













2023 Annual Report

California Health Facilities Financing Authority



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Letter from the Executive Director

Greetings,

On behalf of the California Health Facilities Financing Authority (CHFFA), I am pleased to provide you with the annual report for CHFFA's activities during calendar year 2023.

In 2023, CHFFA had the pleasure to assist in the issuance of three bond financings for two California health facilities, which resulted in a total issuance of \$432,640,000. CHFFA also closed 11 loans totaling \$13,138,039 to small, rural health facilities and district hospitals through the Healthcare Expansion Loan Program II (HELP II).

CHFFA also implemented the Distressed Hospital Loan Program collaboratively with the Department of Health Care Access and Information (HCAI), which offered interest-free, working capital loans to non-profit and publicly operated financially distressed hospitals to prevent the closure of/or facilitate the reopening of the hospital. Through this program, CHFFA and HCAI approved \$242,500,000 in funding with the issuance of 17 loans in 2023.

We also disbursed grant funds to qualifying counties and health facilities through a number of different programs that we administer here at CHFFA. Through our three Children's Hospital Programs, we disbursed \$66,635,406 to 14 hospitals. For our Investment in Mental Health Wellness Grant Programs, we disbursed \$14,481,728.98 in capital funding to five counties and \$891,593.02 in personnel funding to five counties. The Community Services Infrastructure Grant Program disbursed a total of \$24,953,486.76 to three counties to expand access to jail diversion programs.

Calendar year 2023 was a great success for the various programs offered at CHFFA, and we very much look forward to further serving the people of the State of California through 2024 and beyond.

Sincerely,



Executive Director
California Health Facilities Financing Authority

Highlighting a successful 2023:

...Issued **three** bonds totaling approximately **\$432.6 million** in proceeds...

...Closed **11** HELP II loans with total proceeds of approximately **\$13.1 million**...

...Approved **17** Distressed Hospital Loan Program loans with total proceeds of approximately **\$242.5 million**...

...Disbursed approximately **\$66.6 million** in grant funds to **14** hospitals through our three Children's Hospital Programs...

...Disbursed approximately **\$15.4 million** in grant funds to **nine** counties for the Investment in Mental Health Wellness Grant Programs...

...Disbursed approximately **\$25 million** in grant funds to **three** counties through the Community Services Infrastructure Grant Program...

CHFFA OVERVIEW

CHFFA was established in 1979 for the purpose of providing financial assistance to public and private, non-profit health care providers in California. The diverse nature of the facilities funded by CHFFA reflects the changing health care needs of California. From rural, community-based organizations to large, multi-hospital systems, CHFFA has financed a wide variety of providers and programs throughout the state, through the issuance of bonds, loans, and grants.

As one of many financing authorities within the California State Treasurer's Office, CHFFA is a valuable resource for assistance in financing both small and large private, non-profit, or public health facilities. In order to meet the requirements for CHFFA financing, an institution must be a public health facility, a private non-profit corporation, or an association authorized by the State of California to operate a health facility and undertake the financing or refinancing of a project.

Authority Board Members

The Board consists of nine members and is chaired by the Treasurer of California.



Fiona Ma
State Treasurer



Malia M. Cohen
State Controller



Joe Stephenshaw
Director of Finance



Francisco Silva
Governor Appointee



Antonio Benjamin
Governor Appointee



Dr. Robert Cherry
Senate Rules
Committee Appointee



Dr. Robert Hertzka
Senate Rules
Committee Appointee



Katrina Kalvoda
Assembly Speaker
Appointee



Keri Kropke
Assembly Speaker
Appointee

BOND & EQUIPMENT PROGRAMS

CHFFA offers a **Bond Financing Program** and a **Tax-Exempt Equipment Financing Program**. In 2023, CHFFA created a new **Commercial Paper Program** to help borrowers meet short-term capital needs for construction projects. However, no commercial paper notes have been issued. All three programs are aimed at providing financial assistance for a variety of projects for California's public and private non-profit health facilities.

Bond Financing Program

The **Bond Financing Program** provides eligible health facilities with access to low interest rate capital markets through the issuance of tax-exempt and taxable revenue bonds. Bond proceeds may be used to fund construction/renovation projects, land acquisition for future projects, acquisition of existing health facilities, refinancing of existing debt, working capital, and to pay costs of issuance. As of December 31, 2023, CHFFA had **102** outstanding bond issuances totaling approximately **\$16.5 billion**.

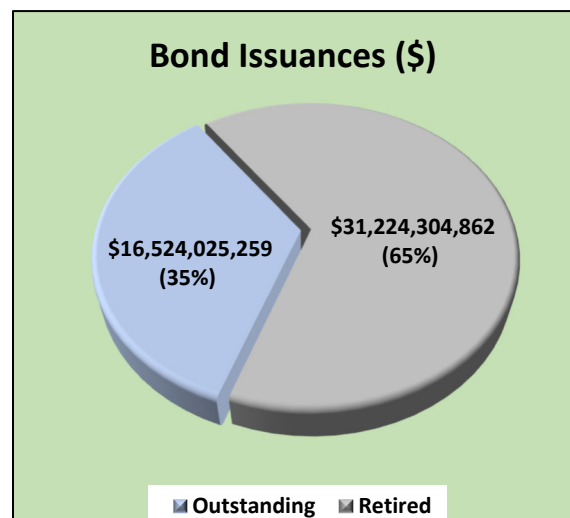
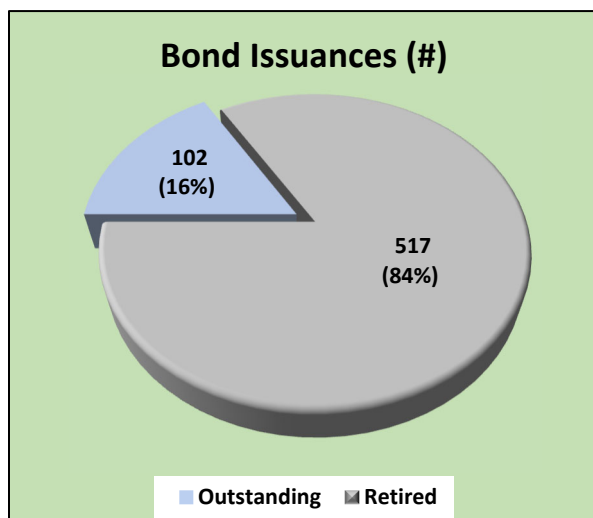
CHFFA HAS ISSUED

619 BONDS

For Approximately

\$48 BILLION

Since program inception (1979 – 2023)



Tax-Exempt Equipment Financing Program

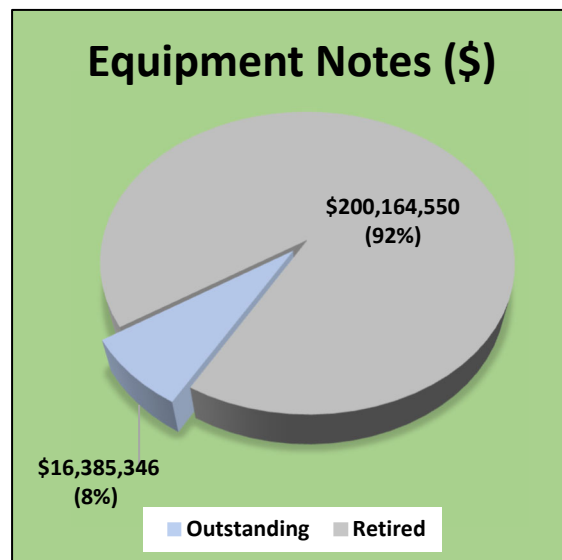
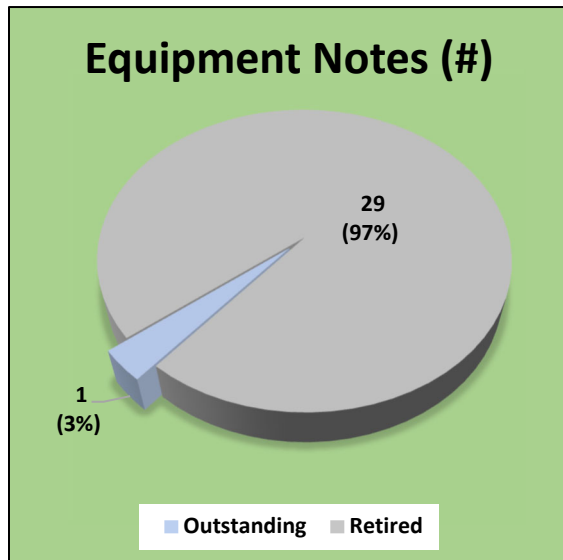
The **Tax-Exempt Equipment Financing Program** provides eligible health facilities with access to tax-exempt, fixed rate financing for equipment purchases. As of December 31, 2023, CHFFA has **one** outstanding tax-exempt equipment note in the approximate amount of **\$16.4 million**.

CHFFA HAS ISSUED *30 TAX-EXEMPT EQUIPMENT NOTES*

For Approximately

\$217 MILLION

Since program inception (1994 – 2023)



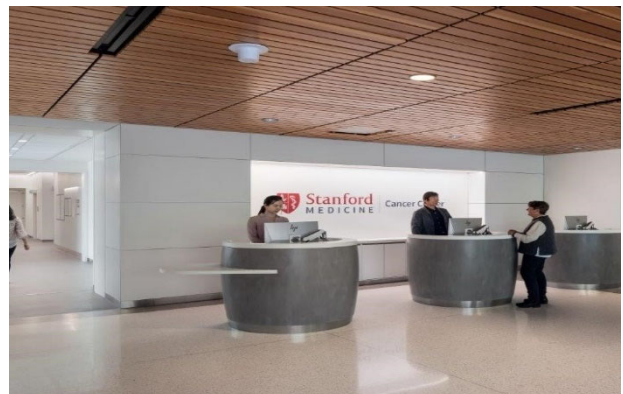
Calendar Year 2023 Bond Financings

In 2023, CHFFA authorized **five** bond financings for **four** California health facilities, with **three** of the bonds closing in 2023 resulting in a total issuance of **\$432,640,000**. The following provides a summary of CHFFA’s bond issues that closed in 2023.

Borrower	Series	Amount	Type of Issue
Stanford Health Care	2023 A	\$260,545,000	New Money
Adventist Health System/West	2023 A	\$95,000,000	New Money
Adventist Health System/West	2023 B	\$77,095,000	Refunding
Total:		\$432,640,000	



*Stanford Health Care – 300 P Renewal Program
Rendering courtesy of Stanford Health Care*



*Stanford Health Care – 300 P Renewal Program
Rendering courtesy of Stanford Health Care*



*Adventist Health System/West – Bakersfield Heart Hospital
Photo courtesy of Adventist Health System/West*



*Adventist Health System/West –
Adventist Health White Memorial Montebello
Photo courtesy of Adventist Health System/West*

LOAN PROGRAMS

Healthcare Expansion Loan Program II (HELP II)

HELP II is designed to provide eligible small and rural health facilities with financing for capital project needs through low-cost loans. As of December 31, 2023, CHFFA had 69 outstanding loans in the approximate amount of \$40.1 million.

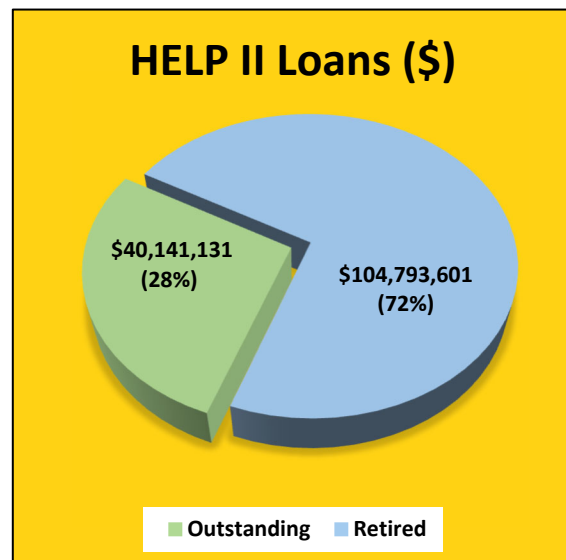
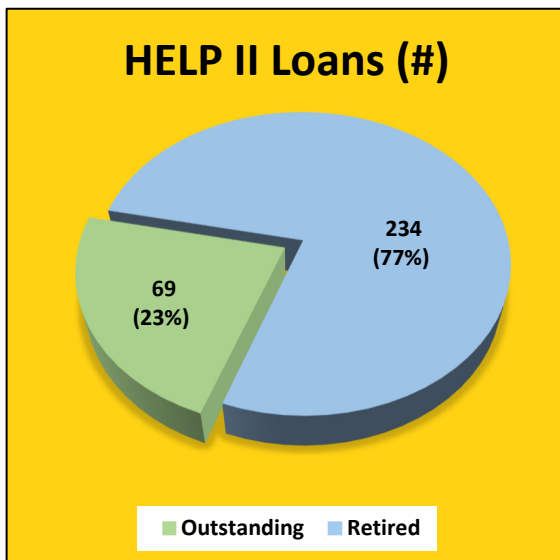
CHFFA HAS ISSUED

303 HELP II LOANS

For Nearly

\$145 MILLION

Since program inception (1995 – 2023)



Calendar Year 2023 HELP II Financings

In 2023, CHFFA closed 11 HELP II loans, which resulted in a total issuance of \$13,138,039. The following provides a summary of CHFFA’s HELP II loans that closed in 2023.

Borrower	Amount	Use of Proceeds
Chinatown Service Center	\$2,000,000	Purchase Real Property
Southern Humboldt Community Health Care District	\$2,000,000	Renovation
Sonoma Valley Health Care District	\$2,000,000	Purchase Equipment
Transitions – Mental Health Association	\$1,840,000	Purchase Real Property
Asian Pacific Health Care Venture, Inc.	\$1,500,000	Renovation
Northern California P.E.T. Imaging Center	\$1,091,039	Purchase Equipment
Castle Family Health Centers	\$878,750	Purchase Real Property
Fleming & Barnes, Inc. dba Dimondale Adolescent Care Facility	\$817,250	Purchase Real Property
Guiding Light Home for Boys	\$598,500	Purchase Real Property
Northeastern Rural Health Clinics	\$412,500	Renovation & Purchase Equipment
Total	\$13,138,039	



Purchased facility
Photo courtesy of Chinatown Service Center



Positron Emission Tomography / Computed Tomography Scanner
Photo courtesy of Northern California P.E.T. Imaging Center



Purchased facility
Photo courtesy of Castle Family Health Centers

Nondesignated Public Hospital Bridge Loan Programs

The Nondesignated Public Hospital Bridge Loan Program (NDPH I) was implemented in 2021 and enabled CHFFA to issue up to a total of \$40 million in working capital loans. The NDPH Program provided 0% interest rate loans to eligible nondesignated public hospitals that were affected by financial delays associated with the transition from the Public Hospital Redesign and Incentives in Medi-Cal Program to the Quality Incentive Program.

In June 2022, an additional \$40 million was appropriated, creating the Nondesignated Public Hospital Bridge Loan Program II (NDPH II) for the same purpose and with similar parameters as the first program.

Funding for both programs is no longer available as all monies have been awarded. In 2023, **one** hospital repaid its loan in the amount of **\$511,000** under NDPH I. As of December 31, 2023, **13** hospitals had loans outstanding for approximately **\$39.4 million** under NDPH I and **nine** hospitals had loans outstanding for **\$40 million** under NDPH II.

Outstanding Loans as of 12/31/2023

NDPH I

Facility Name	Amount Outstanding
Kaweah Delta Medical Center	\$7,894,532.00
Palomar Health	\$6,877,093.56
Tri-City Medical Center	\$4,751,338.70
El Centro Regional Medical Center	\$4,535,997.36
Oak Valley District Hospital	\$4,040,119.60
Pioneers Memorial Hospital	\$3,016,754.34
Hazel Hawkins Memorial Hospital	\$2,475,437.59
San Geronio Memorial Hospital	\$2,254,169.42
John C. Fremont Healthcare District	\$1,088,560.34
Northern Inyo Hospital	\$981,877.48
Sonoma Valley Hospital	\$608,487.45
Palo Verde Hospital	\$584,780.15
Plumas District Hospital	\$296,000.00
Total Outstanding:	\$39,405,147.99

NDPH II

Facility Name	Amount Outstanding
Kaweah Delta Medical Center	\$9,849,993.00
Palomar Health	\$8,578,801.00
El Centro Regional Medical Center	\$5,663,226.00
Oak Valley District Hospital	\$5,045,411.00
Pioneers Memorial Hospital	\$3,766,770.00
Hazel Hawkins Memorial Hospital	\$3,090,086.00
San Geronio Memorial Hospital	\$2,647,471.00
Sonoma Valley Hospital	\$758,242.00
Palo Verde Hospital	\$600,000.00
Total Outstanding:	\$40,000,000.00

Distressed Hospital Loan Program

The **Distressed Hospital Loan Program (DHLP)** was established with the approval of Assembly Bill 112 (Chapter 6, Statutes of 2023), authorizing CHFFA and HCAI to collaborate and administer a \$150 million loan program to provide one-time funding to not-for-profit and public hospitals in significant financial distress, or to governmental entities representing a closed hospital to either prevent the closure or facilitate the reopening of closed hospitals.

DHLP offered 0% interest rate, 72-month term loans, with an 18-month payment deferment period at the start of the loan.

Subsequently, Assembly Bill 118 (Chapter 42, Statutes of 2023) was signed into law, increasing the amount of funds available for DHLP by an additional \$150 million, bringing the cumulative funding available for the program to \$300 million.

In 2023, CHFFA approved approximately **\$242.5 million** in loans for **17** hospitals and disbursed **\$153.5 million** in funding for **nine** hospitals.

Approved Loans in 2023

Facility Name	Amount Approved
Tri-City Medical Center	\$33,200,000
Dameron Hospital	\$29,000,000
El Centro Regional Medical Center	\$28,000,000
Pioneers Memorial Healthcare District	\$28,000,000
Kaweah Delta Health Care District	\$20,750,000
Hayward Sisters Hospital/St. Rose Hospital	\$17,650,000
MLK Jr. Community Hospital	\$14,000,000
Chinese Hospital	\$10,350,000
San Benito Healthcare District/Hazel Hawkins Memorial Hospital	\$10,000,000
San Geronio Memorial Healthcare District	\$9,800,000
John C. Fremont Healthcare District	\$9,350,000
Palo Verde Hospital	\$8,500,000
Watsonville Community Hospital	\$8,300,000
Ridgecrest Regional Hospital	\$5,500,000
Beverly Hospital ¹	\$5,000,000
Sonoma Valley Hospital	\$3,100,000
Madera Community Hospital ²	\$2,000,000
Total Approved:	\$242,500,000

Disbursed Loans in 2023

Facility Name	Amount Disbursed
TriCity Medical Center	\$33,200,000
El Centro Regional Medical Center	\$28,000,000
Pioneers Memorial Healthcare District	\$28,000,000
Hayward Sisters Hospital/St. Rose Hospital	\$17,650,000
MLK Jr. Community Hospital	\$14,000,000
Chinese Hospital	\$10,350,000
Palo Verde Hospital	\$8,500,000
Watsonville Community Hospital	\$8,300,000
Ridgecrest Regional Hospital	\$5,500,000
Total Disbursed:	\$153,500,000

¹ Beverly Hospital forfeited its funds in August 2023.

² \$50 million allocation is reserved for Madera Community Hospital pending receipt of an acceptable reopening plan for the hospital.

GRANT PROGRAMS



Children’s Hospital Programs

*Comprehensive
Activity in 2023:*

**8 Grants
Awarded**

**\$367.9 Million
Awarded**

**16
Disbursements**

**\$66.6 Million
Disbursed**

Children’s Hospital Program of 2004

In November 2004, voters passed Proposition 61, enabling the State of California to issue \$750 million in bonds for capital improvement projects for children’s hospitals across California, consisting of eight private non-profit children’s hospitals and five University of California children’s hospitals.

In 2023, CHFFA made its final **two** disbursements of Proposition 61 funds totaling **\$256,242**.

Children’s Hospital Program of 2008

In November 2008, voters passed Proposition 3, enabling the State of California to issue an additional \$980 million in bonds for similar uses to the Children’s Hospital Program of 2004.

Although no disbursements were made in 2023, CHFFA approved **two** grants for approximately **\$11.9 million**.

Children’s Hospital Program of 2018

In November 2018, voters passed Proposition 4, enabling the State of California to issue an additional \$1.5 billion in bonds. In addition to the 13 children’s hospitals, eligible applicants were expanded to include public or private, non-profit hospitals that provide pediatric services for children eligible for California Children’s Services.

In 2023, CHFFA approved **six** grant awards for approximately **\$356 million** and made **14** disbursements totaling approximately **\$66.3 million** to **12** hospitals.

Calendar Year 2023 CHP Grant Disbursements

In 2023, CHFFA made 16 disbursements to 14 hospitals in a total amount of \$66,635,405.73. The following table provides a summary of CHFFA's CHP grant disbursements in 2023.

Grantee	Amount	CHP Program
Pomona Valley Hospital Medical Center	\$11,930,678.53	Proposition 4 – 2018
Valley Children's Hospital	\$11,345,994.99	Proposition 4 – 2018
Children's Hospital Los Angeles	\$10,646,695.99	Proposition 4 – 2018
Ventura County Medical Center	\$9,815,876.94	Proposition 4 – 2018
Lucile Packard Children's Hospital at Stanford	\$9,308,621.66	Proposition 4 – 2018
Loma Linda University Children's Hospital	\$6,449,951.97	Proposition 4 – 2018
Community Regional Medical Center	\$3,233,628.12	Proposition 4 – 2018
California Hospital Medical Center - Los Angeles	\$1,410,783.09	Proposition 4 – 2018
Kaweah Delta Health Care District	\$1,019,496.00	Proposition 4 – 2018
Mercy Medical Center Redding	\$567,721.33	Proposition 4 – 2018
Santa Clara Valley Medical Center	\$489,866.35	Proposition 4 – 2018
St. Joseph Medical Center of Stockton	\$159,848.76	Proposition 4 – 2018
University of California Irvine Medical Center	\$128,121.00	Proposition 61 – 2004
University of California San Diego Medical Center	\$128,121.00	Proposition 61 – 2004
Total	\$66,635,405.73	



Investment in Mental Health Wellness Grant Programs

The Investment in Mental Health Wellness (IMHW) Grant Program was designed to improve access to mental health crisis services available to California residents by funding a major statewide expansion of Crisis Residential Treatment Programs, Crisis Stabilization Units, and Mobile Crisis Support Teams (MCSTs) through grants available to counties.

In 2023, CHFFA disbursed **\$14,000,000** to **one** county. The IMHW Grant Program has only one remaining project that is expected to be open and operational by the end of December 2024. The program is no longer accepting new applications.

Investment in Mental Health Wellness Grant Program for Children and Youth (IMHW CY)

In 2016, the IMHW Grant Program was expanded to specifically address a continuum of crisis services for children and youth by funding expansion of the above services to individuals 21 years of age and under.

In 2023, CHFFA awarded grants to **five** counties for approximately **\$10.9 million** in capital funding and approximately **\$192,737** in annual personnel funding for **one** of the counties. CHFFA disbursed **\$481,729** in capital funding to **four** counties and **\$891,593** in personnel funding to **five** counties. The program is no longer accepting new applications.

Calendar Year 2023 IMHW Grant Disbursements

In 2023, CHFFA made **13** disbursements to **nine** counties in a total amount of **\$15,373,322**. The following table provides a summary of CHFFA’s IMHW grant disbursements in 2023.

Grantee	Amount	Grant Program
Los Angeles County	\$14,000,000.00	IMHW
Riverside County	\$260,532.03	IMHW CY – Personnel
Marin County	\$249,936.18	IMHW CY – Personnel
Santa Cruz County	\$211,442.00	IMHW CY – Capital
Humboldt County	\$201,152.05	IMHW CY – Capital
Santa Cruz County	\$170,642.47	IMHW CY – Personnel
Sacramento County	\$137,942.94	IMHW CY – Personnel
Monterey County	\$72,539.40	IMHW CY – Personnel
San Luis Obispo County	\$44,000.00	IMHW CY – Capital
Tulare County	\$25,134.93	IMHW CY – Capital
Total	\$15,373,322.00	



Community Services Infrastructure Grant Program

In 2016, CHFFA was authorized to allocate approximately \$65.8 million through the **Community Services Infrastructure (CSI) Grant Program** to expand access to jail and prison diversion programs and other related services for those with mental health illnesses, substance use disorders, or trauma.

In 2023, CHFFA awarded grants totaling approximately **\$10.5 million** to **two** counties and disbursed funds of approximately **\$25 million** to **three** counties. The program is no longer accepting new applications.

Calendar Year 2023 CSI Grant Disbursements

In 2023, CHFFA made **four** disbursements to **three** counties in a total amount of **\$24,953,486.76**. The table below provides a summary of CHFFA's CSI grant disbursements in 2023.

Grantee	Amount	Grant Program
Riverside County	\$17,358,562.36	CSI
Solano County	\$6,265,097.40	CSI
Sonoma County	\$1,329,827.00	CSI
Total	\$24,953,486.76	



Specialty Dental Clinic Grant Program

On June 30, 2022, the Specialty Dental Clinic Grant Program (Dental Program) was chaptered into law through the annual Budget Act of 2022 (Section 47, Chapter 45, Statutes of 2022) authorizing the Authority to administer a \$25 million competitive grant program to disburse funds for the purpose of supporting the construction, expansion, modification, or adaptation of specialty dental clinics in California. On June 27, 2023, the Dental Program was allocated an additional \$25 million through the passing of the Budget Act of 2023 (Section 2.00, Chapter 12, Statutes of 2023), bringing the cumulative amount to \$50 million in total available funding.

The Dental Program aims to support special health care needs populations by increasing timely access, reducing geographic shortages, increasing equity, and supporting quality of care, while also encouraging prevention services, early intervention, behavior support service and intervention, provider education, and community outreach activities that bring care to community sites.

The Authority approved guidelines, an application, and related forms on July 27, 2023. The first funding round for the Dental Program later opened in October 2023, with an application submission deadline of April 1, 2024.