

MINUTES

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

**915 Capitol Mall, Room 121
Sacramento, California 95814**

Public Participation
Call-In Number: (877) 810-9415
Participant Code: 6535126

February 26, 2026, 1:30 P.M.

OPEN SESSION

Deputy Treasurer Khaim Morton, Chair, called the meeting to order at 1:33 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
Regina Evans for Malia Cohen, State Controller
Michele Perrault for Joe Stephenshaw, Director, Department of Finance
Antonio Benjamin
Robert Cherry, M.D.
Robert Hertzka, M.D.

Members Absent: Francisco Silva
Katrina Kalvoda
Keri Kropke, M.A., M.A., CCC-SLP

Staff Present: Carolyn Aboubechara, Executive Director
Bianca Smith, Deputy Executive Director
Sondra Jacobs, Supervisor II
Tyler Bui, Analyst II
Careen Prince, Analyst I
Deborah Alagbada, Analyst I
Layly Roodsari, 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 January 29, 2026 Authority Meeting
(Action Item)**

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

Authority Action

Motion to approve the minutes from the January 29, 2026 Authority meeting.

MOTION: Member Benjamin SECOND: Member Cherry

AYES:Members Hertzka, Cherry, Benjamin, Perrault, Evans, Morton

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED

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

Bond Delegation of Powers Update

Executive Director Aboubechara reported that in 2011, the Authority issued two series of bonds for the Community Program for Persons with Development Disabilities (CPPDD) in the total par amount of \$76,970,000 (together, the Bonds). In January 2026, CHFFA was informed of the Bonds’ upcoming February 1, 2026 final maturity date, and bond counsel requested CHFFA to execute a Request of the Borrowers and Certificate of the Authority Regarding Discharge of the Indenture and a Termination Agreement. After consultation with legal counsel, the Executive Director executed the Request of the Borrowers and Certificate of the Authority Regarding Discharge of the Indenture and the Termination Agreement on January 21, 2026.

Distressed Hospital Loan Program (DHLP) Update

Executive Director Aboubechara pointed to a handout in the members’ materials and reported that the Authority approved the final application for Loan Modification – Step 1, a 12-month extension of payment deferral period and maturity date under the DHLP, which was submitted by Sonoma Valley Hospital (Sonoma Valley). Sonoma Valley had made one loan payment due to delays in executing documents necessary for the loan modification, but executed documents had since been received by Authority staff. Hazel Hawkins Memorial Hospital made its first debt service payment of about \$50,000 and was expected to continue making monthly payments. Executive Director Aboubechara reported that four applications were received for Loan Modification – Step 2, forgiveness of debt service payments for 12 months. All 15 hospitals that completed Loan Modification – Step 1 would be eligible to apply for Loan Modification – Step 2.

Executive Director Aboubechara reported that Assembly Bill 918 created the Imperial Valley Healthcare District, which now included Pioneers Memorial Healthcare District. Additionally, Assembly Bill 1923 (AB 1923) was recently introduced, which would allocate an additional \$300 million from the General Fund for additional loans to be offered through the DHLP. AB 1923 would also extend the DHLP expiration date from 2031 to 2034, remove the Department of Finance from the approval process, and fully forgive existing loans under the DHLP. AB 1923 also proposed additional measures for loan forgiveness that Authority staff had already incorporated for consideration.

Site Visit Report

Staff Member Alagbada pointed to a handout in the members’ materials with pictures of the new Pediatric Services Unit (PSU) at St. Joseph’s Medical Center of Stockton (SJMC) taken during the grand opening that staff attended. The Authority approved a grant of approximately \$11.9 million in 2020 for SJMC under the Children’s Hospital Program of 2018, of which about \$4.3 million had been disbursed. SJMC houses the only dedicated pediatric unit in San Joaquin County. Prior to the completion of the renovation project, SJMC’s PSU only had 10 operational beds despite being licensed for 13 beds. With other local pediatric units closing, SJMC faced significant increases in patient demand and was either referring patients to hospitals in other counties or declining patients. The completed project expanded SJMC’s PSU from 10 to 18 beds.

Item #4

**Valley Presbyterian Hospital (VPH), Van Nuys, Los Angeles County
Bond Financing Program
Resolution No. 469 (Action Item)**

Staff Member Bui reported that VPH requested Authority approval to issue tax-exempt multi-modal bonds in an amount not to exceed \$85,000,000. Bond proceeds would be used to finance the construction of a new Central Utility Plant (CUP) on VPH’s campus in Los Angeles County and to pay costs of issuance.

Attendees (via teleconference): Gustavo Valdespino, President, Chief Executive Officer; Lori Cardle, Executive Vice President, Chief Operating Officer; Jeremy Redin, Vice President of Finance; Tamala Choma, General Counsel, Valley Presbyterian Hospital; and Robyn Helmlinger, Of Counsel, Orrick, Herrington & Sutcliffe LLP.

Executive Vice President Cardle provided a brief history of VPH and said the new CUP would support existing hospital infrastructure by providing normal and emergency power, chilled water, and steam utilities.

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

Authority Action

Motion to approve Resolution No. 469 in an amount not to exceed \$85,000,000 for Valley Presbyterian Hospital through the Bond Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Cherry SECOND: Member Benjamin

AYES:Members Hertzka, Cherry, Benjamin, Perrault, Evans, Morton

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED

Item #5

**Castle Family Health Centers, Inc. (CFHC), Atwater, Merced County
Healthcare Expansion Loan Program II (HELP II)
First Amendment and Restatement to Resolution No. HII-364 (Action Item)**

Staff Member Prince reported that CFHC requested Authority approval to amend and restate Resolution No. HII-364 (the Original Resolution) to extend the Original Resolution repeal date for its HELP II loan. The Original Resolution repeal date was valid for six months after loan approval and expired December 31, 2025. The extension of the repeal date would allow CFHC time to receive the Notice of Exemption for California Environmental Quality Act (CEQA) documentation requirements from the City of Atwater. The required Planning Commission hearing has been scheduled for March 18, 2026.

Attendees (via teleconference): Peter Mojarras, Chief Executive Officer and Dawnita Castle, Chief Financial Officer, Castle Family Health Centers, Inc.

Chief Executive Officer Mojarras gave an overview of the planned project and explained that the extension was requested due to delays with the City of Atwater.

Chair Morton 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. HII-364 for Castle Family Health Centers, Inc. to extend the Original Resolution repeal date for its HELP II loan. All other conditions in the Resolution shall remain the same and in full effect.

MOTION: Member Hertzka SECOND: Member Perrault

AYES:Members Hertzka, Cherry, Benjamin, Perrault, Evans, Morton

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED

**Item #6 Ventura County Medical Center (VCMC), Ventura, Ventura County Children’s Hospital Program of 2018
Second Amendment and Restatement to Resolution No. CHP-4E 2020-02 (Action Item)**

Staff Member Alagbada reported that VCMC requested Authority approval to extend the grant period end date and resolution expiration date for its Children’s Hospital Program of 2018 (CHP) project (Project). VCMC would not be able to submit all disbursement documentation by the grant period end date and resolution expiration date of March 31, 2026. The Project is complete; however, VCMC submitted their final payment to the construction contractor in July 2025, thereby delaying the submission of supporting documentation needed for Authority staff to complete review and approve the disbursal of grant funds.

VCMC requested to amend the grant period end date from March 31, 2026 to March 31, 2027 and to extend the resolution expiration date from March 31, 2026 to September 30, 2027. The extension would allow sufficient time for VCMC to gather and submit all disbursement documentation. VCMC anticipated the remaining grant funds to be disbursed well before the requested grant period end date of March 31, 2027. The requested extension also considered additional administrative delays.

Attendees (via teleconference): Jill Ward, Chief Financial Officer and Jason Golland, Accounting Manager, Ventura County Medical Center.

Chief Financial Officer Ward stated that VCMC is the only pediatric unit in Ventura County and said that a stop payment order caused the delay in submission of supporting documentation.

Member Benjamin expressed appreciation for VCMC’s work with pediatric patients.

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

Authority Action

Motion to approve a second amendment and restatement to Resolution No. CHP-4E 2020-02 for Ventura County Medical Center to extend the grant period end date for its CHP Project from March 31, 2026 to March 31, 2027 and to extend the resolution expiration date from March 31, 2026 to September 30, 2027. All other conditions in the Resolution shall remain the same and in full effect.

MOTION: Member Perrault SECOND: Member Cherry

AYES:Members Hertzka, Cherry, Benjamin, Perrault, Evans, Morton

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED

Staff Member Jacobs reported that the Specialty Dental Grant Program (Dental Program) with an appropriation of \$50 million authorized the Authority to provide grants to eligible entities for the purpose of increasing access to oral health care for special health care needs populations through the development and expansion of specialty dental clinics in California. The Authority approved the Dental Program guidelines in July 2023, and the first funding round opened in October 2023.

During the first funding round, the Authority received 111 applications requesting a total of approximately \$300 million in grant funding. In February 2025, the Authority approved 13 grant awards totaling \$47.5 million, which were cumulatively expected to develop approximately 127 operatories and serve approximately 40,285 special health care needs patients annually. Two grantees forfeited a total of \$7,908,831 in grant funds due to the uncertainty of Medi-Cal reimbursements and concerns about not being able to meet the Dental Program requirement of operating for 10 years with a 50% special health care needs patient caseload. Forfeited funds will be made available for a subsequent funding round, which was anticipated to open after the new fiscal year. After forfeitures, 11 grantees remain, and the Dental Program projects are now cumulatively expected to develop approximately 114 operatories and serve approximately 37,835 special health care needs patients annually.

Five of the 11 remaining Dental Program grantees were working towards meeting the readiness, feasibility, and sustainability program requirements, and six grantees had already met the readiness, feasibility, and sustainability program requirements. As of February 2026, five grantees had received disbursements for a combined total amount of \$4,947,733.72 for eligible expenses, including property acquisition, deposits on architecture and construction contracts, and equipment costs. Prior to disbursing funds, each grantee met the readiness, feasibility, and sustainability requirements by submitting supporting documentation, including but not limited to: buyers' statements, property appraisals, proof of property ownership, executed architecture and construction contracts, construction permits, equipment purchase orders, proof of leveraged funding, detailed project and operation budgets and a statement of how the grantee intends to cope with the fluctuation and uncertainty of Medi-Cal reimbursement rates.

Chair Morton noted how many grantees had already received disbursements and were moving on to construction to update their facilities. Chair Morton thanked Authority staff for their work and speed in getting grantees to this step in the process.

Chair Morton asked if there were any questions or public comment. Shannon McConnel, of Alta California Regional Center, asked for clarification regarding the plan for forfeited grant funds.

Staff Member Jacobs said that forfeited grant funds would be made available during a subsequent funding round that was expected to open after the start of the next fiscal year, which would allow time for the effects of Medi-Cal reimbursement rates to be determined. Any additional forfeited funds would also be included in the subsequent funding round. Executive Director Aboubechara said that notifications regarding the Dental Program would be posted to the CHFFA website and said interested parties should sign up to receive updates.

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

Items #9 and #10**Public Comment and Adjournment**

Chair Morton asked if there were any additional questions or public comment. Hearing none, the meeting adjourned at 2:08 P.M.