**MINUTES**

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

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

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

February 27, 2025, 1:45 P.M.
(or upon adjournment of the California Educational Facilities Authority meeting)

## OPEN SESSION

Deputy Treasurer Khaim Morton, Chair, called the meeting to order at 2:24 P.M.

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

**Item #1** **Roll Call**

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|---|---|
| Members Present: | Khaim Morton for Fiona Ma, State Treasurer<br>David Oppenheim for Malia M. Cohen, State Controller<br>Michele Perrault for Joe Stephenshaw, Director, Department of Finance<br>Francisco Silva (via teleconference)<br>Robert Cherry, M.D. (via teleconference)<br>Robert Hertzka, M.D.<br>Keri Kropke, M.A., M.A., CCC-SLP |
| Members Absent: | Antonio Benjamin<br>Katrina Kalvoda |
| Staff Present: | Carolyn Aboubechara, Executive Director<br>Bianca Smith, Deputy Executive Director<br>Sondra Jacobs, Staff Services Manager I<br>Tyler Bui, Associate Governmental Program Analyst |

Members Silva and Cherry confirmed that no one over the age of 18 was in the room with them.

Chair Morton declared a quorum present. Chair Morton reminded virtual attendees to mute their microphones until their respective turn to speak and requested all attendees to state their names and organization for the record. Chair Morton asked that any comments made during the public comment period be limited to two minutes per speaker.

**Item #2 Approval of the Minutes from the January 30, 2025 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 January 30, 2025 Authority meeting.

MOTION: Member Kropke SECOND: Member Hertzka

AYES: .....Members: Silva, Hertzka, Cherry, Kropke, Perrault, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION APPROVED

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

**Distressed Hospital Loan Program (DHLP) Update**

Executive Director Aboubechara pointed to an updated handout in the board materials with the DHLP list of awards and statuses. Executive Director Aboubechara noted that Madera Community Hospital received a second disbursement of their DHLP loan in the amount of $4.9 million and was working on reopening still. Executive Director Aboubechara also noted the handout reflected the three applications the Authority received for loan modification requests for 12 months extensions. The applications are currently under review by the Department of Health Care Access and Information and Authority staff.

**Nondesignated Public Hospital Bridge Loan Program II (NDPH II) Update**

Executive Director Aboubechara reported that the Authority had received repayments on six of the nine loans under NDPH II. Palo Verde Hospital was not able to meet their payment due date of 12/16/24; therefore, the Authority provided a notice of default and subsequently began intercepting Medi-Cal checkwrite payments of its Medi-Cal reimbursements, which is the security of the loan, per the loan and security agreement. Palomar Health and El Centro Regional Medical Center also missed their payment due date. Executive Director Aboubechara noted that Authority staff is currently having conversations with legal counsel, Department of Finance, and legislators to explore avenues to assist both borrowers within the NDPH II statutory constraints that already exist because if the Authority triggered the Medi-Cal reimbursements it would push the borrowers deeper into financial distress and trigger a default on the borrower's other outstanding debt with other lenders.

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

**Item #4 Children's Hospital Los Angeles (CHLA), Los Angeles, Los Angeles County Bond Financing Program Resolution No. 462 (Action Item)**

Staff Member Bui reported that CHLA requested to issue tax-exempt revenue bonds in an amount not to exceed $141 million. Bond proceeds would be used to refund the outstanding CHFFA Series 2017B, CHFFA 2022A-1, and CHFFA 2022A-2 bonds and pay costs of issuance.

Attendees: (via teleconference) Scott Lieberenz, Chief Financial Officer, Children's Hospital of Los Angeles.

Chief Financial Officer Lieberenz gave an overview of the project and CHLA's mission.

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

***Authority Action***
Motion to approve Resolution No. 462 in an amount not to exceed $141 million for Children's Hospital Los Angeles for the Bond Financing Program, subject to the terms and conditions in the resolution.

MOTION: Member Cherry SECOND: Member Hertzka

AYES: .....Members: Silva, Hertzka, Cherry, Kropke, Perrault, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION APPROVED

**Item #5** **Various Applicants**
**Specialty Dental Clinic Grant Program (the Program) (First Funding Round)**
**Resolution Nos. SDC 2025-01 through SDC 2025-14 (Action Item)**

Staff Member Jacobs reported on the Specialty Dental Clinic Grant Program first funding round. The application submission deadline for the first funding round was April 1, 2024, at which time the Authority received 111 applications totaling approximately $303 million in requested funds. Each application had been scored and ranked according to region by one analyst and validated by the Grant Committee. The 15 applicants that received the highest scores, within each region, received Initial Allocations totaling $47.5 million, depleting funds in each of the five regions. 21 applications met the eligibility threshold for a grant award but did not receive an Initial Allocation. 75 applications did not receive the minimum score needed to be considered for an award. One applicant in the Superior Region declined its Initial Allocation, and those funds were added to the Initial Allocation of the next highest scoring applicant in the same region, which had received less than the full amount of eligible funding for its project.

Staff Member Jacobs reported that Initial Allocation letters were emailed to the 111 applicants. The Authority received 14 appeals from applicants that were not recommended for an award. The Executive Director and Deputy Executive Director reviewed the appeals and upheld staff recommendations not to award Initial Allocations. Responses were provided to the 14 appellants, and two applicants appealed the Executive Director's and Deputy Executive Director's decisions to the Authority Board.

Attendees (in-person): Brianna Pittman-Spencer, Sr. Government Affairs Director and Mary McCune, Executive Director, California Dental Association Foundation.

(via teleconference): Dr. Fahed Hattar, DDS, Owner, Jessica Velasquez, Office Manager, Fahed Hattar Dental Inc., Dr. Abhishek Joshi, DDS, Chief Executive Officer; Abhishek Joshi DDS, Inc. DBA Bliss Dental Care

Director Pittman-Spencer stressed the dire need for specialty dental care and noted that this was a historic program, which would improve access to oral care and begin to solve a decades-long issue. Member Oppenheim noted the value of receiving so many applications and seeing the high demand

for such services. Member Silva explained that also other care providers being able to refer patients to access specialty care is critical. Member Hertzka described seeing the need for specialty dental care as a doctor in the 1980s and thanked the California Dental Association for working with the Authority to meet that need.

Staff Member Jacobs provided a brief summary of the appeal process and stated that there were two applicants, Fahed Hattar, DDS and Bliss Dental Care appealing to the Authority Board, the Executive Director's and Deputy Executive Director's decisions to uphold the original decision to not award the applicants' proposed projects.

Chair Morton requested Attorney Jimenez to clarify that an affirmative vote would uphold the Executive Director's and Deputy Executive Director's denial of each appeal. Attorney Jimenez confirmed and also explained the structure of the agenda item.

Staff Member Jacobs gave an overview of the application provided by appellant Fahed Hattar, DDS and reported that the application did not meet the minimum points required by the guidelines. The application mentioned the use of interpreters but did not mention translated literature. Further, the application provided no staffing plan or financial information.

Dr. Hattar thanked the authority for considering their appeal and provided information about the proposed project and the need of oral care services in the Southern Region.

Chair Morton asked if there were any questions or public comment regarding the appeal of Fahed Hattar, DDS to the Authority; there were none.

Staff Member Jacobs gave an overview of the application provided by appellant Bliss Dental Care and reported that the application did not meet the minimum points required by the guidelines. The application focused on a mobile clinic and not the facility proposed to be purchased with grant funds, and there was conflicting information within the application. The application did not thoroughly explain how the clinic would be established or the number of clinic chairs planned and how it would meet the requirements of the grant.

Dr. Joshi thanked the Authority for considering their appeal and provided information about the proposed project and the need for more dental clinics that provide care for special needs patients.

Member Oppenheim asked Executive Director Aboubechara why her scoring of the application for Bliss Dental Care was higher than that of staff's score. Executive Director Aboubechara explained that scoring of applications was subjective to the scorer and their knowledge and experience with grants. Member Oppenheim noted that the increase in points demonstrated a good faith evaluation of the appellant.

Member Kropke thanked the representatives from Bliss Dental Care and Fahed Hattar, DDS for participating in the democratic process by appealing to the Authority.

Chair Morton asked if there were any additional questions or public comment regarding the appeal of Bliss Dental Care to the Authority; there were none.

Member Oppenheim believed that changing the structure of the vote would provide more fairness and expressed a desire to vote on the appeals prior to hearing from applicants who received Initial Allocations.

Chair Morton noted that it would be impartial to allow appellants to amend their applications without providing the same opportunity to all applicants. Member Oppenheim agreed that allowing only certain applicants to amend their applications would be inherently unfair and expressed confidence in the recommendations of staff and in the Executive Director's and Deputy Executive Director's decisions. Member Kropke also noted that filling out grant applications can be difficult and that larger clinics have more resources to dedicate to the applications than smaller clinics who may only have one or two resources available to them.

***Authority Action***
Motion to uphold the decision of the Executive Director to deny the appeal of the Specialty Dental Clinic Grant Program application for Fahed Hattar, DDS.

MOTION: Member Oppenheim SECOND: Member Hertzka

AYES: .....Members: Silva, Hertzka, Cherry, Kropke, Perrault, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION APPROVED

***Authority Action***
Motion to uphold the decision of the Executive Director to deny the appeal of the Specialty Dental Clinic Grant Program application for Bliss Dental Care.

MOTION: Member Hertzka SECOND: Member Kropke

AYES: .....Members: Silva, Hertzka, Cherry, Kropke, Perrault, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION APPROVED

Staff Member Jacobs introduced the applicants receiving Initial Allocations that were in-person. The applicants in-person receiving Initial Allocations provided an overview of their projects.

Attendees (in-person): Anchita Venkatesh, DMD, General Practice Residency Program Director, Alameda Health System, Dr. Maxmillian Chambers, DDS, Founder and Principal Director, Diana Gonzales, Chief Financial Officer, ImpowerDent SurgiCenters Inc., Dr. Rajvir Bhogal, DDS, Owner, Dr. Sonia Dhillon, Medical Director and Patient Coordinator, Rajvir S Bhogal DDS Inc, Eric C. Sung, DDS, Professor of Clinical Dentistry, Chair of Special Patient Care, University of California Los Angeles School of Dentistry, James Walsh, CPA, MBA, PE, Chief Financial Officer, Gretchen Edwalds-Gilbert, PhD, Provost, Executive Vice President for Academic Affairs, Elisa Chavez, DDS, Professor of Diagnostic Science and David Lam, DDS, PhD, Associate Dean for Medical Integration, University of the Pacific, Arthur A. Dugoni School of Dentistry.

Staff Member Jacobs introduced the applicants receiving Initial Allocations that were on the phone. The applicants on the phone receiving Initial Allocations provided an overview of their projects.

Attendees (via teleconference):, Charmaine Ng, DMD, Dental Chair, Mark Fratzke, DNP, Chief Operating Officer, Alameda Health System, NeKeshia Jones, Senior Director of Philanthropy, Government Grants, Alameda Health System Foundation, Amy Pham, DDS, Owner , Amy H. Pham, A Professional Dental Corporation, Dr. Kevin M. Keating, DDS, MS, Dean, Dr. Paul Glassman, DDS, MA, MBA, Associate Dean for Research and Community Engagement, California Northstate University LLC, Jaime Allen, Chief Financial Officer, Preethi Raghu, Chief Operating Officer, Jennie Rodriguez-Moore, Development Director, Wendy Lee, Grant Writer, Development Department, Community Medical Centers, Inc., Elmer Hilo, DMD, Chief Executive Officer, Timothy Martinez, DMD, Consultant, Mary Foley, MPH, Consultant, Elmer Hilo II DMD Inc., Janice Chen, DDS, Owner, Anthony Tran, MD, Anesthesiologist, Erina Hung, DMD, Pediatric Dentist, Janet Le, RDA Staff, Janice Chen Dental Corporation, Luciane Queiroz, DDS, Owner, Luciane Queiroz DDS, Inc., Stuart Seheult, DDS, President of Corporation, Dr. Arianna Faron, Dental Director, Dr. Nathan Hunt, Corporation Business Manager, Russell Seheult, D.D.S., A Professional Corporation DBA Redlands Dental Surgery Center, Kelly Vitzthum, DDS, MPH, Director of Community-Based Clinical Education, University of California Los Angeles School of Dentistry, Steph Tuazon, LCSW, Practicum Consultant, University of California Los Angeles, Luskin School of Public Affairs – Social Welfare Department, Roseann Mulligan, DDS, MS, Associate Dean of Dental Public Health and Piedad Suarez-Durall, DDS, MS, Special Patients Clinic Director, Herman Ostrow School of Dentistry of the University of Southern California.

Staff Member Jacobs noted that one applicant, from the Superior Region, declined its Initial Allocation of approximately $290 thousand dollars and that staff will return to the Authority in March with a recommendation on how to reallocate the declined funding within the Superior Region. Additionally, Staff Member Jacobs read the email from the applicant who declined its grant, which included them thanking the Authority for the opportunity to apply and explained that the projected federal reductions to Medicaid funding for California might jeopardize their ability to maintain the services proposed in the application.

Member Oppenheim commended University of the Pacific for utilizing all avenues of funding available. [UOP received approval from the California Educational Facilities Authority for tax-exempt bond financing that would provide additional funding for its Specialty Dental Clinic Grant Program project.]

Member Kropke thanked all the grantees for their hard work and dedication to providing services to the special health care needs populations.

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

Member Cherry recused himself as an employee of the University of California.

***Authority Action***

Motion to approve Resolution No. SDC 2025-12 for the Specialty Dental Clinic Grant Program for Regents of the University of California / University of California Los Angeles School of Dentistry.

MOTION: Member Perrault SECOND: Member Hertzka

AYES: .....Members: Silva, Hertzka, Kropke, Perrault, Oppenheim, Morton
NOES: .....NONE

ABSTAIN: .....NONE
RECUSE: .....Member Cherry

MOTION APPROVED

Member Silva recused himself as the president of the California Primary Care Association, of which Alameda Health Systems and Community Medical Centers, Inc. were members.

***Authority Action***
Motion to approve Resolution Nos. SDC 2025-01 and SDC 2025-04 for the Specialty Dental Clinic Grant Program for Alameda Health System and Community Medical Centers, Inc.

MOTION: Member Hertzka SECOND: Member Perrault

AYES: .....Members: Hertzka, Cherry, Kropke, Perrault, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....Member Silva

MOTION APPROVED

***Authority Action***
Motion to approve Resolution Nos. SDC 2025-02; SDC 2025-03; SDC 2025-06 through SDC 2025-11; SDC 2025-13; and SDC 2025-14 for the Specialty Dental Clinic Grant Program for the following applicants:

- Amy H. Pham, A Professional Dental Corporation
- California Northstate University, LLC
- Elmer Hilo, II DMD, Inc
- ImpowerDent SurgiCenters, INC.
- Janice Chen Dental Corporation
- Luciane Queiroz DDS, Inc.
- Rajvir S. Bhogal DDS, Inc.
- Russell Seheult, DDS, A Professional Corporation, DBA Redlands Dental Surgery Center
- University of Southern California, Herman Ostrow School of Dentistry
- University of the Pacific, Arthur A. Dugoni School of Dentistry

MOTION: Member Perrault SECOND: Member Kropke

AYES: .....Members: Silva, Hertzka, Cherry, Kropke, Perrault, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION APPROVED

**Items #6 and #7 Public Comment and Adjournment**

Chair Morton asked for public comment. Hearing none, the meeting adjourned at 4:01pm.