

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)**

**Children's Hospital Program of 2018 (Proposition 4)**

**First Amendment and Restatement to Resolution Number CHP-4E 2020-03**

**Bakersfield Memorial Hospital**

**September 25, 2025**

**PURPOSE OF THE REQUEST:**

Bakersfield Memorial Hospital (BMH) is requesting the Authority approve a first amendment and restatement to Resolution Number CHP-4E 2020-03 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.) (CHP) project (Project).

**ISSUE:**

BMH will not be able to complete the Project and submit all disbursement documentation by the grant period end date and resolution expiration date of September 30, 2025.

BMH experienced significant delays due to several issues. The Department of Health Care Access and Information's (HCAI) plan check approval and permit was 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 did necessitate additional design and plan review time and further caused sequencing challenges due to the timing. The remodeling/renovation was further delayed because of construction worker shortages and supply chain delays, and IT integration challenges. Currently BMH's Project is unofficially substantially complete and is currently awaiting the placement of furnishings. BMH is in the process of scheduling final inspections with HCAI and anticipates having their approval to staff and stock the spaces by late November. Should all processes go to plan, BMH anticipates being patient ready by January – February 2026.

BMH has submitted a new timeline and is requesting an extension of the grant period end date to September 30, 2026 and the resolution expiration date to September 30, 2027. The additional time will allow BMH to complete the remodel/renovation project, equip and furnish the pediatric surgical unit, receive HCAI approval and licensing inspections, and submit all disbursement documentation. The requested time extension also takes into consideration any unforeseen construction and/or administrative delays.

**BACKGROUND:**

On June 25, 2020, the Authority approved a final allocation for the Bakersfield Memorial Hospital in an amount not to exceed \$15,000,000.00 to fund the costs of constructing and equipping approximately 8,100 square feet in new "blue sky" space above the Hospital's existing emergency room and adjacent to its current operating room area to develop a dedicated pediatric surgical unit comprised of two new operating rooms and support areas. Resolution Number CHP-4E 2020-03 was approved with a grant period expiration date of September 30, 2024.

(LG)

On August 30, 2024, pursuant to authority granted in Resolution Number CHP 4E-2020-03, the Executive Director approved an extension of the grant period end date from September 30, 2024 to September 30, 2025, the resolution expiration date, because of significant permitting delays experienced during the initial design phase causing further delays in construction and equipment purchasing.

On August 20, 2024, BMH received a disbursement of \$2,386,103.61 in grant funds. There is currently \$12,452,646.39 remaining to be disbursed for this grant.

**RECOMMENDATION:**

Staff recommends the Authority approve a first amendment and restatement to Resolution Number CHP-4E 2020-03 to extend the grant period end date and extend the resolution expiration date from September 30, 2025 to September 30, 2026 and September 30, 2027, respectively.

All other conditions in the Resolution shall remain the same and in full effect.

**FIRST AMENDED AND RESTATED RESOLUTION NO. CHP-4E 2020-03**

**FIRST AMENDED AND RESTATED RESOLUTION OF THE CALIFORNIA  
HEALTH FACILITIES FINANCING AUTHORITY APPROVING  
EXECUTION AND DELIVERY OF GRANT FUNDING  
UNDER THE CHILDREN’S HOSPITAL PROGRAM OF 2018  
TO BAKERSFIELD MEMORIAL HOSPITAL**

WHEREAS, the California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Children’s Hospital Bond Act of 2018 (Pt. 6.3 (commencing with Section 1179.81), Div. 1, Health and Safety Code; hereafter the “Act”) and implementing regulations to award grants from the proceeds of general obligation bonds in an amount not to exceed \$15,000,000.00, less the bond issuance and administrative costs, to Bakersfield Memorial Hospital (the “Grantee”) to finance eligible projects; and

WHEREAS, ~~on June 25, 2020 the Authority staff reviewed the Grantee’s application against the eligibility requirements of the Act and implementing regulations and pursuant to the Act and implement regulations, recommend approval of~~ adopted resolution No. CHP-4E 2020-03 (the “Original Resolution”) approving a grant in the amount not to exceed \$15,000,000.00 less bond issuance and administrative costs, to the Grantee for the eligible project (the “Project”) described in the application; and

WHEREAS, pursuant to the Original Resolution, on August 30, 2024, the Executive Director extended the Project’s grant period end date to September 30, 2025; and

WHEREAS, the Grantee requests an additional extension of the grant period end date and extension of the resolution expiration date to complete the Project.

NOW THEREFORE BE IT RESOLVED by the California Health Facilities Financing Authority, as follows:

Section 1. The Authority hereby approves a grant of \$15,000,000.00, less bond issuance and administrative costs, to the Grantee to complete the Project as described in the Children’s Hospital Program Application and Exhibit A to this Resolution (Exhibit A is hereby incorporated by reference) within a grant period that ends on ~~September 30, 2025~~ September 30, 2026.

Section 2. The Executive Director and the Deputy Executive Director are hereby authorized, for and on behalf of the Authority, to approve any minor, non-material changes in the Project described in the application submitted to the Authority and extend the grant period completion date identified in Section 1 as authorized under the Act and implementing regulations. However, any extension approved by the Executive Director and the Deputy Executive Director shall not surpass the grant resolution expiration date. Nothing in this Resolution shall be construed to require the Authority to provide any additional funding. Any notice to the Grantee shall indicate that the Authority shall not be liable to the Grantee in any manner whatsoever should such funding not be completed for any reason whatsoever.

Section 3. The Executive Director and the Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to draw money from the Act Fund not to exceed those amounts approved by the Authority for the Grantee. The Executive Director and the Deputy Executive Director are further authorized and directed, for and on behalf of the Authority, to execute and deliver to the Grantee any and all documents necessary to complete the transfer of funds that are consistent with the Act and implementing regulations.

Section 4. The Executive Director and the Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to do any and all things and to execute and deliver any and all documents, which the Executive Director and the Deputy Executive Director deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 5. This Resolution expires ~~September 30, 2025~~ [September 30, 2027](#).

Date Approved: \_\_\_\_\_

## **EXHIBIT A**

### **PROJECT DESCRIPTION**

The proceeds of the grant will be used by Bakersfield Memorial Hospital to fund the costs of constructing and equipping a new dedicated pediatric surgical unit.