

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
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May 29, 2025, 1:30 P.M.

OPEN SESSION

Deputy Treasurer Patrick Henning, Chair, called the meeting to order at 1:32 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>
Members Present:	Patrick Henning for Fiona Ma, State Treasurer Regina Evans for Malia Cohen, State Controller Michele Perrault for Joe Stephenshaw, Director, Department of Finance Antonio Benjamin Francisco Silva Robert Cherry, M.D. Robert Hertzka, M.D. Katrina Kalvoda
Members Absent:	Keri Kropke, M.A., M.A., CCC-SLP
Staff Present:	Carolyn Aboubechara, Executive Director Summer Nishio, Operations Manager Rana Mayers, Associate Governmental Program Analyst Tyler Bui, Associate Governmental Program Analyst Adam Freudenberg, Associate Governmental Program Analyst Leily Ghods, Associate Governmental Program Analyst Balpreet Chahal, Staff Services Analyst Careen Prince, Staff Services Analyst

Chair Henning declared a quorum present in-person. Chair Henning 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 Henning asked that participants speak into their microphone.

Item #2 **Approval of the Minutes from the April 24, 2025 Meeting (Action Item)**

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

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

Authority Action

Motion to approve the minutes from the April 24, 2025 Authority meeting.

MOTION: Member Evans

SECOND: Member Perrault

AYES:Members Silva, Kalvoda, Hertzka, Cherry, Benjamin, Perrault, Evans, Henning

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED

Item #3 **Executive Director's Report (Information Item)**

Contract Delegation of Powers Update

Executive Director Aboubechara reported the Authority had entered into two interagency agreements to reimburse the State Treasurer's Office for executive and support services and rent and security expenses. The contract for rent and security in the amount of \$153,387, and the contract for executive and support services in the amount of \$399,314 was from July 1, 2024 through June 30, 2025.

Distressed Hospital Loan Program (DHLP) Update

Executive Director Aboubechara pointed to an updated DHLP handout that listed the status of each DHLP loan. Executive Director Aboubechara explained that a total of 13 loan modification applications had been received, nine of which were approved by Authority staff, the Department of Finance, and the Department of Health Care Access and Information. New amendments and security agreements had been executed for seven of the nine applicants approved to receive extensions. Four loan modification applications remained under review. Additionally, Executive Director Aboubechara reported that Madera Community Hospital received a third disbursement of \$19.2 million, leaving approximately \$17.7 million of their approved \$57 million DHLP loan award to be disbursed.

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

Item #4 **Stanford Health Care (SHC), Stanford, Santa Clara County**
Bond Financing Program
Resolution No. 464 (Action Item)

Staff Member Mayers reported that SHC requested to issue tax-exempt bonds in an amount not to exceed \$460 million. Bond proceeds would be used for the construction and equipping of a medical office building in Redwood City, the rebuilding of SHC's original hospital facility in Palo Alto, to refinance \$50 million of short-term tax-exempt commercial paper into long-term bond debt, and to refinance the CHFFA Series 2021A bonds.

Attendees (in-person): John D. Badwick, Executive Director, Morgan Stanley & Co. LLC.

(via teleconference): Rafif Ismail, Vice President – Treasurer, Stanford Health Care.

Vice President Ismail gave an overview of the ongoing rebuild of its original hospital facility in Palo Alto, the expansion of its Redwood City facility, and the various other planned projects.

Member Silva asked whether the services at SHC's Redwood City facility would be available to Medi-Cal beneficiaries and asked about SHC's payor mix with respect to Medi-Cal. Vice President Ismail explained that SHC's payor mix was comprised of about 10% Medi-Cal and about 48% Medicare. The remaining payor mix was comprised of commercial or self-pay patients.

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

Authority Action

Motion to approve Resolution No. 464 in an amount not to exceed \$460 million for Stanford Health Care through the Bond Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Benjamin

SECOND: Member Evans

AYES:Members Silva, Kalvoda, Hertzka, Cherry, Benjamin, Perrault, Evans, Henning

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED

Item #5

**Providence St. Joseph Health (Providence), Renton, Washington
Bond Financing Program
Resolution No. 465 (Action Item)**

Member Kalvoda recused herself from participating in Item #5 as a board member of a Providence Mission Hospital Foundation. Although Member Kalvoda has no personal financial interest in Providence, out of abundance of caution, she recused.

Staff Member Bui reported that Providence requested to issue tax-exempt bonds in an amount not to exceed \$365 million. Bond proceeds would be used to refund a portion of Providence's existing debt to consolidate certain bonds across Providence's bond portfolio and to refinance short-term line of credit debt into long-term bond debt. Staff Member Bui also reported that Providence did not anticipate significant savings from the refunding.

Attendees (via teleconference): Rafael Martinez-Chapman, Treasurer, Senior Vice President; Sonya Shaw, AVP Capital Markets, Treasury & Investments; Paul Kim, Treasury Manager; Alyson Barhan, Vice President, Senior Corporate Counsel, Providence St. Joseph Health; Matt McCabe, Partner, Norton Rose Fulbright US LLP; and Robert Junqua, Managing Director, BofA Securities, Inc.

Treasurer Martinez-Chapman expressed the desire of Providence to continue to provide health care services to the citizens of California.

Member Benjamin asked how many of Providence's projects were located in California.

Treasurer Martinez-Chapman explained that California represented the largest share of Providence's revenue markets and that Providence had approximately 18 hospitals in California. Executive Director Aboubechara clarified that nine project sites in California were affected by the bond financing.

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

Authority Action

Motion to approve Resolution No. 465 in an amount not to exceed \$365 million for Providence St. Joseph Health through the Bond Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Hertzka

SECOND: Member Cherry

AYES:Members Silva, Hertzka, Cherry, Benjamin, Perrault, Evans, Henning

NOES:NONE

ABSTAIN:NONE

RECUSE:Member Kalvoda

MOTION APPROVED

Item #6

**City of Hope (COH), Duarte, Los Angeles County
Bond Financing Program
Resolution No. 466 (Action Item)**

Staff Member Chahal reported that COH requested to issue tax-exempt bonds in an amount not to exceed \$230 million. Bond proceeds would be used to refund all or a portion of the outstanding CHFFA Series 2012A and CHFFA Series 2019 bonds and pay costs of issuance. Staff Member Chahal noted that the refunding was expected to generate net present value savings of approximately \$12 million over the life of the bonds.

Attendees (in-person): John D. Badwick, Executive Director, Morgan Stanley Bank, N.A.

(via teleconference): Don Matthewson, Vice President, Treasury and Financial Strategy; Ty Conner, Executive Director of Capital Markets and Credit Strategy, City of Hope; and John Renken, Partner, Hawkins, Delafield & Wood LLP.

Executive Director Conner gave a brief overview of the refinancing and the expected savings.

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

Authority Action

Motion to approve Resolution No. 466 in an amount not to exceed \$230 million for City of Hope through the Bond Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Evans

SECOND: Member Silva

AYES:Members Silva, Kalvoda, Hertzka, Cherry, Benjamin, Perrault, Evans, Henning

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED

Item #7

**Ritter Center, San Rafael, Marin County
Healthcare Expansion Loan Program II (HELP II)
Resolution No. HII-362 (Action Item)**

Chair Henning announced that item number 7 was removed from the agenda due to the applicant withdrawing their application.

Item #8

**Marin Ventures, San Rafael, Marin County
Healthcare Expansion Loan Program II (HELP II)
Resolution No. HII-363 (Action Item)**

Staff Member Prince reported that Marin Ventures requested a HELP II loan in an amount not to exceed \$1 million. Loan proceeds would be used to refinance an existing loan used to acquire a 5,400 square foot building for Marin Ventures' adult day program.

Attendees (via teleconference): Jami Davis, Executive Director and Josh Sullivan, Board of Directors Treasurer, Marin Ventures.

Executive Director Davis explained that Marin Ventures purchased a building in 2019 after leaving its previous location, which Marine Ventures had occupied for 30 years.

Member Cherry asked how Marin Ventures planned to adjust if new federal legislation were to cause the Medi-Cal redetermination process to change to twice per year rather than annually.

Executive Director Davis explained that Marin Ventures was paid through the regional center process and was not directly paid via Medi-Cal. However, Marin Ventures would continue to watch changes closely by remaining part of trade associations and participating in policy discussions.

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

Authority Action

Motion to approve Resolution No. HII-363 in an amount not to exceed \$1 million for Marin Ventures through HELP II, subject to the terms and conditions in the resolution.

MOTION: Member Cherry

SECOND: Member Hertzka

AYES:Members Silva, Kalvoda, Hertzka, Cherry, Benjamin, Perrault, Evans, Henning

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED

Item #9

**Children's Hospital Los Angeles (CHLA), Los Angeles, Los Angeles County
Children's Hospital Program of 2018
Resolution No. CHP-4 2025-02 (Action Item)**

Staff Member Freudenberg reported that CHLA is seeking Proposition 4 grant funds to reimburse the cost of patient care equipment for various pediatric care departments. The patient care equipment includes, but is not limited to one centrifuge chiller, one mass analyzer, 26 medical monitoring systems, one fluoroscopy system, one flow cytometry system, and one magnetic resonance imaging machine.

Attendees (via teleconference): Scott Lieberenz, Senior Vice President and Chief Financial Officer; Rob Capulong, Executive Director of Finance Strategy & Operations; Cy Arrieta, Senior Program Manager of Finance Strategy & Operations; Will Luiz, Executive Director, Finance and Operations Decision Support Services; and Luis Ayala, Vice President of Government and Community Affairs, Children's Hospital Los Angeles.

Executive Director Capulong said that CHLA has been serving the pediatric community of Los Angeles since 1901, noting that 73% of CHLA's 154,000 patients seen in Fiscal Year 2024 were eligible for government health insurance programs. Executive Director Capulong also detailed CHLA's commitment to providing care for indigent, underserved, or uninsured pediatric patients and described CHLA's contributions to pediatric teaching and research programs. Executive Director Capulong stressed the importance of the project being financed so that CHLA may continue its mission to provide the best possible care for pediatric patients in the region.

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

Authority Action

Motion to approve Resolution No. CHP-4 2025-02 in an amount not to exceed \$13,120,897.88 for Children's Hospital Los Angeles under the Children's Hospital Program of 2018, subject to the terms and conditions in the resolution.

MOTION: Member Benjamin

SECOND: Member Perrault

AYES:Members Silva, Kalvoda, Hertzka, Cherry, Benjamin, Perrault, Evans, Henning

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED

Item #10

**University of California, San Francisco Medical Center (UCSF),
San Francisco, San Francisco County
Children's Hospital Program of 2018
First Amendment to Resolution No. CHP-4 2021-02 (Action Item)**

Member Cherry recused himself from participating in Items #10 and #11 as an employee of the University of California. Member Cherry left the boardroom.

Staff Member Freudenberg reported that UCSF requested the Authority to approve an amendment to Resolution No. CHP-4 2021-02 to extend the grant period end date and resolution expiration date for its Children's Hospital Program of 2018 (Health & Safety Code, §1179.81 et seq.) project. UCSF would not be able to complete the project funded under Resolution No. CHP-4 2021-02 by the resolution expiration date of June 30, 2025 due to the lowest responsive construction bid for one of project's components was much higher than originally estimated, and UCSF needed additional time to approve supplemental funding for the project. The extension would allow UCSF sufficient time to obtain approval for the increase in internal funding and complete the project. To date, the following clinics were open and operational: the Center for Pediatric Digestive Health, Endocrinology, Infectious Diseases, High-risk Infant Follow-up, Dermatology, General Surgery, and Urology. These clinics had expanded by 9,900 square feet, providing 16 new exam rooms and one new treatment room in addition to the clinic support spaces, which had been seeing patients since August 2023. As of the end of March 2025, there had been 31,583 patient visits since the clinics opened.

Attendees (via teleconference): Kayla Henson, Associate Director of Project Delivery and Henry Tam, Project Manager, University of California, San Francisco Medical Center.

Associate Director Henson emphasized UCSF's commitment to completing the project and noted that thousands of pediatric patients with cardiac, pulmonary, allergy and cancer treatment needs will benefit once UCSF receives additional internal funding for the remainder of construction.

Chair Henning asked if there were any additional questions or public comment.

Chair Henning asked if UCSF was comfortable with the date chosen for the extension, June 30, 2027.

Associate Director Henson confirmed UCSF is comfortable with that date.

Authority Action

Motion to approve a first amendment to Resolution No. CHP-4 2021-02 for University of California, San Francisco Medical Center to extend the grant period end date and extend the resolution expiration date for the Children's Hospital Program of 2018 grant in an amount not to exceed \$3,289,785.40, subject to the terms and conditions in the resolution.

MOTION: Member Kalvoda

SECOND: Member Hertzka

AYES:Members Silva, Kalvoda, Hertzka, Benjamin, Perrault, Evans, Henning

NOES:NONE

ABSTAIN:NONE

RECUSE:Member Cherry

MOTION APPROVED

**Item #11 University of California, Irvine Medical Center (UCI), Orange, Orange County
Children's Hospital Program of 2008
Resolution No. CHP-3 2025-01 (Action Item)**

Member Kalvoda recused herself from participating in Item #11 as she has collaborated with UCI on previous projects. Although Member Kalvoda was never compensated by UCI, out of abundance of caution, she recused.

Staff Member Ghods reported that UCI is seeking Proposition 3 grant moneys to reimburse and fund the costs of new pediatric patient care equipment and minor renovations related to the upgrade of electrical outlets in various pediatric units. The patient care equipment includes, but is not limited to, three high-frequency jet ventilator systems, one transport gurney, 181 electrical outlets, 32 bedside supply carts, 32 recliners, and one continuous electroencephalogram (EEG) system.

Attendees (via teleconference): Randolph Siwabessy, Chief Financial Officer; Neil Myers, Controller; Kelle Falbo, Neonatal Intensive Care Unit Nurse Manager; Edward Garcia, Director of Respiratory Care; and Larissa Dicioco, Portfolio Manager, Partnerships & Affiliations, University of California, Irvine Medical Center.

Chief Financial Officer Siwabessy provided background on UCI and their contribution to pediatric patient care in Orange County. Nurse Manager Falbo acknowledged Staff Member Ghods' summary of the project and noted that the patient care equipment will support UCI's mission to improve health care access and outcomes for pediatric patients in the region.

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

Authority Action

Motion to approve Resolution No. CHP-3 2025-01 in an amount not to exceed \$843,997.48 for University of California, Irvine Medical Center for the Children's Hospital Program of 2008 (Proposition 3), subject to the terms and conditions in the resolution.

MOTION: Member Silva

SECOND: Member Hertzka

AYES:Members Silva, Hertzka, Benjamin, Perrault, Evans, Henning

NOES:NONE

ABSTAIN:NONE

RECUSE:Members Kalvoda, Cherry

MOTION APPROVED

Items #12 and #13

Public Comment and Adjournment

Member Cherry returned to the boardroom.

Chair Henning asked for public comment. Hearing none, the meeting adjourned at 2:16pm.