

MINUTES

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority or CHFFA)

**First Floor Conference Room
901 P Street, Room 102
Sacramento, California 95814**

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

March 27, 2025, 1:45 P.M.

(or upon adjournment of the California Educational Facilities Authority meeting)

OPEN SESSION

Deputy Treasurer Khaim Morton, Chair, called the meeting to order at 1:58 P.M.

The Secretary announced to the public joining in by phone the instructions for being heard.

<u>Item #1</u>	<u>Roll Call</u>
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Members Present:	Khaim Morton for Fiona Ma, State Treasurer David Oppenheim for Malia M. Cohen, State Controller Michele Perrault for Joe Stephenshaw, Director, Department of Finance Antonio Benjamin Francisco Silva Robert Cherry, M.D. Robert Hertzka, M.D. (via teleconference) Keri Kropke, M.A., M.A., CCC-SLP
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Members Absent:	Katrina Kalvoda
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Staff Present:	Carolyn Aboubechara, Executive Director Bianca Smith, Deputy Executive Director Adam Freudenberg, Associate Governmental Program Analyst Angel Nguyen, Staff Services Analyst Layly Roodsari, Staff Services Analyst
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Member Hertzka confirmed that no one over the age of 18 was in the room with them.

Chair Morton declared a quorum present. Chair Morton reminded virtual attendees to mute their microphones until their respective turn to speak and requested all attendees to state their names and organization for the record. Chair Morton asked that participants speak into their microphone.

Chair Morton asked the Authority members if there were any changes or edits to the minutes.

Authority Action

MOTION: Member Kropke

AYES:Members Silva, Hertzka, Cherry, Kropke, Benjamin, Perrault, Oppenheim, Morton

ABSTAIN:.....NONE

RECUSE:NONE

Item #3

Distressed Hospital Loan Program (DHLP) Update

Executive Director Aboubechara also reported that Madera Community Hospital reopened on March 17, 2025, after being closed for about two years.

Executive Director Aboubechara reported that Marin General Hospital (MarinHealth) provided notice to the Authority of its intent to amend the financial covenants of its CHFFA Series 2022 tax-exempt equipment notes to conform to MarinHealth’s other financial covenants with Banc of America Public Capital Corp., the sole purchaser. After consultation with legal counsel, Executive Director Aboubechara executed the amendment on February 24, 2025.

Executive Director Aboubechara reported that Merced County’s jail diversion program, Pathways to Wellness, approved at the January 2023 Authority meeting to provide mental health treatment, substance disorder treatment, and trauma-centered services for approximately 75 justice-involved adults annually in Merced County, became open and operational on March 24, 2025.

Legislative Update

Executive Director Aboubechara reported on comments from senators at the subcommittee on health budget hearing. Senator Menjivar expressed gratitude that the Specialty Dental Clinic Grant Program grants were approved despite the obstacles to retain funding in the prior year. Senator Weber had questions regarding the number of hospitals whose loans were scheduled to begin repayment in May of 2025 and whether hospitals were going to be able to repay. Executive Director Aboubechara mentioned that she explained that hospitals could apply for loan modification requests and noted the two-step process and that hospitals would need to apply and be approved to receive extensions or eventually forgiveness.

Executive Director Aboubechara also reported that Senator Grove expressed concerns that if a DHLP loan recipient were required to pay back the loan, they would go back into distress. Executive Director Aboubechara explained that while the expectation was for recipients to repay the loans, the loan modification criteria were designed to prevent approved hospitals from going into further distress.

Chair Morton emphasized the value of jail diversion programs and hoped to see more such treatment programs be approved. Chair Morton also stressed the importance of the DHLP and praised the reopening of Madera Community Hospital.

Member Silva asked what services Madera Community Hospital would be providing since reopening. Executive Director Aboubechara explained that the information was not readily available, but details would be shared.

Member Oppenheim asked whether the vast oversubscription for the DHLP triggered any discussions in the senate regarding additional funding or changes to the loan modification process and acknowledged the difficulty of offering forgiveness on loans that were intended to be paid back. Executive Director Aboubechara reported that while there were no discussions regarding additional funding, one senator had asked whether loan forgiveness would be given to all borrowers. Executive Director Aboubechara explained that loan modification or forgiveness would only be considered when requested through the official process and would only be approved after review of each application on a case-by-case basis to verify that the hospital's financial position meets the eligibility criteria.

Member Oppenheim asked whether the Specialty Dental Clinic Grant Program additional funding was agendaized for the subcommittee hearing. Executive Director Aboubechara explained that funding for the Dental Program was not discussed, but the senate commended the Authority for promptly distributing funds where needed most.

Chair Morton asked if there were any additional questions or public comment; there were none.

Item #4 University of California, San Francisco Medical Center (UCSF), San Francisco, San Francisco County Children's Hospital Program of 2018 Resolution No. CHP-4 2025-01 (Action Item)

Member Cherry recused himself as an employee of the University of California. Chair Morton recused himself as the spouse of an employee of the California Children's Hospital Association.

Chair Morton asked if there were any objections to Member Oppenheim presiding as chair for the duration of the item; there were none.

Staff Member Freudenberg reported that UCSF was seeking grant funds to finance a 10-bed expansion project at UCSF Benioff Children's Hospital in San Francisco to address bed capacity constraints, as well as to reimburse the costs of pediatric patient care furniture for various departments. The bed expansion project would include the remodeling, renovation, furnishing and equipping of support space to create a new eight-inpatient-bed unit for pediatric medical-surgical patients and two new inpatient beds for the transitional care unit, each with their own private room. The pediatric patient care equipment would include recliners, couches, and overbed tables for various departments, including but not limited to the Pediatric Emergency Department, Pediatric Intensive Care Unit, Cardiac Intensive Care Unit, Cardiac Transitional Care Unit, and Pediatric Medical-Surgical Unit.

Attendees: (via teleconference) Valerie Bednar, DNP, MA, RN, NEA-BC, Director, Hospital Operations and Strategic Projects; Stephen D. Wilson, MD, PhD, Vice President and Chief Clinical Strategy Officer; Peter Oishi, MD, Associate Chief Medical Officer; Diane VonBehren, DNP, RN, NEA-BC, Associate Chief Nursing Officer; Kayla Henson, Associate Director of Project Delivery and Christopher Wenzel, Assistant Controller, University of California, San Francisco Medical Center.

Associate Chief Oishi thanked the citizens of California for their support of Proposition 4 (the Children's Hospital Bond Act of 2018). Associate Chief Oishi explained that UCSF was often at capacity and adding beds would improve healthcare access for children, including those with complex neurological conditions who would otherwise not have access to care.

Member Kropke asked for more information regarding epilepsy monitoring equipment. Associate Chief Oishi highlighted UCSF as a Center of Excellence for neurologic conditions and explained that children, such as those with seizure disorders, are scanned using an electroencephalogram or EEG. The additional hardwired monitoring infrastructure would allow more pediatric patients to be served.

Chair Oppenheim asked if there were any additional questions or public comment; there were none.

Authority Action

Motion to approve Resolution No. CHP-4 2025-01 in an amount not to exceed \$29,710,077.68 for University of California, San Francisco Medical Center for the Children's Hospital Program of 2018 (Proposition 4), subject to the terms and conditions in the resolution.

MOTION: Member Silva

SECOND: Member Benjamin

AYES:Members Silva, Hertzka, Kropke, Benjamin, Perrault, Oppenheim

NOES:NONE

ABSTAIN:NONE

RECUSE:Members Cherry, Morton

MOTION APPROVED

**Item #5 Amy H. Pham, A Professional Dental Corporation, Oroville, Butte County
Specialty Dental Clinic Grant Program (Program) (First Funding Round)
First Amendment to Resolution No. SDC 2025-02 (Action Item)**

Staff Member Nguyen reported that Authority staff requested the Authority to approve an updated final allocation to Amy H. Pham, A Professional Dental Corporation (Grantee) in an amount not to exceed \$2,908,831.00. The Authority approved Resolution No. SDC 2025-02 at the February 2025 meeting, awarding the Grantee \$2,618,186.00 to develop six new dental operatories in the Superior Region. The awarded amount was less than the Grantee's eligible requested amount of \$5,000,000.00 due to the limited amount of funds remaining in the Superior Region after higher scoring applicants were funded. Additional grant funds in the amount of \$290,645.00 recently became available after another applicant in the Superior Region declined its Initial Allocation. No other applicant in the Superior Region scored high enough to receive funding and the Grantee was the only grantee that did not receive its entire requested funding amount. The additional funding would allow the Grantee to increase operator chairs from six to seven and increase the special health care needs patients served annually from 450 to 500.

Attendees: (via teleconference) Amy Pham, DDS, Owner, Amy H. Pham, A Professional Dental Corporation.

Dr. Pham explained that the additional funding would improve access to dental care for the special needs population in Butte County.

Member Benjamin asked for clarification regarding the nature of dental chairs and whether the chairs would be in the same location. Staff Member Nguyen explained that dental chairs are used as operatories and that all seven chairs would serve the same location. Executive Director Aboubechara further explained that each operator chair could serve one patient at a time. Member Benjamin asked whether the grant was intended to pay for capital expenditures. Executive Director Aboubechara clarified that grant funds could be used for multiple different types of capital expenditures, such as infrastructure, but not for operating costs.

Member Cherry thanked Authority staff for their work on the Program and expressed hope that the Program would receive additional funding in future years despite uncertainty.

Chair Morton asked if there were any additional questions or public comment; there were none.

Authority Action

Motion to approve a first amendment to Resolution No. SDC 2025-02 to increase the final allocation by an amount not to exceed \$290,978.00; all other terms and conditions remain unchanged.

MOTION: Member Silva

SECOND: Member Benjamin

AYES:Members Silva, Hertzka, Cherry, Kropke, Benjamin, Perrault, Oppenheim, Morton

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED

County of Humboldt

**Investment in Mental Health Wellness Grant Program for Children
and Youth (CY Program) (Second and Fifth Funding Rounds)
Second Amendment to Resolution No. CY 2021-02 and Amendment to
Resolution No. CY 2023-01 (Action Item)**

Staff Member Roodsari reported the County of Humboldt (County) requested Authority approval of a second amendment to Resolution No. CY 2021-02 to amend the project description and milestone conditions of being open and operational to February 28, 2026 and of submitting all capital cost disbursement requests to March 31, 2026, and to extend the grant period expiration date to June 30, 2026. Additionally, the County requested a first amendment to Resolution No. CY 2023-01 to amend the project description and to align the milestone condition deadlines with those of Resolution No. CY 2021-02.

Staff Member Roodsari stated that the County was awarded two grants to fund the purchase and renovation of one 12-bed Crisis Residential Treatment facility (CRT) for children and youth. The County requested the extensions because it experienced delays at the start of construction due to restrictions on outdoor work during eagle nesting season, which had since been lifted after a redetermination allowing construction to resume. In addition, time was also needed to secure funding to cover the rising costs of construction. Since both grants fund the renovation of the same facility, aligning the project milestones would reduce the duplication of project logistics and allow the County to better integrate the implementation of design and construction requirements, schedules, and activities. Furthermore, Sorrel Leaf Healing Center (Sorrel Leaf), the County's service provider and designated grantee, determined that services would be focused on children and youth aged seven to 17 as adequate services were already being provided to individuals aged 18 and older in the area. Previously, the age ranges were seven to 21 for Resolution No. CY 2021-02, and seven to 18 for Resolution No. CY 2023-01. Therefore, the County requested a change to the project descriptions in both resolutions to align and amend the age ranges to "ages seven to 17."

Attendees: (via teleconference) Winston Grady, Administrative Analyst, Humboldt County Department of Health & Human Services and Meghan Gallagher, Head of Operations, Sorrel Leaf Healing Center.

Analyst Grady explained that Sorrel Leaf's participation and expertise made it possible to fulfil gaps in treatment that presently required local youth to be treated out-of-county.

Member Silva asked why the project would be required to be open and operational at a different date than the grant end date. Member Roodsari explained that there were three different deadlines to allow time for Authority staff to process disbursements. Executive Director Aboubechara added that after a project becomes open and operational, grantees have a deadline to submit documents for staff to review followed by a different deadline for all funds to be disbursed.

Chair Morton asked if there were any additional questions or public comment; there were none.

Authority Action

Motion to approve a second amendment to Resolution No. CY 2021-02 and to approve a first amendment to Resolution No. CY 2023-01 to amend the milestone conditions and extend the grant period and resolution expiration dates for the grants in amounts not to exceed \$3,696,715.00 and \$2,509,305.40, respectively, and to change the project descriptions in both resolutions to align them and amend the age ranges.

MOTION: Member Silva

SECOND: Member Benjamin

AYES:Members Silva, Hertzka, Cherry, Kropke, Benjamin, Perrault, Oppenheim, Morton

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED

Member Kropke requested additional information about the age range change on the CRT project. Staff Member Roodsari explained that there were different licensing requirements for minors and adults. In addition, adequate services were already being provided to residents over 18. Executive Director Aboubechara explained that the licensing requirements were set by state agencies and added that the CY Program allows funding for projects serving individuals up to the age of 21.

Item #7

County of Los Angeles

Investment in Mental Health Wellness Grant Program (First Funding Round)

Quarterly Update

Resolution No. MH 2014-06 (Information Item)

Member Cherry recused himself as an employee of the University of California.

Staff Member Roodsari reported that on February 22, 2018 the Authority approved a reinstatement of and an amendment to Resolution No. MH 2014-06 for the County of Los Angeles (County) under the Investment in Mental Health Wellness Grant Program for approximately \$40,900,000 to create Crisis Residential Treatment Programs (CRTPs), to expand a crisis stabilization unit, to establish mobile support teams, and to hire one clerical staff. Staff Member Roodsari reported the Authority required the County to provide quarterly updates detailing milestones achieved, progress and challenges related to the completion of the projects.

Staff member Roodsari reported that on December 12, 2024, the Authority approved a ninth amendment to the resolution, which extended the open and operational milestone condition to July 31, 2025 and extended the grant period and resolution expiration dates to October 31, 2025. Additionally, staff member Roodsari reported that the MCST and CSU programs were open and operational, and all funding had been disbursed. A total of \$35 million was allocated to the CRT programs, and as of December 2024, the Authority had disbursed \$28 million based on the percentage of beds that were open and operational at that time. The remaining \$7 million would be disbursed when the remaining beds were open and operational. The last quarterly update was presented to the Authority on December 12, 2024

Attendees: (via teleconference) Damien Parker, Chief, Administrative Support Bureau, Los Angeles County Department of Mental Health.

Chief Parker explained that 14 of the 15 projects were open and operational, leaving only 16 beds to be completed. The final project was awaiting licensing and was expected to open in early April 2025. Chief Parker also stressed the dire need for such projects as many treatment facilities in the county were filled to capacity.

Member Silva asked whether the Los Angeles Fires had an impact on the projects. Chief Parker explained that while the planned projects were not directly affected by the Los Angeles Fires, urgent care clinics were affected.

Chair Morton asked if there were any additional questions or public comment; there were none.

Items #8 and #9

Public Comment and Adjournment

Chair Morton asked for public comment. Hearing none, the meeting adjourned at 2:38pm.