

MINUTES

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

Alternate Location for CHFFA Teleconference Participation

**Qiu Accountancy Corporation
3580 Wilshire Blvd., Suite 1126
Los Angeles, California 90010**

July 25, 2013 – 2:00 P.M.

Deputy Treasurer Michael Paparian, serving as Chairman, called the meeting to order at 2:03 P.M.

Roll Call

Members Present: Michael Paparian for Bill Lockyer, State Treasurer
Natalie Sidarous for John Chiang, State Controller
Jennifer Rockwell for Ana J. Matosantos, Director of Finance
Judith Frank
Samuel Qiu via Teleconference
Dr. Oscar Sablan

Members Absent: Jack Buckhorn
Ann Madden Rice
Jay Hansen

Chairman Paparian declared a quorum present.

Approval fo the Minutes from the June 27, 2013 and July 8, 2013 Meetings

Ms. Frank moved approval of the June 27, 2013 minutes and Dr. Sablan seconded the motion. The motion was adopted with a 6-Aye roll call vote.

Ms. Rockwell moved approval of the July 8, 2013 minutes and Ms. Sidarous seconded the motion. The motion was adopted with a 5-Aye roll call vote and Ms. Frank abstained.

Executive Director's Report

CHFFA Fund Balances and Comprehensive Debt List Summaries

Barbara Liebert, Executive Director, submitted the fund balances for the record as of June 30, 2013, which included the CHAMP fund balance and the Comprehensive Debt List Summary of CHFFA's top 15 borrowers.

Tax Exempt Bond Delegation of Powers Monthly Update

No action taken.

HELP II Loan Program Delegation of Powers Monthly Update

No action taken.

California Health Access Model Program (“CHAMP”) Status Update

Ms. Liebert provided an update on CHAMP. CHAMP was authorized by the Legislature to allow \$6.5 million of the Authority’s fund balance to support innovative methods of delivering health care services more effectively and improve access and health outcomes for vulnerable populations in California. Applications are due August 14th. Staff will provide copies of the applications to the Authority members as requested. Ms. Liebert further stated that she hopes to have recommendations for the Authority’s consideration at the October 2013 Authority meeting and will provide an update on the projects under consideration at the August 2013 Authority meeting.

Investment in Mental Health Wellness Act for 2013 (“Mental Health Wellness Program”) Status Update

Ms. Liebert informed the Authority members about the Investment in Mental Health Wellness Act of 2013. The Act authorizes CHFFA to establish a new grant program in the amount of \$142.5 million to disburse funds to California counties or to their nonprofit or public agency designates for the purpose of developing mental health crisis support programs. Specifically, funds will “increase capacity for client assistance and services in crisis intervention, crisis stabilization, crisis residential treatment, rehabilitative mental health services, and mobile crisis support teams.” The grants from CHFFA will support capital improvement, expansion and limited start-up costs.

Ms. Liebert informed the Authority members the Mental Health Wellness Program is currently being developed and staff will provide monthly updates to the Authority. Since, the Authority must provide a progress report to the Legislature in May 2014, the timeline for program development is very aggressive.

Ms. Liebert informed the Authority members that staff conducted site visits to Progress Foundation, San Francisco and Turning Point, Sacramento. The purpose of the site visits was to gather information regarding the different types of crisis residential facilities.

Ms. Liebert informed the Authority members that CHFFA will host four public forums on the Mental Health Wellness Program. The tentative dates and locations are the following:

- August 30, 2013 California State Capitol, Sacramento
- September 5, 2013 Elihu M. Harris State Building, Oakland
- September 11, 2013 Santa Ana Board of Supervisors, Orange County,
- September 13, 2013 California State University of Fresno, Fresno

Ms. Liebert invited the Authority members to attend a public forum. Dr. Sablan and Chairman Paparian both stated they will attend the public forum in Fresno.

Ms. Liebert further stated staff is currently working on emergency regulations and will present them to the Authority at the September 2013 Authority meeting. Once the emergency regulations have been approved, staff will pursue permanent regulations.

Chairman Paparian directed staff to provide the Authority members with an education workshop on the Mental Health Wellness Program at the next Authority meeting.

Ms. Liebert introduced representatives of Fieldman, Rolapp and Associates (“FRA”) as the Authority’s new financial advisor.

Representing FRA: Daniel L. Wiles, Esq., Principal & General Counsel, Darryl T. Street, Vice President and Danny R. Jasper, Associate.

Site Visits

Margrit Lockett, Brock Lewis and Rosalind Brewer of staff met with Yolo Family Services Agency to tour the facilities as well as discuss delinquent payments in the amount of approximately \$17,500. Yolo Family Services Agency appeared well organized and provided staff a payment of \$15,000, which nearly brought its HELP II loan current. Yolo Family Services Agency had indicated to staff that it should be caught up with its delinquent payments by the end of August 2013.

Item #4

Shingletown Medical Center (“SMC”) Shingletown, California, Resolution No. HII-278

Mr. Lewis, Staff Analyst, reported that Shingletown Medical Center requested the Authority approve a \$250,000 HELP II loan to purchase equipment and finance various repairs and renovations of an existing facility owned and operated by SMC. SMC’s contractor for the renovation project had acknowledged SMC and its subcontractors would pay prevailing wage rates. Mr. Lewis noted a correction on page three of the staff report. The net patient revenue for FY June 30, 2012 percentages should be corrected to Medicare 28%, Medi-Cal 35%, and other third parties 37%.

The HELP II loan would be secured by a first (1st) lien position on the property located at 31292 Alpine Meadows Road, Shingletown, CA. The property had an estimated current market value of approximately \$1.3 million and led to an estimated loan to value ratio of 19%.

Representing SMC: Carolyn Hopkins, Chief Executive Officer, SMC and Tami Fraser, Chief Operations Officer, SMC.

Staff recommended approval of Resolution No. HII-278 for Shingletown Medical Center in an amount not to exceed \$250,000 for a term not to exceed 15 years (5 years for equipment, 15 years for renovation), contingent upon financing terms acceptable to the Authority. Macias Gini & O’Connell, LLP, the Authority’s financial analyst, concurred with staff recommendations.

Chairman Paparian asked if there were any questions or public comment. Hearing none, Dr. Sablan moved approval of Resolution No. HII-278 and Ms. Frank seconded the motion. Motion adopted with a 6-0 roll call vote.

Item #5

Other Business

Chairman Paparian asked for public comment. Hearing none and with no additional business, the meeting was adjourned at 2:49 P.M.