MINUTES

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority or CHFFA)

915 Capitol Mall, Room 121
Sacramento, California 95814

Public Participation
Call-In Number: (866) 590-5055
Participant Code: 885114

August 27, 2026, 1:30 P.M.

OPEN SESSION

Deputy Treasurer Khaim Morton, Chair, called the meeting to order at 1:30 P.M.

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

Item #1 — Roll Call

Members Present: Khaim Morton for Fiona Ma, State Treasurer
David Oppenheim for Malia Cohen, State Controller
Sally Lukenbill for Joe Stephenshaw, Director, Department of Finance
Antonio Benjamin
Robert Cherry, M.D.
Francisco Silva

Members Absent: Robert Hertzka, M.D.
Katrina Kalvoda

Staff Present: Carolyn Aboubechara, Executive Director
Bianca Smith, Deputy Executive Director
William Pahland, General Counsel
Balpreet Chahal, Analyst I
Careen Prince, Analyst I

Chair Morton declared a quorum present in person. Chair Morton 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 Morton asked that participants speak into their microphones.

Item #2 — Approval of the Minutes from the July 30, 2026 Authority Meeting (Action Item)

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

MOTION: Member Oppenheim SECOND: Member Benjamin

Authority Action
AYES: ....Members Silva, Cherry, Benjamin, Lukenbill, Oppenheim, Morton
NOES: ....NONE
ABSTAIN: ......NONE
RECUSE: ....NONE

MOTION APPROVED

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

Healthcare Expansion Loan Program II (HELP II) Delegation of Powers Update

Executive Director Aboubechara reported Imperial Beach Community Clinic (Imperial Beach) notified the Authority of its intent to borrow $2,000,000 from the Primary Care Development Corporation and requested CHFFA's consent to incur the additional debt. Upon review of Imperial Beach's request and current financial information, the consent to incur additional debt was given on August 14, 2026 under delegated authority.

Distressed Hospital Loan Program (DHLP) Update

Executive Director Aboubechara pointed to a handout in the members' materials and reported that CHFFA had approved 10 applications for Loan Modification – Step 2, which provides forgiveness of 12 months of debt service payments. An additional application was received from Imperial Valley Health Care District requesting forgiveness of the next 12 months of debt service payments. To date, $39.9 million in loan payments had been forgiven, and $2.9 million in monthly repayments had been received from four hospitals, as listed in the handout.

Executive Director Aboubechara reported that Assembly Bill 1923, which was previously reported to the Authority and would replenish DHLP funds and provide full forgiveness of existing loans, was amended to remove the provisions concerning DHLP. Executive Director Aboubechara stated that the California Hospital Association had informed the Authority of its intent to pursue additional legislation to modify the existing DHLP.

Member Oppenheim asked whether DHLP was intended to operate as a revolving loan program and how monthly loan repayments received by the Authority would be used.

Executive Director Aboubechara said that the current DHLP was established as a one-time loan program and that, absent further action, funds received through monthly loan repayments would revert to the General Fund after DHLP sunsets and mentioned further conversations with the Department of Finance and the Department of Health Care Access and Information would be needed to determine the answer.

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

Item #4 **Debt Issuance Guidelines**
Bond Financing Program
Resolution No. 2026-04 (Action Item)

Staff Member Chahal reported the Authority Board had previously approved debt issuance guidelines, which impose certain minimum requirements for financings that are investment grade as well as for those that that fall below investment grade. The requirements were designed to safeguard investors, protect the Authority, and minimize risk exposure. The Authority Board adopted those guidelines on September 28, 2000, with subsequent revisions approved on September 30, 2010 and October 25, 2012.

Staff Member Chahal noted that the State Treasurer's Office (STO), as Agent for Sale on debt sold by the Authority, collaborated with all of STO's conduit authorities to develop uniform debt issuance guidelines (New Debt Issuance Guidelines) that could be implemented across all authorities. Staff Member Chahal reported the key changes in the guidelines, including adding Kroll Bond Rating Agency as an approved rating agency for publicly rated debt, as well as revisions to the sub-minimum or unrated debt category, which included allowing limited public offerings, expanding eligible purchasers to include certain Institutional Accredited Investors, reducing the minimum denomination from $250,000 to $100,000 with $5,000 increments, and replacing the physical bond delivery requirement with transfer restrictions and disclosure requirements. Staff Member Chahal concluded that in approving the New Debt Issuance Guidelines, the Authority retains sole and absolute discretion to approve exceptions to the guidelines, require additional provisions, or both, on a case-by-case basis.

Attendees: None.

Member Oppenheim asked whether the New Debt Issuance Guidelines would be a consolidation and standardization across all of STO's conduit authorities.

General Counsel Pahland confirmed that the consolidated guidelines would be identical across all of STO's conduit authorities, with one statutory exception for the California School Finance Authority.

Member Oppenheim said the State Controller's Office (SCO) supported the consolidation and noted that the New Debt Issuance Guidelines would make SCO's workload easier by aligning debt market conditions.

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

Authority Action
Motion to approve Resolution No. 2026-04 approving the adoption of the revised CHFFA Debt Issuance Guidelines for the Bond Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Silva SECOND: Member Benjamin

AYES:.............Members Silva, Cherry, Benjamin, Lukenbill, Oppenheim, Morton
NOES:.............NONE
ABSTAIN:......NONE
RECUSE:........NONE

MOTION APPROVED

Item #5 Castle Family Health Centers, Inc. (Castle Family), Atwater, Merced County
Bond Financing Program
Resolution No. 473 (Action Item)

Member Silva recused himself from participating in Item #5 as he is the Chief Executive Officer of the California Primary Care Association, of which Castle Family is a member. Member Silva left the room.

Staff Member Prince reported that Castle Family requested Authority approval to issue tax-exempt bonds in an amount not to exceed $14,000,000. Bond proceeds would be used to finance the design, construction, installation, and equipping of an expansion of the Atwater Health Center campus. A portion of the bonds would also be used to refinance the construction loan incurred to construct Castle Family's Winton Health Center.

Attendees (via teleconference): Peter Mojarras, Chief Executive Officer and Dawnita Castle, Chief Financial Officer, Castle Family Health Centers, Inc.; Vanessa S. Legbandt, Partner and Brian Quint, Of Counsel, Stradling Yocca Carlson & Rauth LLP; and Todd Van Deventer, Managing Director and Frank Kaul, Director, Piper Sandler & Co.

Chief Executive Officer Mojarras explained the purpose of the expansion project, citing the region's large medically underserved population. Chief Executive Officer Mojarras said in addition to increasing Castle Family's ability to provide primary care services, Castle Family intended to expand access to care for women.

Member Oppenheim thanked Castle Family for their work to meet the critical needs of the community.

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

Authority Action

Motion to approve Resolution No. 473 in an amount not to exceed $14,000,000 for Castle Family Health Centers, Inc. through the Bond Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Oppenheim SECOND: Member Lukenbill

AYES: ....Members Cherry, Benjamin, Lukenbill, Oppenheim, Morton
NOES: ....NONE
ABSTAIN: ......NONE
RECUSE: ....Member Silva

MOTION APPROVED

Member Silva returned.

Items #6 and #7 Public Comment and Adjournment

Chair Morton asked if there were any additional questions or public comment. Hearing none, the meeting adjourned at 1:48 P.M.