken Noes:None Abstentions:None Recusals:None

Motion adopted.

Ms. Frank recused herself from item 6 and 7 due to her consulting work with Los Angeles and Santa Clara Counties.

Item #6

Investment in Mental Health Wellness Act of 2013 Amendment to Resolution No. MH 2014-18

Carolyn Aboubechara, staff analyst stated Santa Barbara County intended to use excess grant funds for a second Crisis Stabilization Unit (CSU) and extend the Resolution expiration date. Ms. Aboubechara reported rant funds would be used to purchase and renovate an additional facility in the Northern Region of Santa Barbara County. This opportunity would allow Santa Barbara to leverage its existing resources to double the crisis stabilization capacity in the county and assist Santa Barbara in meeting the needs of its community. This amendment increased the number of beds from the approved amount of 8 to 10 CSU beds to approximately 16 to 20 with the funds awarded.

Representing Santa Barbara County (via teleconference): Laura Zeitz, Grant Implementation Lead.

Chairman Boyken asked for public comment, and there were none.

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

Motion:LoFaso Seconded:Hansen Ayes:Reyes, Hansen, Dyer, LoFaso, Boyken Noes:None Abstentions:None Recusals:Frank

Motion adopted.

Ms. Frank left the meeting at 3:27 P.M.

Item #7

Investment in Mental Health Wellness Grant Program Grant Funding Progress

Ms. Liebert reported at past meetings the Authority members inquired if CHFFA might benefit from programmatic changes in awarding the Investment in Mental Health Wellness Grant Program remaining funds. Staff advanced the conversation by inviting key stakeholders to appear at this meeting to discuss challenges and obstacles faced by counties in applying for the remaining Grant funds for the development of Crisis Residential Treatment programs.

Ms. Liebert gave an overview of the Investment in Mental Health Wellness Grant Program Grant Funding process and requested the Authority's direction for getting remaining funds out to counties.

Ms. Liebert reported that following approval of Final Allocations from the December 4, 2014 meeting, \$61,179,327.69 remains available for subsequent funding rounds for capital funding. Across all regions, \$60,638,777.03 remains available for Crisis Residential Treatment programs. In the Superior Region, \$184,210.52 remains available for Crisis Stabilization programs and in the Southern and Los Angeles Regions \$356,340.14 remains available for Mobile Crisis Support Team programs.

Ms. Liebert invited Janae Davis, Program Manager; Will Rhett-Mariscal, PhD., Associate Director of the California Institute for Behavioral Health Solutions; Robert Oakes, Executive Director of the County Behavioral Health Directors Association of California ("CBHDA"); and Diane Van Maren, Independent Policy Consultant to the table for the roundtable discussion.

Mr. Reyes asked if the timing of CHFFA's third funding round was new information to the counties. He also asked if CBHDA's recommendation was to leave the funding categories alone or to open them up.

Mr. Oakes replied it was not time to open the regional maximums up as the goal of the program was to meet needs throughout the state. He stated that the applicants needed more clarity on what readiness means.

Ms. Liebert reported CHFFA based the county maximums on those used for Proposition 63 Mental Health Services Act allocations with slight changes made for the Superior and Central Regions.

Ms. Van Maren thanked the Authority and staff and expressed appreciation for their due diligence and for quickly getting the program up and running that's changing lives.

Mr. LoFaso expressed concern in determining what the ideal cycle time was for the applicants.

Mr. Hansen inquired about the importance of meeting the 2,000 bed goal and why it was difficult to meet this goal.

Ms. Van Maren replied the Legislature used all available information to arrive at the 2,000 bed goal given the appropriation amount.

Mr. Hansen inquired about where CHFFA was in the current funding round and if CHFFA received any applications.

Ms. Liebert replied CHFFA had not received any applications, but she was encouraged because the counties have inquired.

Mr. Hansen inquired if it was anticipated the Legislature would make an additional appropriation in the future.

Ms. Van Maren stated the statute did allow for future budget appropriations.

Mr. Hansen expressed concern he would like to move faster keeping in mind the Authority may want to protect itself if the Authority decided to lengthen the application window.

Mr. Dyer was concerned about the sustainability of the projects and asked how this was taken into consideration.

Mr. Oakes replied that sustainability was one criteria but not one we can control.

Based on the discussion, Chairman Boyken asked staff to explore the various options discussed and that the Authority would wait the results from the county survey that would shortly be sent out through CBHDA to all the counties. The results of the survey would assist the Authority in determining the next steps.

Approval of the Minutes from the January 29, 2015 Meeting

Ms. Liebert reported there was a correction to Item #2 of the meeting minutes. The minutes should have reflected Ms. Frank left the meeting.

Chairman Boyken asked for public comment, and there were none.

Motion:Reyes Seconded:Hansen

Ayes:Reyes, Hansen, Boyken Noes:None Abstentions:Dyer, LoFaso Recusals:None

Motion adopted.

Item #8, #9, #10

Other Business/Public Comment/Adjournment

Chairman Boyken asked for public comment. Hearing none and with no additional business, the meeting was adjourned at 3:47 P.M.