

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

**Children's Hospital Program of 2018 (Proposition 4)**

**First Amendment and Restatement to Resolution Number CHP-4E 2020-07**

**Arrowhead Regional Medical Center**

**April 30, 2026**

**PURPOSE OF THE REQUEST:**

Arrowhead Regional Medical Center (ARMC) is requesting the Authority approve a first amendment and restatement to Resolution Number CHP-4E 2020-07 to extend the grant period end date and extend the resolution expiration date for its Children's Hospital Program of 2018 (Health & Safety Code, §1179.81 et seq.) (CHP) project.

**ISSUE:**

ARMC will not be able to submit all disbursement documentation by the grant period end date and resolution expiration date of June 30, 2026. Per section 5.3 of the grant agreement, all grant disbursements shall be disbursed within the grant period.

The project is complete; however, ARMC encountered delays because of a change in project scope (from a 12-bed to a 20-bed inpatient psychiatric unit for adolescents) and a lengthy approval process with the California Department of Health Care Access and Information (HCAI) and California Department of Public Health (CDPH). Plan approvals from HCAI necessitated six applications for Alternative Methods of Compliance<sup>1</sup> and waivers from CDPH for flex spaces within the proposed unit. These waivers were granted 18 months later than expected so ARMC did not receive the required building permits until August 9, 2024 and was able to start construction shortly after.

ARMC is currently closing out final purchase orders, paying remaining contingencies, and compiling supporting documentation for grant disbursement requests.

ARMC is requesting an extension of the grant period end date from June 30, 2026 to June 30, 2027. The extension time will allow sufficient time for ARMC to close out all remaining purchase orders, pay any contingencies, and submit proper reimbursement documentation to Authority staff for review and approval. ARMC is anticipating the final grant disbursement to be made well before the end of the requested grant period end date.

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<sup>1</sup> Projects that require an alternative way of meeting the intent of the California Building Standards Code must receive approval for Alternative Methods of Compliance.

**BACKGROUND:**

On June 25, 2020, the Authority approved a grant award in the amount of \$15,000,000.00 to ARMC to fund the costs of renovating, furnishing and equipping an inpatient psychiatric unit for adolescents. Resolution Number CHP-4E 2020-07 was approved with a grant period end date of June 30, 2025 and a resolution expiration date of June 30, 2026.

On June 19, 2025, pursuant to authority granted in Resolution Number CHP-4E 2020-07, the Executive Director approved an extension to the grant period end date from June 30, 2025 to June 30, 2026 to give ARMC additional time to complete the project and receive the requisite approvals and licensure with HCAI and CDPH. The project was completed in July 2025.

To date, Authority staff has disbursed \$7,550,420.18 to ARMC, leaving \$7,288,329.82 in funds remaining to be disbursed.

**RECOMMENDATION:**

Staff recommends the Authority approve a first amendment and restatement to Resolution Number CHP-4E 2020-07 to extend the grant period end date and extend the resolution expiration date from June 30, 2026 to June 30, 2027 and June 30, 2028, respectively.

All other conditions in the Resolution shall remain the same and in full effect.

**FIRST AMENDED AND RESTATED RESOLUTION NO. CHP-4E 2020-07**

**FIRST AMENDED AND RESTATED RESOLUTION OF  
THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY  
APPROVING EXECUTION AND DELIVERY OF GRANT FUNDING  
UNDER THE CHILDREN’S HOSPITAL PROGRAM OF 2018  
TO ARROWHEAD REGIONAL MEDICAL CENTER**

WHEREAS, the California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Children’s Hospital Bond Act of 2018 (Pt. 6.3 (commencing with Section 1179.81), Div. 1, Health and Safety Code; hereafter the “Act”) and implementing regulations to award grants from the proceeds of general obligation bonds in an amount not to exceed \$15,000,000.00, less the bond issuance and administrative costs, to Arrowhead Regional Medical Center (“Grantee”) to finance eligible projects; and

WHEREAS, ~~on June 25, 2020, the Authority staff reviewed the Grantee’s application against the eligibility requirements of the Act and implementing regulations and, pursuant to the Act and implementing regulations, recommends approval of~~ adopted Resolution No. CHP-4E 2020-07 (the “Original Resolution”) approving a grant in an amount not to exceed \$15,000,000.00, less bond issuance and administrative costs, to the Grantee for the eligible project (the “Project”) described in the application; and

WHEREAS, pursuant to the Original Resolution, on June 19, 2025, the Executive Director extended the Project’s grant period end date set forth in the Original Resolution from June 30, 2025 to June 30, 2026; and

WHEREAS, the Grantee requests an additional extension of the grant period end date and extension of the resolution expiration date to complete the Project.

NOW THEREFORE BE IT RESOLVED by the California Health Facilities Financing Authority, as follows:

Section 1. The Authority hereby approves a grant of \$15,000,000.00 less bond issuance and administrative costs, to the Grantee to complete the Project as described in the Children’s Hospital Program Application and Exhibit A to this Resolution (Exhibit A is hereby incorporated by reference) within a grant period that ends on ~~June 30, 2025~~ June 30, 2027.

Section 2. The Executive Director and the Deputy Executive Director are hereby authorized, for and on behalf of the Authority, to approve any minor, non-material changes in the Project described in the application submitted to the Authority and extend the grant period completion date identified in Section 1 as authorized under the Act and implementing regulations. However, any extension approved by the Executive Director and the Deputy Executive Director shall not surpass the grant resolution expiration date. Nothing in this Resolution shall be construed to require the Authority to provide any additional funding. Any notice to the Grantee shall indicate that the Authority shall not be liable to the Grantee in any manner whatsoever should such funding not be completed for any reason whatsoever.

Section 3. The Executive Director and the Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to draw money from the Act Fund not to exceed those amounts approved by the Authority for the Grantee. The Executive Director and the Deputy Executive Director are further authorized and directed, for and on behalf of the Authority, to execute and deliver to the Grantee any and all documents necessary to complete the transfer of funds that are consistent with the Act and implementing regulations.

Section 4. The Executive Director and Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to do any and all things and to execute and deliver any and all documents, which the Executive Director and Deputy Executive Director deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 5. This Resolution expires ~~June 30, 2026~~ June 30, 2028.

Date Approved: \_\_\_\_\_

## **EXHIBIT A**

### **PROJECT DESCRIPTION**

The proceeds of the grant will be used by Arrowhead Regional Medical Center to fund the costs of renovating, furnishing and equipping an inpatient psychiatric unit for adolescents.