

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)**  
**HEALTHCARE EXPANSION LOAN PROGRAM II (HELP II)**  
**First Amendment and Restatement to Resolution No. HII-364**

**Castle Family Health Centers**

**February 26, 2026**

**PURPOSE OF THE REQUEST:**

Castle Family Health Centers (Castle Family) is requesting to amend and restate Resolution No. HII-364 (the Original Resolution) to extend the repeal date for its HELP II loan.

**ISSUE:**

Castle Family was not able to complete the closing process for its HELP II loan prior to December 31, 2025, the Original Resolution repeal date, which was valid for a six-month period after approval. Castle Family's project is to expand an existing facility, which requires it to submit to the Authority, evidence the project meets the California Environmental Quality Act (CEQA) requirements prior to closing the loan. Castle Family is currently in the process of receiving CEQA documentation as a Notice of Exemption is currently pending review by the City of Atwater and the required Planning Commission hearing has been scheduled for March 18, 2026.

Castle Family now requests an extension of the HELP II loan resolution repeal date to allow sufficient time to complete the CEQA process and close the previously approved HELP II loan.

**BACKGROUND:**

On June 26, 2025, the Authority approved a HELP II loan for Castle Family in an amount not to exceed \$1,191,100. The HELP II loan funds will be used to expand Castle Family's existing medical office building, known as the Atwater Site. Castle Family previously received a HELP II loan in the amount of \$878,750 to purchase the Atwater Site in 2023. Castle Family operates three facilities in Atwater, and each has grown to maximum capacity. The expansion project at the Atwater Site will help reduce capacity issues at all three locations, expanding the current 6,800 square feet facility by an additional 7,000 square feet. The addition will include 15 new primary care exam rooms and one behavioral health group room, enabling Castle Family to accommodate five primary care providers and one behavioral health provider.

**RECOMMENDATION:**

Staff recommends the Authority approve the First Amended and Restated Resolution Number HII-364 for Castle Family Health Centers to allow additional time for the completion of the CEQA process and closing of the previously approved HELP II loan. All other conditions of Resolution Number HII-364 remain unchanged and in full effect. The proposed amended and restated resolution is attached with revisions shown.

**FIRST AMENDED AND RESTATED RESOLUTION NO. HII-364**

**RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING  
AUTHORITY APPROVING EXECUTION AND DELIVERY OF  
HEALTHCARE EXPANSION LOAN PROGRAM II (HELP II) AGREEMENTS  
WITH CASTLE FAMILY HEALTH CENTERS, INC.**

WHEREAS, the California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the provisions of the California Health Facilities Financing Authority Act (Gov. Code, §15430 et seq.) (the “Act”) to, among other things, provide secured or unsecured loans to participating health institutions (as that term is defined in the Act) to refinance existing debt and finance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, or equipping of a health facility (as that term is defined in the Act); and

WHEREAS, the Authority established HELP II (the “Program”) to provide loans to participating health institutions ~~(as that term is defined in the Act)~~ as authorized by the Act; and

WHEREAS, **Castle Family Health Centers** (the “Borrower”), a California participating health institution, ~~has applied previously submitted a HELP II loan application to the Authority for a loan through the Program, the application has been reviewed by the staff of the Authority, and the staff of the Authority has determined that the Borrower is eligible for a Program loan;~~ and

WHEREAS, on June 26, 2025, the Authority adopted Resolution No. HII-364 (the “Original Resolution”), approving a HELP II loan for the Borrower to expand an existing facility located at 1775 3<sup>rd</sup> Street, Atwater, CA 95301; and

WHEREAS, the Original Resolution expired pursuant to its terms on December 31, 2025; and

WHEREAS, the Borrower has requested that, notwithstanding the expiration of the Original Resolution, the Authority reinstate, amend, and restate the Original Resolution to extend the repeal date of the Original Resolution to August 31, 2026 to allow time to complete the HELP II loan;

~~WHEREAS, the Borrower now seeks approval of a loan by the Authority in the amount of \$1,191,100;~~

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

Section 1. Pursuant to the Act, the Authority approves a loan (the “Loan”) to the Borrower, in an amount not to exceed **\$1,191,100** for a term not to exceed **20 years** for the purposes described in Exhibit A of this resolution (the “Project”) as determined pursuant and subject to Section 2 hereof, but solely to the extent there are available proceeds of the Program. This approval is further contingent upon the following terms and conditions:

1. Second lien on real property located at 1775 3rd Street, Atwater, CA 95301
2. 20-year, three percent (3%) fixed-rate loan
3. A current appraisal that exhibits a combined loan-to-value ratio not to exceed 95%
4. Executed construction contract
5. Corporate gross revenue pledge
6. Verification of borrower funds to close escrow and complete the project

Section 2. The Executive Director and/or the Deputy Executive Director of the Authority are hereby authorized, for and on behalf of the Authority, to determine the final amount, terms, and conditions of the Loan, and to approve any changes in the Project described in the application submitted to the Authority, as that officer shall deem appropriate and authorized under the Act, provided that the amount of the Loan shall not be increased above the amount approved by the Authority and provided further that the Loan continues to meet the Authority's guidelines for HELP II loans. This resolution shall not be construed to require the Authority to obtain any additional funding, even if more loans are approved than there is available funding.

Section 3. The Executive Director and/or the Deputy Executive Director of the Authority are hereby authorized and directed, for and on behalf of the Authority, to draw money from the Program fund in a sum not to exceed those amounts approved by the Authority for the Loan. The Executive Director and/or the Deputy Executive Director are further authorized and directed, for and on behalf of the Authority, to execute and deliver to the Borrower any and all documents necessary to complete the transfer of those amounts.

Section 4. The Executive Director and/or the Deputy Executive Director of the Authority are hereby authorized and directed to do any and all things and to execute and deliver any and all documents that the Executive Director and/or the Deputy Executive Director deems necessary or advisable to document the Loan and to otherwise effectuate the purposes of this resolution and the transactions contemplated hereby, and that have previously been approved as to form by the Authority.

Section 5. This resolution is repealed on ~~December 31, 2025~~ August 31, 2026.

Date of Approval: \_\_\_\_\_

## **EXHIBIT A**

### **USE OF HELP II LOAN PROCEEDS UNDER RESOLUTION NO. HII-364**

- Expansion of existing medical office located at 1775 3<sup>rd</sup> Street, Atwater, CA 95301