



W A S H I N G T O N

HEALTH CARE FACILITIES

A U T H O R I T Y

Financing the Health Care Future

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Executive Director

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Washington Health Care Facilities Authority Special Meeting by Teleconference Thursday, March 11, 2021 Meeting Minutes

A special meeting of the Washington Health Care Facilities Authority was held by teleconference. Meeting notices were mailed to all members of the Authority, to all persons who requested such meeting notice, and to those members of the media presently on the mailing list for receiving meeting notices of the Washington Health Care Facilities Authority.

Members Present:

David Schumacher, Governor's Designee, Member, Chair
Lieutenant Governor Denny Heck, Member
Toni Hood, Insurance Commissioner's Designee, Member
Steve Jacobs, Public Member

Authority Staff Present:

Shannon Govia, Assistant Executive Director and Program Manager
Ashlee Frye, Assistant Executive Director and Chief Financial Officer

Others Present:

Rusty Fallis, Authority Assistant Attorney General
Dallas Roberts, Senior Advisor, Office of Lieutenant Governor Heck
Dan Gottlieb, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.
Christi Jacobsen, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.
Robyn Helmlinger, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP
Bryan Victor, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP
Mayling Leong, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP
Mark Melio, Authority Financial Advisor, Melio & Company
Raul Ardelean, Authority Financial Advisor, Melio & Company
Jodi Daly, Comprehensive Healthcare
Diahann Barrera, Comprehensive Healthcare
Christy Trotter, Yakima Valley Farm Workers Clinic
Peter Toop, Yakima Valley Farm Workers Clinic
Travis Wittnebel, Baker Boyer Bank
Mario Delgadillo, Baker Boyer Bank
Joyce Sinakhone, SEIU

Mr. Schumacher called the meeting to order at 2:02 p.m. after noting a quorum was present consisting of himself, Lieutenant Governor Heck, Ms. Hood, and Mr. Jacobs.

Review, discussion and possible action regarding the Minutes from the February 11, 2021 Authority Board Meeting.

Upon motion by Mr. Jacobs and seconded by Ms. Hood, the minutes of the February 11, 2021 Authority meeting were accepted by a roll call vote of 4-0.

Review, discussion and possible action regarding the application for financial assistance submitted by Comprehensive Healthcare (Comp HC).

Mr. Govia summarized the application for financial assistance submitted by Comprehensive Healthcare. Comp HC provides a wide range of outpatient and residential mental health, chemical dependency, domestic violence and other related services in Benton-Franklin, Kittitas, Walla Walla and Yakima counties.

Comp HC is applying for a loan for \$5,157,500. Proceeds of the loan will be used to (1) expand and remodel a facility located in Walla Walla; (2) remodel Comp HC's Yakima Center Medication Assisted Treatment Program Clinic; (3) reimburse Comp HC for prior capital expenditures associated with the projects; and (4) pay issuance costs.

The financing will be structured as a Quick Loan – Private placement with the lender being Baker Boyer Bank. The primary security will be a Deed of Trust. Feasibility will be determined by the lender. There are no Certificate of Need issues per Comp HC and confirmed by the Department of Health. A TEFRA hearing will be scheduled. The interest rate is estimated at a fixed rate of 2.40%, for a 15-year loan term. The depository bank will be determined. Comp HC estimates that it will save approximately \$251,100 in interest costs over traditional taxable interest rate financing over the term of the loan. Any savings realized by the organization are directed into additional units of service for the community served.

Based on its review of the application, Hillis Clark Martin & Peterson P.S., Authority bond counsel, has determined that Comprehensive Healthcare and the proposed project are eligible for financing under the Authority's statute, but such determination is subject to further due diligence. Mr. Govia urged the Authority's acceptance of this application.

Mr. Govia introduced Ms. Barrera who provided a brief summary of the services provided by Comprehensive Healthcare.

In response to Mr. Jacobs's inquiry regarding the impact COVID-19 has had on the care provided by Comp HC, Ms. Barrera stated that they haven't seen a decrease in clients and they are now offering additional services with a shorter treatment time. The one COVID related problem was that Comp HC has not been able to use the full bed capacity due to social distancing requirements.

There being no further discussion, upon motion by Mr. Jacobs, seconded by Ms. Hood, the application for financial assistance submitted by Comprehensive Healthcare was accepted by a 4-0 roll call vote.

Review, discussion and possible action regarding the application for financial assistance submitted by Yakima Valley Farm Workers Clinic (YVFWC).

Mr. Govia summarized the application for financial assistance submitted by YVFWC. YVFWC provides comprehensive medical, dental, nutrition, case management, behavioral health, and social services to underserved areas and low-income populations. YVFWC currently operates 26 medical sites, 14 dental sites, 4 mobile units, 2 licensed mental health systems and various program sites in Washington and Oregon.

YVFWC is applying for a loan in the amount of \$15,660,000. Proceeds of the loan will be used to fund a portion of the construction of a medical clinic in western Yakima. The clinic will provide family practice, gynecology, and obstetric services to the low-income population. The facility will also have a pharmacy. The financing will be structured as a Quick Loan – Private placement. The lender will be Bank of America, N.A. The primary security will be a Deed of Trust. Feasibility will be determined by the lender. There are no Certificate of Need issues per YVFWC and confirmed by the Department of Health. A TEFRA hearing will be scheduled. The interest rate is estimated at a fixed rate of 1.90%, for a 7-year initial loan term with up to 25-year amortization. YVFWC estimates it will save approximately \$1,200,000 in interest costs over traditional taxable interest rate financing. YVFWC is a federally designated FQHC, which means it is obligated to offer services to all low-income population. Savings from the tax-exempt financings will allow YVFWC to continue to deliver quality healthcare services in the most cost-efficient manner.

Based on its review of the application, Orrick Herrington & Sutcliffe LLP, Authority bond counsel, has determined that YVFWC and the proposed project are eligible for financing under the Authority's statute, but such determination is subject to further due diligence. Mr. Govia urged the Authority's acceptance of this application.

Mr. Govia introduced Ms. Trotter who provide a brief summary of the services provided by YVFWC.

In response to Mr. Jacobs's inquiry regarding the services provided by YVFWC in Spokane, Ms. Trotter stated that YVFWC has 2 pharmacy locations, a family practice and 3 clinics integrated with other non-profit organizations and community centers in the Spokane area.

In response to Mr. Jacobs's inquiry regarding the relationship of the three organizations listed in the power point presentation, Ms. Trotter stated that YVFWC is the borrower and the one that is applying for the WHCFA loan. AGENA is a non-profit support organization and Yakima Health Facilities Development Company was created to facilitate a new markets tax credit financing for a new facility in Kennewick. Mr. Jacobs asked if both YVFWC and AGENA were to be included in the financial covenant, Ms. Trotter said yes, with YVFWC acting as the borrower and AGENA serving as an unlimited guarantor.

There being no further discussion, upon motion by Mr. Jacobs, seconded by Ms. Hood, the application for financial assistance submitted by YVFWC was accepted by a 4-0 roll call vote.

Executive Director's Report

Mr. Govia reviewed the Executive Director's Report presented in the board materials, including the status of Authority financings, financial statements, status report and debt service report.

Adjournment:

There being no further business, the meeting was adjourned at 2:18 pm.

Toni Hood, Secretary