

MINUTES
California Health Facilities Financing Authority
(“CHFFA” or “Authority”)
915 Capitol Mall, Room 587
Sacramento, California 95814
June 16, 2017 – 1:30 P.M.

Alternate Locations for CHFFA Teleconference Participation

San Francisco Health Plan
Service Center
7 Spring Street
San Francisco, California 94104

Sablan Law
979 “O” Street, Suite B
Firebaugh, California 93622

Public Participation

Call-In Number: (877) 810-9415 - Participant Code: 6535126

OPEN SESSION

Deputy Treasurer, Alan Gordon, serving as Chairperson, called the meeting to order at 1:30 P.M.

Item #1

Roll Call

Members Present: Alan Gordon for John Chiang, California State Treasurer
Alan LoFaso for Betty T. Yee, California State Controller
Eraina Ortega for Michael Cohen, Director of Finance
Judith Frank
Jay Hansen
Dr. Oscar Sablan – Via Teleconference
Jack Buckhorn
Sumi Sousa – Via Teleconference

Member Absent: Dr. Robert Cherry

Chairperson Gordon declared a quorum present.

Chairperson Gordon announced in an effort to promote transparency, a live, interactive, call-in number was available to the public to provide access to Authority meetings. Open meetings would be available live to all who wish to call-in to listen and participate.

Diane Stanton, the Executive Director, reported that there were no minutes or Executive Director’s report to be presented at this meeting.

Ms. Frank recused herself from business item #2 due to her ownership of Wells Fargo Bank stock.

Jay Hansen joined the meeting at 1:36 P.M.

Item #2 **Sutter Health (“Sutter”), Sacramento, California, Resolution No. 428**

Brock Lewis, staff analyst, presented. Sutter requested Authority’s approval to issue up to \$500 million in revenue bonds. Bond proceeds would be used to refund a portion of the outstanding CHFFA Series 2008A bonds as well as the outstanding California Statewide Communities Development Authority, (“CSCDA”) Series 2004CD and CSCDA Series 2008BC bonds. Sutter anticipated a net present value savings of \$37.6 million over the life of the refunding bonds.

Attendees: Svend Ryge, Vice President and Treasurer, Sutter Health, Keri Thomas, Vice President of External Affairs for the Valley Area, Sutter Health; and John Landers, Underwriter, Morgan Stanley.

Mr. Ryge thanked the Authority for the mid-month meeting and presented Sutter's plan of finance.

Chairperson Gordon asked if there were any questions or public comment. There were none.

Authority Action

Motion to approve Resolution No. 428 for Sutter Health in a principal amount not to exceed \$500,000,000.

MOTION: Member LoFaso SECOND: Member Buckhorn

AYES:Members Sousa, Buckhorn, Sablan, Hansen, Ortega, LoFaso, Gordon

NOES:NONE

ABSTAIN:NONE

RECUSE:Member Frank

MOTION ADOPTED.

Item #3 Rady Children's Hospital – San Diego ("RCHSD"), San Diego, California
Resolution No. CHP-3 2017-03

Tom Finn, staff analyst, presented. RCHSD requested the Authority's approval of a Children's Hospital Program of 2008 (Proposition 3) grant in an amount not to exceed \$20,038,881 to renovate and equip the first, second, and fourth floors of a Medical Office Building ("MOB") located adjacent to the Hospital at 3030 Children's Way. The goal of the project was to consolidate and unify clinics located in several locations into a single space. The third floor of the building was previously renovated and would remain as is. Additional building changes included accessibility improvements, elevator upgrades, and replacements of the HVAC system and roof.

The project was expected to expand and improve access to care by providing an increase in the number of exam rooms and accommodate projected future growth in several clinics. Construction began in March 2017 with completion expected by October 2018.

Attendee: Barbara Ryan, Vice President of Government Affairs, Rady Children's Hospital – San Diego.

Mr. Hansen asked if there had been discussions about the possibility of another children's hospital bond and if there was need for such funding.

Ms. Ryan explained that while there had been preliminary discussions about a possible bond act, no decisions had been made, and that there would always be a need for funding.

Ms. Frank inquired about the size of the building.

Mr. Finn stated that he would provide that information to Ms. Frank.

Authority Action

Motion to approve Resolution No. CHP-3 2017-03 for Rady Children’s Hospital – San Diego to provide a grant not to exceed \$20,038,881 (less issuance and administrative costs).

MOTION: Member LoFaso SECOND: Member Buckhorn

AYES:Members Sousa, Buckhorn, Sablan, Hansen, Frank, Ortega, LoFaso, Gordon

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION ADOPTED.

**Item #4 Investment in Mental Health Wellness Act of 2013
Amendments to Resolution Nos. MH 2014-19, MH 2015-08, MH 2015-11**

Erin Lane, staff analyst, presented. Santa Clara County (“Santa Clara”), Napa County (“Napa”), and Solano County (“Solano”) requested the Authority’s approval to extend the respective grant period and resolution expiration dates to December 31, 2017 with the condition that the Counties must each meet the following milestone deadline: All grant disbursement requests, including all required supporting documentation, must be submitted to the Authority no later than October 31, 2017. All other conditions in the Resolution remained the same and in full effect.

Ms. Frank inquired about Napa County’s high cost per bed.

Mr. Bedolla explained that the project was more expensive than originally anticipated; however, the County was able to create some efficiencies with using county owned property.

Mr. LoFaso stated that he shared Ms. Frank’s observations and felt the factors that drive costs needed to be identified.

Staff recommended the Authority approve the Amendments to Resolution Nos. MH 2014-19 for Santa Clara County, MH 2015-08 for Napa County, and MH 2015-11 for Solano County.

Attendees via teleconference: Sandra Sinz, Behavioral Health Director, Solano County; Felix Bedolla, Project Manager/Ethnic Services Manager, Napa County; and Jeanne Moral, Senior Health Care Program Manager, Santa Clara County; and Margaret Obilor, Behavioral Health Adult/Older Adult Division Director, Santa Clara County

Authority Action

Motion to approve the amendments to Resolution Nos. MH 2014-19 (Santa Clara County), MH 2015-08 (Napa County), and MH 2015-11 (Solano County) to extend the respective grant period and resolution expiration dates to December 31, 2017.

MOTION: Member LoFaso SECOND: Member Buckhorn

AYES:Members Sousa, Buckhorn, Sablan, Hansen, Frank, Ortega, LoFaso, Gordon

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION ADOPTED.

