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
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September 24, 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 Robert Cherry, M.D. Robert Hertzka, M.D. Katrina Kalvoda
Members Absent:	Antonio Benjamin Francisco Silva
Staff Present:	Carolyn Aboubechara, Executive Director Bianca Smith, Deputy Executive Director Rana Mayers, Analyst II 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 August 27, 2026 Authority Meeting (Action Item)**

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

MOTION: Member Cherry SECOND: Member Lukenbill

Authority Action
AYES: .....Members Hertzka, Cherry, Lukenbill, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....Kalvoda
RECUSE: .....NONE

MOTION APPROVED

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

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 provided for forgiveness of 12 months of debt service payments. An additional application had been received from Madera Community Hospital requesting forgiveness of the next 12 months of debt service payments, which brought the total number of applications received to 12, including the application from Imperial Valley Health Care District, which was still under review. To date, $39.9 million in loan payments had been forgiven, and $3.8 million in monthly repayments had been received from four hospitals, as listed in the handout.

Executive Director Aboubechara mentioned that her team is compiling accomplishments and data of CHFFA activity occurred for the past eight years and that it would be shared with the board in a future meeting.

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

Item #4 Cedars-Sinai Health System (Cedars), Los Angeles, Los Angeles County Bond Financing Program Resolution No. 474 (Action Item)

Staff Member Chahal reported that Cedars requested Authority approval to issue tax-exempt bonds in an amount not to exceed $2,000,000,000. Bond proceeds would be used to finance various capital improvement projects at the Cedars-Sinai Medical Center campus, including expansion of clinical capacity and research facilities. Proceeds would also be used to refinance all or any portion of the outstanding CHFFA Series 2015, Series 2016A and Series 2016B bonds, and to fund a portion of the interest on the 2026 bonds.

Attendees (in person): David Wrigley, Executive Vice President of Cedars-Sinai Medical Center and Chief Financial Officer of Cedars-Sinai Health System; Stella Chen, Vice President – Finance and Chief Financial Officer of Cedars-Sinai Medical Center and Cedars-Sinai Marina Hospital; Stephanie Cohen, Vice President – Health System Government and Industry Relations and Elnie Vannatim, Director – Health System Government & Industry Relations, Cedars-Sinai Health System; James Kim, Managing Director and Tim Carey, Director, BofA Securities, Inc.; Jenna Magan, Partner, Orrick, Herrington & Sutcliffe LLP; and Alfredo Medina, Advisor, Manatt, Phelps & Phillips, LLP.

Attendee (via teleconference): Angela Thiagarajah, Associate Director – Executive Project Management Office, Cedars-Sinai Health System.

Executive Vice President Wrigley thanked the Authority and gave an overview of the projects that would be financed with the bond proceeds.

Member Oppenheim thanked Cedars and expressed hope that the Authority could provide Cedars with the necessary support and confidence to complete the project.

Member Kalvoda thanked Cedars and asked for clarification regarding the volatile Medi-Cal Fee Program revenue indicated by Cedars' income statement. Executive Vice President Wrigley said that Medi-Cal Fee Program revenue fluctuates based on the timing of federal approval.

Member Kalvoda commented that Cedars' Medi-Cal Fee Program revenue seemed low in comparison to Cedars' total revenue. Executive Vice President Wrigley explained that the Medi-Cal Fee Program was matched funding from the state Department of Health Care Services and does not reflect the actual Medi-Cal revenues or Medi-Cal patients served.

Member Kalvoda thanked Executive Vice President Wrigley for clarifying.

Member Hertzka thanked Cedars for coming to the Authority and asked how Cedars expected provider fees to be affected by H.R. 1. Executive Vice President Wrigley said that Cedars monitors the status of H.R. 1 and other federal changes. Executive Vice President Wrigley said that Cedars is comfortable with its income and balance statements to handle the additional capacity of the proposed project.

Member Kalvoda asked whether Cedars expected any changes to its Emergency Department income. Executive Vice President Wrigley said that while it is difficult to measure specific amounts of projected changes, Cedars did expect changes to Emergency Department admissions and was prepared to handle such changes.

Chair Morton commended Cedars for its proactive efforts to mitigate the impacts of H.R. 1.

Executive Vice President Wrigley said that any changes to reimbursement would aggravate the situation of distressed hospitals, but Cedars remains committed to serving its community and managing these financial pressures.

Chair Morton said that the Authority would appreciate any communication with Cedars as potential future changes are identified.

Member Oppenheim commended Cedars for its strong balance sheet and strength as an institution.

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

Authority Action

Motion to approve Resolution No. 474 in an amount not to exceed $2,000,000,000 for Cedars-Sinai Health System through the Bond Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Oppenheim SECOND: Member Cherry

AYES: .....Members Kalvoda, Hertzka, Cherry, Lukenbill, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION APPROVED

Item #5 Stanford Health Care (SHC), Stanford/Palo Alto, Santa Clara County and Redwood City, San Mateo County
Bond Financing Program
Resolution No. 475 (Action Item)

Staff Member Mayers reported that SHC requested Authority approval to issue tax-exempt bonds in an amount not to exceed $500,000,000. Bond proceeds would be used for the ongoing construction of a medical office building in Redwood City and the rebuilding of SHC's original hospital facility in Palo Alto. Bond proceeds would also be used to reimburse short-term tax-exempt commercial paper used to finance the same projects, and to pay for soft costs related to the entitlements and design of the upcoming Stanford Medicine Cancer Center.

Attendee (in person): Jenna Magan, Partner, Orrick, Herrington & Sutcliffe LLP.

Attendees (via teleconference): Rafif Ismail, Vice President – Treasurer, Stanford Health Care and Rondy Jennings, Managing Director, Goldman Sachs & Co. LLC.

Vice President Ismail thanked the Authority and explained that the purpose of the rebuilding project was to update SHC's original hospital facility to meet seismic requirements. Vice President Ismail said that the projects in Redwood City were intended to expand access to care and provide specialized care for cancer patients.

Chair Morton expressed support for SHC's plan to perform seismic upgrades while also expanding access to care.

Member Kalvoda asked for more information regarding the offerings for LGBTQ+ care at the medical office building in Redwood City. Vice President Ismail explained that LGBTQ+ services are currently being offered at the Palo Alto facility, but since it had reached patient capacity, patients were now being transferred to the new Redwood City building.

Member Hertzka asked how SHC intends to address the upcoming federal cuts to Medicaid. Vice President Ismail explained that SHC continues to strengthen its operating performances and is focused on capacity optimization, patient access, and workforce productivity to support revenue growth and efficiency and to preserve operating margins.

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

Authority Action

Motion to approve Resolution No. 475 in an amount not to exceed $500,000,000 for Stanford Health Care through the Bond Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Hertzka SECOND: Member Kalvoda

AYES: .....Members Kalvoda, Hertzka, Cherry, Lukenbill, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION APPROVED

Item #6 **Programmatic Change**
Healthcare Expansion Loan Program II (HELP II)
Resolution No. 2026-05 (Action Item)

Staff Member Prince reported that at the July 2021 CHFFA meeting, the Authority approved Resolution No. 2021-03, approving certain programmatic changes for HELP II, modifying the Board's prior loan parameters for HELP II. Among other changes, the Authority's action increased the maximum annual gross revenue eligibility requirement to qualify as a small health facility from $30 million to $40 million.

Staff Member Prince reported that in order to keep HELP II competitive within the healthcare lending market, Authority staff had reviewed other comparable lending programs. Specifically, as it relates to the maximum annual gross revenue eligibility requirement, HELP II had generally followed the United States Small Business Association (SBA) as it is the only lender with clearly defined sizing requirements for specific business categories. When the Authority increased the maximum revenue requirement from $30 million to $40 million in 2021, the SBA's maximum annual gross revenue requirement for general medical and surgical hospitals was $41.5 million but has since increased to $47 million in 2026.

Staff Member Prince reported that Authority staff was now requesting the Board to approve a modification of the loan parameters to increase the revenue threshold from $40 million to $45 million. Updating the revenue threshold would increase the pool of potential borrowers and better align HELP II with today's healthcare marketplace while preserving HELP II's original intent of supporting small and rural nonprofit healthcare providers.

Attendees: None.

Member Oppenheim expressed strong support for Resolution No. 2026-05 and said it would preserve HELP II's original mission.

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

Authority Action

Motion to approve Resolution No. 2026-05 adopting revised Loan Parameters for HELP II to increase the maximum annual gross revenue eligibility requirement to qualify as a small health facility from $40 million to $45 million, subject to the terms and conditions in the resolution.

MOTION: Member Oppenheim SECOND: Member Cherry

AYES: .....Members Kalvoda, Hertzka, Cherry, Lukenbill, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION APPROVED

Items #7 and #8 Public Comment and Adjournment

Chair Morton asked if there were any additional questions or public comment. Hearing none, the meeting adjourned at 1:55 P.M.