

MINUTES

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

**First Floor Conference Room
901 P Street, Room 102
Sacramento, California 95814**

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

April 25, 2024, 1:30 P.M.

OPEN SESSION

Deputy Treasurer Khaim Morton, Chair, called the meeting to order at 1:32 P.M.

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

Item #1

Roll Call

Members Present: Fiona Ma, CPA, State Treasurer
Khaim Morton for Fiona Ma, State Treasurer (left at 1:37 P.M.)
David Oppenheim for Malia M. Cohen, State Controller
Guadalupe Manriquez for Joe Stephenshaw, Director of Finance
Francisco Silva
Robert Cherry, M.D.
Robert Hertzka, M.D.
Katrina Kalvoda (via teleconference)

Members Absent: Antonio Benjamin
Keri Kropke, M.A., M.A., CCC-SLP

Staff Present: Carolyn Aboubechara, Executive Director
Bianca Smith, Deputy Executive Director
Rana Mayers, Associate Governmental Program Analyst
Tyler Bui, Associate Governmental Program Analyst
Chris Healy, Associate Governmental Program Analyst
Careen Prince, Staff Services Analyst
Leily Ghods, Staff Services Analyst

Chair Morton reminded virtual attendees to mute their microphones until their respective turn to speak and requested all attendees to state their names for the record.

Item #2 Approval of the Minutes from the February 29, 2024 Meeting (Action Item)

Chair Morton asked the Authority members if there were any changes or edits to the minutes.

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

Authority Action

Motion to approve the minutes from the February 29, 2024 Authority meeting.

MOTION: Member Silva SECOND: Member Oppenheim

AYES:Members: Hertzka, Cherry, Silva, Manriquez, Oppenheim, Morton

NOES:NONE

ABSTAIN:Member Kalvoda

RECUSE:NONE

MOTION APPROVED.

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

Bond Financings Delegation of Powers Update

Executive Director Aboubechara reported that in February 2024 Cedars-Sinai Health System provided two notices of their intent to purchase U.S. Treasury Securities – State and Local Government Series (SLGS). After discussion with legal counsel and the Office of the Attorney General, Executive Director Aboubechara executed two letters authorizing the purchase of SLGS on February 13, 2024 and February 28, 2024.

Distressed Hospital Loan Program Update

Executive Director Aboubechara reported that 13 of the 16 distressed hospitals approved for 0% loans under the Distressed Hospital Loan Program had received disbursements and explained that currently some loans would be due in 2030. Additionally, Madera Hospital’s loan amount was changed from \$52,000,000 to \$57,000,000 due to Beverly Hospital forfeiting a \$5,000,000 loan. Executive Director Aboubechara stated that every hospital approved for a loan would be responsible for submitting 16 reports to the Authority annually, including updated turnaround plans and financial statements. Executive Director Aboubechara reported on an omnibus bill (SB 1511), which would extend the deadline to utilize Distressed Hospital Loan Program administrative funds from 2026 to 2031.

Chair Ma arrived and Deputy Treasurer Morton excused himself.

Specialty Dental Clinic Grant Program (Dental Program) Update

Executive Director Aboubechara reported that 101 applications for the Dental Program had been received by the deadline of April 1, 2024. The total of all requests was \$270,000,000, and the initial \$50,000,000 for the Dental Program had been delayed according to the Governor’s January 10th Proposed 2024-25 Budget to FY 2025-26. Executive Director Aboubechara reported that staff is looking into developing a more streamlined review and scoring process and would bring back the guidelines before the board to be amended once a final decision about the funding is determined, given the volume of applications.

Other Items

Executive Director Aboubechara mentioned that a report that was given to the Legislature regarding the Community Services Infrastructure Grant Program was shared with the board members with their monthly meeting packets.

Executive Director Aboubechara reported that three staff members had departed from the Authority.

Member Cherry acknowledged the challenge of scoring so many applications for the Dental Program and expressed excitement for when funding would become available.

Chair Ma asked whether children or adults would benefit from the Dental Program given the received applications and the needs of those applicants.

Executive Director Aboubechara reiterated that the purpose of the Dental Program was to better serve the disabled populations and explained that more information would be available upon review of the submitted applications but will definitely look into the age groups.

Member Oppenheim expressed support for Madera Community Hospital's receipt of additional funds and acknowledged the low access to healthcare in the region.

Member Manriquez asked when the remaining three hospitals would receive disbursements.

Executive Director Aboubechara stated that there was no estimated timeline due to some of the hospitals' bankruptcy complications. However, Authority staff was working almost daily with the remaining distressed hospitals. Executive Director Aboubechara reported that one of the hospitals was no longer in bankruptcy and another of the distressed hospitals would be out of bankruptcy by May 2, 2024.

Member Kalvoda confirmed that no one was in the room with her at the request of counsel.

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

Item #4 **Adventist Health System/West (Adventist), Roseville, Placer County**
Bond Financing Program
Resolution No. 460 (Action Item)

Member Cherry recused himself from participating in Item #4 as a board member of Adventist.

Staff Member Mayers reported that Adventist requested Authority approval to issue tax-exempt revenue bonds for a par amount not to exceed \$800,000,000. Bond proceeds would be used to reimburse a portion of a bridge loan used to purchase Sierra Vista Regional Medical Center and Twin Cities Community Hospital, which were purchased in March 2024. Bond proceeds would also be used to reimburse other various capital projects and to refund a portion of the Series 2013 A bonds issued by the Authority.

Attendees: (in person) Brandon Seibold, Senior Finance Officer and Treasurer, Adventist Health System/West; (via teleconference) Blake Pinell, Director, Allison Majka, Associate, RBC Capital Markets; and (in person) Jenna Magan, Partner, Mayling Leong, of Counsel, Orrick, Herrington & Sutcliffe LLP.

Senior Finance Officer Seibold discussed Adventist's acquisition of the two additional hospitals along with their goal to improve patient access and care by offering cardiovascular services, nurse call systems, and upgrading their pharmacy cabinets across the system.

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

Authority Action

Motion to approve Resolution No. 460 in an amount not to exceed \$800,000,000 for Adventist for the Bond Financing Program, subject to the terms and conditions in the resolution.

Authority Action

Motion to approve Resolution No. HII-352 in an amount not to exceed \$2,000,000 for CRI-HELP for the HELP II Loan Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Manriquez SECOND: Member Silva

AYES:Members: Kalvoda, Hertzka, Cherry, Silva, Manriquez, Oppenheim, Ma

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED.

**Item #7 Celebrating Life Community Health Center (Celebrating Life),
Mission Viejo, Orange County
HELP II
Resolution No. HII-353 (Action Item)**

Member Silva recused himself from participating in Item #7 as President of the California Primary Care Association, of which Celebrating Life was a member.

Staff Member Prince reported that Celebrating Life requested a HELP II loan in an amount not to exceed \$1,610,000 for renovations and a HELP II loan in an amount not to exceed \$383,000 for equipment. Loan proceeds would be used to renovate two existing clinics currently being leased in Costa Mesa and Santa Ana. Loan proceeds would also be used to purchase new equipment for the Costa Mesa clinic.

Attendees: (via teleconference) Sergey Sergeyev, Chief Executive Officer and Ida Tan, Director of Finance, Celebrating Life Community Health Center.

Chief Executive Officer Sergeyev gave an overview of the project.

Member Cherry asked whether Celebrating Life planned to purchase the property being leased.

Chief Executive Officer Sergeyev explained that he would be interested in purchasing the property and the current lease guaranteed Celebrating Life first right of refusal to purchase the property if it became available.

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

Authority Action

Motion to approve Resolution No. HII-353 in an amount not to exceed \$1,993,000 for Celebrating Life for the HELP II Loan Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Cherry SECOND: Member Hertzka

AYES:Members: Kalvoda, Hertzka, Cherry, Manriquez, Oppenheim, Ma

NOES:NONE

ABSTAIN:NONE

RECUSE:Member Silva

MOTION APPROVED.

Item #8

**Asian Pacific Health Care Venture, Inc. (Asian Pacific),
Los Angeles, Los Angeles County
HELP II
Resolution No. HII-354 (Action Item)**

Member Silva recused himself from participating in Item #8 as President of the California Primary Care Association, of which Asian Pacific is a member.

Staff Member Mayers reported that Asian Pacific requested a HELP II loan in an amount not to exceed \$500,000. Loan proceeds would be used to fund an elevator installation project to meet the requirements of the Americans with Disabilities Act. The elevator would provide access to pediatric and gynecological services on the second floor.

Attendees: (via teleconference) Kazue Shibata, Chief Executive Officer; Nardo Beltran, Chief Financial Officer; and Andrew Ma, Director of Facility Operations, Asian Pacific Health Care Venture, Inc.

Andrew Ma gave an overview of the project.

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

Authority Action

Motion to approve Resolution No. HII-354 in an amount not to exceed \$500,000 for Asian Pacific for the HELP II Loan Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Hertzka SECOND: Member Cherry

AYES:Members: Kalvoda, Hertzka, Cherry, Manriquez, Oppenheim, Ma

NOES:NONE

ABSTAIN:NONE

RECUSE:Member Silva

MOTION APPROVED.

**Item #9 University of California Irvine Medical Center (UCI), Orange, Orange County
Children’s Hospital Program of 2008
Resolution No. CHP-3 2024-01 (Action Item)**

Member Cherry recused himself from participating in Item #9 as an employee of University of California Health.

Staff Member Ghods reported that \$11,226,785.10 was available for the third funding round of the Children’s Hospital Program of 2008. Funds were available on a first-come, first-served basis for applications received from any University of California children's hospital. Staff Member Ghods reported that UCI applied for \$1,547,275.83 to reimburse and fund the costs of various patient care equipment and renovations related to installation. Patient care equipment included but was not limited to 32 infant cardiorespiratory transport monitors, two blood gas interpretation machines, four slit lamp cameras, 16 neonatal and pediatric critical care ventilators, four near-infrared spectroscopy cerebral monitors, two body temperature regulation systems, and one pediatric anesthesia ventilator. Staff Member Ghods reported that the anticipated completion date for all installation projects and equipment purchasing was December 1, 2024.

Attendees: (via teleconference) Randolph Siwabessy, Chief Financial Officer and Senior Vice President; Neil Myers, Controller and Vice President, Financial Accounting and Reporting; Molly Nunez, Director of Women's and Children's Services; Gregory Reinhard, Chief Administrative Officer, Department of Pediatrics; Courtney Negrillo, Senior Manager, Strategic Sponsorships; and Larissa Dicioco, Portfolio Manager, Partnerships and Affiliations, UCI Health.

Molly Nunez gave an overview of the project and explained that grant funds would help purchase new equipment and replace outdated or unusable pediatric care equipment.

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

Authority Action

Motion to approve Resolution No. CHP-3 2024-01 in an amount not to exceed \$1,547,275.83 for UCI for the Children's Hospital Program of 2008 (Proposition 3), subject to the terms and conditions in the resolution.

MOTION: Member Manriquez SECOND: Member Oppenheim

AYES:Members: Kalvoda, Hertzka, Silva, Manriquez, Oppenheim, Ma

NOES:NONE

ABSTAIN:NONE

RECUSE:Member Cherry

MOTION APPROVED.

Item #10

**Interagency Agreement with the California Educational Facilities Authority (CEFA)
Resolution No. 2024-01 (Action Item)**

Staff Member Healy reported on an interagency agreement with CEFA in an amount not to exceed \$1,350,000. The agreement would span from FY 24/25 to FY 26/27 and would allow CEFA staff to assist with all of the Authority's bond, loan, and grant programs on an as-needed basis. Application review, policy planning, and administrative tasks would be included under the agreement.

Attendees: None.

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

Authority Action

Motion to approve Resolution No. 2024-01 for an interagency agreement with the California Educational Facilities Authority in an amount not to exceed \$1,350,000 for FY 2024/2025 to FY 2026/2027.

MOTION: Member Hertzka SECOND: Member Cherry

AYES:Members: Kalvoda, Hertzka, Cherry, Silva, Manriquez, Oppenheim, Ma

NOES:NONE

ABSTAIN:NONE

RECUSE:NONE

MOTION APPROVED.

Items #11 and #12

Public Comment and Adjournment

Chair Ma asked for public comment. Hearing none, the meeting adjourned at 2:14pm.