

## 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

September 25, 2025, 1:45 P.M.  
(or upon adjournment of the California Educational Facilities Authority meeting)

#### OPEN SESSION

Deputy Treasurer John Sheldon, Chair, called the meeting to order at 2:15 P.M.

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

<b><u>Item #1</u></b>	<b><u>Roll Call</u></b>
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Members Present: John Sheldon for Fiona Ma, State Treasurer  
David Oppenheim for Malia Cohen, State Controller  
Michele Perrault for Joe Stephenson, Director, Department of Finance  
Robert Cherry, M.D.  
Robert Hertzka, M.D.  
Katrina Kalvoda  
Keri Kropke, M.A., M.A., CCC-SLP (joined at 2:37 P.M.)

Members Absent: Antonio Benjamin  
Francisco Silva

Staff Present: Carolyn Aboubechara, Executive Director  
Bianca Smith, Deputy Executive Director  
Frank Moore, Retired Annuitant (virtually)  
Adam Freudenberg, Associate Governmental Program Analyst  
Leily Ghods, Associate Governmental Program Analyst  
Careen Prince, Staff Services Analyst

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

#### **Item #2 Approval of the Minutes from the August 28, 2025 Authority Meeting (Action Item)**

Chair Sheldon asked if there were any changes, questions, or public comment; there were none.

### **Authority Action**

Motion to approve the minutes from the August 28, 2025 Authority meeting.

MOTION: Member Cherry

SECOND: Member Hertzka

AYES:..... Members Hertzka, Cherry, Perrault, Oppenheim, Sheldon

NOES:..... NONE

ABSTAIN:..... Member Kalvoda

RECUSE:..... NONE

MOTION APPROVED

### **Item #3**

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

#### **Legislative Updates**

Executive Director Aboubechara reported that Senate Bill 105 (SB 105) was passed on September 17, 2025, amending the Budget Act of 2025. SB 105 reappropriated funding for the Investment in Mental Health Wellness Grant Program for Children and Youth (Program) from June 30, 2024 to June 30, 2028, extending the final deadline for projects funded by the Program to be open and operational from June 30, 2026 to June 30, 2030. The additional time means that the seven counties with open projects under the Program could request deadline extensions, if necessary. The request to extend the final funding deadline was done by the County Behavioral Health Directors Association.

#### **Other Updates**

Executive Director Aboubechara reported that Frank Moore, the Authority's previous Executive Director, joined the Authority to assist with special projects such as Item #7 (California Department of Motor Vehicles Specialized License Plate Program). Staff Member Moore mentioned that he remained in contact with Authority staff after retiring and provided an update on his life.

Member Oppenheim asked whether SB 105 was a trailer bill, and Executive Director Aboubechara confirmed.

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

### **Item #4**

### **Sierra View Homes (Sierra View), Reedley, Fresno County Healthcare Expansion Loan Program II (HELP II) Resolution No. HII-365 (Action Item)**

Staff Member Prince reported that Sierra View requested a HELP II loan in the amount of \$950,000. Loan proceeds would be used to construct carports that would hold solar panels to provide electricity to the facility. The proposed project will bring down the high energy costs used to operate Sierra View's facilities.

Attendee (via teleconference): Vito Genna, Associate Executive Director, Sierra View Homes.

Associate Executive Director Genna explained that about 80% of Sierra View's annual costs were spent on energy, and the loan would allow Sierra View to fit its skilled nursing and assisted living facilities with nearly 700 solar panels.

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

### Authority Action

Motion to approve Resolution No. HII-365 in an amount not to exceed \$950,000 for Sierra View Homes under the HELP II Program, subject to the terms and conditions in the resolution.

MOTION: Member Oppenheim

SECOND: Member Cherry

AYES:..... Members Kalvoda, Hertzka, Cherry, Perrault, Oppenheim, Sheldon

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

## MOTION APPROVED

## Item #5

**Kern Medical Center (KMC), Bakersfield, Kern County  
Children's Hospital Program of 2018 (First Funding Round)  
Restatement to Resolution No. CHP-4E 2020-11 (Action Item)**

Staff Member Freudenberg reported that KMC requested Authority approval to extend the grant period end date and extend the resolution expiration date for its Children's Hospital Program of 2018 project (Project). KMC will not be able to complete the project and submit all disbursement documentation by the November 30, 2025 grant period end date due to unforeseen challenges discovered during the renovation of the Pediatric Emergency Department, as well as ballooning costs related to the purchase of patient care equipment (PCE). In the Pediatric Emergency Department, it was discovered that a new air handling unit (AHU) would be needed to complete the renovation. The AHU was delivered well beyond its scheduled date and did not include key pieces of equipment needed to mount the unit to the roof, causing delays in the project schedule. Considerable time was needed to fully understand existing conditions, create design changes to address each, receive approval on amended submittals from the California Department of Health Care Access and Information, install the unit, and perform additional testing and inspection. For the purchase of PCE, KMC evaluated which equipment would best expand and improve diagnostic and treatment capacity for pediatric patients in Kern County while also ensuring financial and operational feasibility.

Despite delays, KMC made meaningful progress on all components of the Project. Staff Member Freudenberg mentioned that renovation and equipping of the Inpatient Pediatric Unit would be completed in January 2026; renovation of the Columbus Outpatient Pediatric Unit was completed in July 2022; expansion and equipping of the Pediatric Emergency Department would be completed in January 2026; elevator repairs would be completed in December 2026; and PCE was placed in service for various departments. KMC was in the process of reconciling invoices for various Project components and would request reimbursement in the coming months.

KMC submitted an updated project timeline and requested an extension of the grant period end date to January 31, 2027 and an extension of the resolution expiration date to January 31, 2028. The extension would allow sufficient time for KMC to complete the Project, obtain the requisite licensure to place the remaining components in service for pediatric patients, and submit all disbursement documentation. The requested extension also considered additional construction and/or administrative delays.

Attendees (via teleconference): Josh Farmer, Capital Projects Manager, Engineering and Angelica Rivers, Manager of Special Projects, Engineering, Kern Medical Center and Sarah Kelley, Director of Operations, Kern Medical Foundation.

Director of Operations Kelley explained how KMC was maintaining accountability and that there was already a plan to provide updates to the Authority moving forward.

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

### Authority Action

Motion to approve a first amendment and restatement to Resolution No. CHP-4E 2020-11 for Kern Medical Center to extend the grant period end date from November 30, 2025 to January 31, 2027 and to extend the resolution expiration date from November 30, 2025 to January 31, 2028. All other conditions in the Resolution shall remain the same and in full effect.

**MOTION:** Member Kalvoda

SECOND: Member Hertzka

AYES:..... Members Kalvoda, Hertzka, Cherry, Perrault, Oppenheim, Sheldon

NOES:.....NONE

ABSTAIN:.....NONE

RECUSE:.....NONE

## MOTION APPROVED

## Item #6

## **Bakersfield Memorial Hospital (BMH), Bakersfield, Kern County Children's Hospital Program of 2018 (First Funding Round)**

## **First Amendment and Restatement to Resolution No. CHP-4E 2020-03 (Action Item)**

Staff Member Ghods reported that BMH requested Authority approval to extend the grant period end date and extend the resolution expiration date for its Children's Hospital Program of 2018 project (Project). BMH would not be able to complete the Project and submit all disbursement documentation by the September 30, 2025 resolution expiration date due to several issues. The California Department of Health Care Access and Information (HCAI) plan check approval and permit were received in June 2023, approximately two years later than originally anticipated, as the third operating room was initially designated as shelled space for equipment storage due to insufficient grant funding at the time. After construction began on the first and second operating rooms, additional funding was received from the BMH Foundation to support a third operating room. As a result, the construction plans were revised to incorporate the third operating room space. This challenge necessitated additional design and plan review time and further caused sequencing challenges due to the timing. The remodel/renovation was further delayed because of construction worker shortages, supply chain delays, and IT integration challenges.

Staff Member Ghods reported that BMH's Project was unofficially substantially complete and was awaiting the placement of furnishings. BMH was in the process of scheduling final inspections with HCAI and anticipated having their approval to staff and stock the spaces by late November 2025. BMH anticipated being patient-ready by January or February 2026.

BMH submitted a new timeline and requested an extension of the grant period end date to September 30, 2026 and an extension of the resolution expiration date to September 30, 2027. The extension would allow sufficient time for BMH to complete the Project, equip and furnish the pediatric surgical unit, receive HCAI approval and licensing inspections, and submit all disbursement documentation. The requested extension also considered additional construction and/or administrative delays.

Member Kropke arrived at 2:37 P.M.

Attendee (via teleconference): Joshua Sharp, Market Director, Bakersfield Memorial Hospital. Market Director Sharp thanked the Authority and elaborated on BMH's progress. Member Oppenheim expressed gratitude that BMH received funding for a third operating room. Chair Sheldon asked if there were any additional questions or public comment; there were none.

**Authority Action**

Motion to approve a first amendment and restatement to Resolution No. CHP-4E 2020-03 for Bakersfield Memorial Hospital to extend the grant period end date from September 30, 2025 to September 30, 2026 and to extend the resolution expiration date from September 30, 2025 to November 30, 2027. All other conditions in the Resolution shall remain the same and in full effect.

MOTION: Member Perrault

SECOND: Member Cherry

AYES:..... Members Kalvoda, Hertzka, Cherry, Kropke, Perrault, Oppenheim, Sheldon

NOES:..... NONE

ABSTAIN:..... NONE

RECUSE:..... NONE

MOTION APPROVED

**Item #7 Approval to Delegate Powers to the Executive Director in Connection with Submission of an Application to the California Department of Motor Vehicles (DMV) to Sponsor a Specialized License Plate Program (Program) Resolution No. 2025-04 (Action Item)**

Member Kalvoda recused to avoid there being any potential perception of a conflict of interest.

Member Cherry recused to avoid there being any potential perception of a conflict of interest.

Staff Member Moore provided background on the Authority's existing children's hospital programs, the Authority's longstanding relationship with the California Children's Hospital Association (CCHA), and the DMV's Specialized License Plate Program (Program). The Program enables state agencies to sponsor a unique license plate design. After deducting administrative costs, remaining funds from sales of specialized plates are allocated to the sponsoring agency to promote the state agency's official mission.

Staff Member Moore reported that CCHA approached the Authority to work together to develop a specialized license plate. Current specialized plates include designs supporting California Agriculture, California Museums, UCLA, and Pet Lovers. In many cases, private corporations help design the specialized license plates and also provide donations to offset startup costs.

Staff Member Moore said that revenues generated by the Program would be awarded as grants to the 13 children's hospitals participating in the Children's Hospital Programs of 2004, 2008, and 2018 (Children's Hospital Programs). Unlike the existing Children's Hospital Programs, which limit reimbursement to certain capital expenditures (construction, expansion, renovation, furnishing, equipment, and, in some cases, property acquisition), the Program would support additional hospital expenditures not covered by current programs. Such expenditures may

include salary support for health care professionals (like art and music therapists, in-hospital educators, and Child Life Specialists), salary support for individuals who help children engage in social activities, and recreational amenities (like wheelchair-accessible playgrounds).

Staff Member Moore explained that the process would involve developing a license plate decal and developing outreach material including a website for the public to reserve plates. The DMV would need to approve the application, including use of funds, draft marketing materials, and the template for the specialized license plate. After approval of the Authority's application by the DMV, the Authority would need to collect at least 7,500 paid reservations within one year of approval, with the ability to apply for a one-year deadline extension. After the threshold is met, the DMV would take over processing any new applications. After the DMV recoups its administrative costs, remaining revenue would go to the Authority to recoup its administrative costs and then be distributed to participants under the Children's Hospital Programs through an annual grant process. To ensure fairness and transparency, the Authority would go through the regulation adoption process to establish clear eligibility and evaluation criteria for the grants. The Authority board would have the ability to provide input on those regulations.

Staff Member Moore reported that staff was requesting delegated authority to apply to the DMV's Program, to execute and deliver all related documents, to receive and accept monetary donations from any legally acceptable source, and to carry out any additional actions needed to submit the application. The Executive Director will inform the Authority board of any actions taken at an Authority meeting following the date the application is approved by the DMV.

Attendee (via teleconference): Mira Morton, Vice President of Government Affairs, California Children's Hospital Association.

Vice President of Government Affairs Morton explained that CCHA members have had an interest in establishing a specialized license plate to support their work and projects that are not reimbursed through traditional payments. CCHA approached Authority leadership and the State Treasurer's Office due to the Authority's expertise with administering existing grants to children's hospitals. Vice President of Government Affairs Morton expressed CCHA's belief that the Program would align with the Authority's mission and would support new services that would directly improve the lives of pediatric patients and their families while seeking life-saving care.

Member Oppenheim expressed support for the Program and asked whether there are startup costs associated with the application process.

Staff Member Moore answered yes and explained that while startup costs are not reimbursable, private corporation donations are possible, and the Authority plans on seeking reimbursement of long-term costs. Executive Director Aboubechara added that staffing made up most of the startup costs and that the Authority would seek a donation from a private corporation for the cost of the license plate reservation website.

Member Hertzka asked how much money was expected to go to children's hospitals once the Program was up and running.

Executive Director Aboubechara explained that there is a complicated formula to determine the exact yield per license plate sold, and that there are two different types of license plates (sequential and customized) with different yields, but said that staff have developed scenarios and determined that 100,000 license plates sold could yield about \$3 million, while one million license plates sold could yield about \$30 million.

Member Kropke expressed enthusiasm for the Program and is looking forward to pediatric patients getting funding for music therapy, art therapy, and other benefits during a time when such programs are having funding cuts.

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

**Authority Action**

Motion to approve Resolution No. 2025-04 to delegate specified powers to the Executive Director, or the Deputy Executive Director, in the Executive Director's absence, in connection with submission of an application to the California Department of Motor Vehicles to sponsor a Specialized License Plate Program, subject to the terms and conditions in the resolution.

MOTION: Member Kropke

SECOND: Member Hertzka

AYES:..... Members Hertzka, Kropke, Perrault, Oppenheim, Sheldon

NOES:..... NONE

ABSTAIN:..... NONE

RECUSE:..... Members Kalvoda, Cherry

MOTION APPROVED

**Items #8 and #9**

**Public Comment and Adjournment**

Chair Sheldon asked for public comment. Hearing none, the meeting adjourned at 2:55 P.M.