



# CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

*Helping Health Facilities Promote Health Care Access*

## ***Public and Private Non-Profit Health Facility Financing in California***

### **Overview of CHFFA**

The **California Health Facilities Financing Authority (CHFFA)** was established in 1979 for the purpose of providing financial assistance to public and private, non-profit health care providers in California through loans funded by the issuance of tax-exempt bonds. The diverse nature of the facilities funded by CHFFA reflects the changing health care needs of California. From rural, community-based organizations to large, multi-hospital systems, CHFFA has financed a wide range of providers and programs throughout the State.

As one of many financing authorities within the California State Treasurer's Office, CHFFA can be a valuable resource for assistance in financing both small and large health facilities that are private, non-profit or public facilities. In order to meet the requirements for CHFFA financing, an institution must be a public hospital, a private non-profit corporation, or an association authorized by the State of California to provide or operate a health facility and undertake the financing or refinancing of a project. Generally, non-profit, licensed health facilities that are eligible for financing include, but are not limited to, adult day health centers, community clinics, developmentally disabled centers, and drug and alcohol rehabilitation centers.

### **CHFFA Programs**

#### **Bond Financing Program**

The Bond Financing Program provides eligible health facilities with access to low interest rate capital markets through the issuance of tax-exempt and taxable revenue bonds. Bond proceeds may be used to fund construction or renovation projects, land or building acquisition for future projects, refinancing of existing debt, equipment (including generators), working capital for start-up facilities, and pay costs of bond issuance. As of September 30, 2019, CHFFA has issued 623

bonds for an aggregate total of approximately \$17.4 billion.

#### **Tax-Exempt Equipment Financing Program**

The Tax-Exempt Equipment Financing Program provides eligible health facilities with access to tax-exempt, fixed-rate financing for equipment purchases. Funds may be used to purchase or reimburse all types of qualifying equipment, including but not limited to, medical and diagnostic equipment, computer hardware and software, generators, and equipment installation costs.

#### **HELP II Loan Program**

The HELP II Loan Program is designed to provide smaller health facilities with financing for capital project needs through low cost loans. Low interest rate loans are available for construction or renovation projects, purchasing real property, purchasing equipment (including generators) and furnishings, and refinancing existing debt. All new money loans are available at a fixed rate of 2% at a maximum of 20 years, while refinancing loans are at a fixed rate of 3% at a maximum of 15 years. To be eligible, a health facility must meet at least one of the following requirements: annual gross revenues at or below \$30 million, be designated as a district hospital, or be located in a rural designation. Since the program's inception in 1995, CHFFA has assisted in the issuance of 273 loans for an aggregate total of approximately \$114.4 million.

### **CHFFA Program Inquiries**

Interested to hear more about CHFFA's Bond, Equipment, or HELP II Loan Programs?

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