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

December 11, 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 1:54 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 David Oppenheim for Malia Cohen, State Controller Sally Lukenbill for Joe Stephenshaw, Director, Department of Finance Francisco Silva Robert Hertzka, M.D. Katrina Kalvoda Keri Kropke, M.A., M.A., CCC-SLP
Members Absent:	Antonio Benjamin Robert Cherry, M.D.
Staff Present:	Carolyn Aboubechara, Executive Director Bianca Smith, Deputy Executive Director Brock Lewis, Staff Services Manager II Adam Freudenberg, Associate Governmental Program Analyst Layly Roodsari, Staff Services Analyst Angel Nguyen, Staff Services Analyst

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.

Chair Morton announced that Item #6 (Lucile Salter Packard Children's Hospital at Stanford) would be heard last.

Item #2 **Approval of the Minutes from the September 25, 2025 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 September 25, 2025 Authority meeting.

MOTION: Member Hertzka SECOND: Member Kalvoda

AYES: .....Members Silva, Kalvoda, Hertzka, Kropke, Lukenbill, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION APPROVED

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

Contract Delegation of Powers Update

Executive Director Aboubechara reported that the Authority entered into a 3-year contract with Richardson & Company, LLP in the amount of $67,850 for auditing services. The contract is active from September 17, 2025 through June 30, 2028 and was executed under delegated authority.

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

Executive Director Aboubechara reported that there were nine hospitals that received loans under NDPH II totaling $40 million, six of which had repaid the loans in full. The three hospitals with outstanding loans were El Centro Regional Medical Center (El Centro), Palo Verde Hospital (Palo Verde), and Palomar Health (Palomar). The security of the loans was 20% of the Medi-Cal checkwrite payments from the Department of Health Care Services (DHCS), which the Authority began intercepting from Palo Verde in accordance with the loan and security agreement. The Authority did not begin intercepting Medi-Cal checkwrite payments from El Centro nor Palomar because it would have triggered a default on other outstanding debts for both hospitals, which would have pushed them further into distress and potential bankruptcy. CHFFA met with members of the legislature, the Department of Finance (DOF), and counsel to find solutions. Assembly Bill 102 and Assembly Bill 104 passed, which allowed all three hospitals to begin making monthly payments over two years instead of a one-time balloon payment. El Centro and Palomar were able to execute amendments to begin repaying their NDPH II loans in monthly installments, but Palo Verde filed for bankruptcy and was unable to begin repaying their loan this month. Executive Director Aboubechara reported that Palo Verde had also received a loan under the Distressed Hospital Loan Program (DHLP), and the Authority engaged Orrick, Herrington & Sutcliffe to serve as counsel to represent the Authority and to navigate the bankruptcy proceedings.

Distressed Hospital Loan Program Update

Executive Director Aboubechara pointed to a handout in the members' materials and reported that the Authority received two additional loan modification applications: one from Madera Community Hospital and the other from Sonoma Valley Health Care District. Hazel Hawkins Memorial Hospital (Hazel Hawkins) notified the Authority of its intent to begin repaying their DHLP loan in 2026 and was the only borrower under the DHLP that had not requested a loan modification. To date, Hazel Hawkins received only $2.7 million of its $10 million loan, so the Authority would continue to work with Hazel Hawkins, the Department of Health Care Access and Information, and DOF to move forward.

Executive Director Aboubechara reported that step two of the loan modification process would begin in 2026, which would allow each loan recipient that finished step one to apply for 12 months of forgiveness of debt service payments up to 120 days prior to its first payment being due.

Authority Tentative Meeting Schedule for Calendar Year 2026

Executive Director Aboubechara reported that the Authority tentative meeting schedule for calendar year 2026 was published.

Legislative Update

Executive Director Aboubechara reported that in 2020, Treasurer Ma convened a COVID-19 Task Force (Task Force), which included industry associations, counsels, bankers, advisors, staff, and some board members. The Task Force resulted in a report in July 2021 that included key recommendations for clients on how to weather the COVID-19 pandemic and other possible future events. Executive Director Aboubechara explained that the number one recommendation from the report was to allow for long-term working capital financing. Assembly Bill 627 (AB 627), signed into law on October 6, 2025, removed the Authority's 24-month restriction on working capital financings, which was a restriction that did not apply to other issuers, giving CHFFA another tool in its toolbox to serve its clients.

Other Updates

Executive Director Aboubechara said that Authority members should have received the 2024 CHFFA Financial Audit.

Executive Director Aboubechara announced that the Authority hired three new staff members. Deborah Alagbada and Julia Boston were hired under the Children's Hospital Program as Staff Services Analysts. Andrew Arroyo joined the Compliance team as a Staff Services Analyst.

Member Kalvoda asked about the changes made by AB 627. Executive Director Aboubechara explained that all legislative time constraints were removed from the Authority's ability to issue working capital financings, but specific financing terms were still subject to approval by the Authority.

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

Item #4 Imperial Beach Community Clinic (IBCC), San Diego, San Diego County Healthcare Expansion Loan Program II (HELP II) Resolution No. HII-366 (Action Item)

Member Silva recused himself and left the room.

Staff Member Lewis reported that IBCC requested a HELP II loan in an amount not to exceed $500,000. Loan proceeds would be used to purchase medical equipment, dental equipment, and furnishings for the Imperial Beach Health Center that was currently under renovation.

Attendees (via teleconference): Dr. Albert Pacheco, Chief Executive Officer; and Zachary Lambert, Interim Chief Financial Officer, Imperial Beach Community Clinic.

Chief Executive Officer Pacheco thanked the Authority and briefly explained the planned use of loan proceeds.

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

Authority Action

Motion to approve Resolution No. HII-366 in an amount not to exceed $500,000 for Imperial Beach Community Clinic under the HELP II Program, subject to the terms and conditions in the resolution.

MOTION: Member Kropke SECOND: Member Oppenheim

AYES: .....Members Kalvoda, Hertzka, Kropke, Lukenbill, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....Member Silva

MOTION APPROVED

Member Silva returned.

Item #5 **The Carolyn E. Wylie Center for Children, Youth, & Families (the Wylie Center), Riverside, Riverside County**
HELP II
First Amendment and Restatement to Resolution No. HII-361 (Action Item)

Staff Member Lewis reported that the Wylie Center requested Authority approval to amend and restate Resolution No. HII-361 (the Original Resolution) to extend the repeal date for its HELP II loan. The extension of the repeal date would allow staff time to prepare and execute the previously approved HELP II loan documents and disburse funds for the equipment loan.

Attendees (via teleconference): Mickey Rubinson, Chief Executive Officer; and Syed Kazmi, Chief Financial Officer, The Carolyn E. Wylie Center for Children, Youth, & Families.

Chief Executive Officer Rubinson explained that the delay in completing the equipment loan prior to the repeal of the Original Resolution was due to the ongoing renovations of the building where the equipment would be used. Chief Executive Officer Rubinson noted that since the Wylie Center was in the middle of the renovations, they were still determining the needs of the organization and where to store the equipment.

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-361 for The Carolyn E. Wylie Center for Children, Youth, & Families to extend the repeal date for its HELP II loan. All other conditions in the Resolution shall remain the same and in full effect.

MOTION: Member Lukenbill SECOND: Member Kropke

AYES: .....Members Silva, Kalvoda, Hertzka, Kropke, Lukenbill, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION APPROVED

Item #6 **Lucile Salter Packard Children's Hospital at Stanford (LPCH), Palo Alto, Santa Clara County**
Children's Hospital Program of 2018 (First Funding Round)
First Amendment and Restatement to Resolution No. CHP-4 2020-01 (Action Item)

Chair Morton recused himself, passed the gavel to Member Oppenheim, and left the room.

Staff Member Freudenberg reported that LPCH 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). LPCH would not be able to submit all disbursement documentation by the grant period end date and resolution expiration date of December 31, 2025. The project was complete; however, LPCH experienced delays in the submission of supporting documentation needed for Authority staff to complete review and approve the disbursal of grant funds.

The extension would allow sufficient time for LPCH to gather and submit all disbursement documentation. LPCH anticipated the remaining grant funds to be disbursed well before the requested grant period end date and resolution expiration date of December 31, 2026. The requested extension also considered additional administrative delays.

Attendee (via teleconference): Gregory Turner, Assistant Controller, Lucile Salter Packard Children's Hospital at Stanford.

Assistant Controller Turner explained that LPCH was nearly finished with its review of documents but requested an extension to complete review and submit documents because LPCH changed Enterprise Resource Planning systems a year and a half ago, and it was taking longer than expected to retrieve the necessary documents from its legacy systems.

Chair Oppenheim 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. CHP-4 2020-01 for Lucile Salter Packard Children's Hospital at Stanford to extend the grant period end date and resolution expiration date for its CHP Project from December 31, 2025 to December 31, 2026. All other conditions in the Resolution shall remain the same and in full effect.

MOTION: Member Hertzka SECOND: Member Kropke

AYES: .....Members Silva, Kalvoda, Hertzka, Kropke, Lukenbill, Oppenheim
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....Member Morton

MOTION APPROVED

Chair Morton returned.

Item #7 **County of Los Angeles (County)**
Investment in Mental Health Wellness Grant Program for Children and Youth (Second and Fifth Funding Rounds)
Third Amendment and Restatement to Resolution No. CY 2021-03 and First Amendment and Restatement to Resolution No. CY 2023-03 (Action Item)

Staff Member Roodsari reported that the County requested Authority approval to amend the milestone conditions and extend the grant periods and resolution expiration dates for its Investment in Mental Health Wellness Grant Program for Children and Youth (CY Program) projects (Projects). Two grants were awarded through the CY Program that combined would fund the construction and renovation of three crisis stabilization units (CSU) with nine beds each to provide mental health crisis services for children and youth in Los Angeles County.

The County would not be able to meet the milestone condition deadlines of being open and operational by December 31, 2025 and of submitting all disbursement documentation by January 31, 2026 for both of its CY Program Projects due to delays in selecting a service provider. Staff Member Roodsari reported that the County received no responses to its initial solicitation. The County reissued a revised request on August 1, 2025 and received multiple responses, but additional time was needed to finalize the selection of the service providers and obtain Medi-Cal certification. Construction and renovation of all three facilities was completed in October 2025, and the County anticipated that all facilities would be open and operational by December 2026.

The County submitted a new timeline and requested to amend the milestone condition deadlines of being open and operational from December 31, 2025 to December 31, 2026 and of submitting all disbursement documentation from January 31, 2026 to June 30, 2027. The County also requested to extend the grant periods and resolution expiration dates from June 30, 2026 to June 30, 2028. The extensions would allow sufficient time for the County to execute the service provider agreements, obtain Medi-Cal certification, become open and operational, and submit all disbursement documentation. The requested extensions also considered additional construction and/or administrative delays.

Attendee (via teleconference): Damien Parker, Chief, Administrative Support Bureau, Los Angeles County Department of Mental Health.

Chief Parker confirmed that construction of all three CSU facilities was complete and that the County was working with the respondents of the revised request for solicitation and was working towards solidifying service provider agreements for each of the three facilities.

Member Kropke asked for clarification regarding the responsibilities of an operator and what hurdles were being presented by respondents.

Chief Parker explained that the County was responsible for the building itself and that the selected service provider would be responsible for staffing the CSU facilities. Chief Parker also explained that the planned facilities would serve youth patients of varying ages, and the age groups would require different staffing levels.

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

Authority Action

Motion to approve a third amendment and restatement to Resolution No. CY 2021-03 and a first amendment and restatement to Resolution No. CY 2023-03 for the County of Los Angeles to amend the milestone conditions of being open and operational from December 31, 2025 to December 31, 2026, amend the milestone conditions of submitting all disbursement documentation from January 31, 2026 to June 30, 2027, and extend the grant periods and resolution expiration dates from June 30, 2026 to June 30, 2028 for both of its CY Program grants. All other conditions in the Resolutions shall remain the same and in full effect.

MOTION: Member Hertzka SECOND: Member Kalvoda

AYES: .....Members Silva, Kalvoda, Hertzka, Kropke, Lukenbill, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION APPROVED

Item #8 County of Monterey Health Department, County of Monterey (County)
Investment in Mental Health Wellness Grant Program for Children and Youth (Third Funding Round)
Second Amendment and Restatement to Resolution No. CY 2022-03 (Action Item)

Staff Member Nguyen reported that the County requested Authority approval to amend the milestone conditions and extend the grant period and resolution expiration dates for its CY Program project. The grant was approved through the CY Program to implement a crisis residential treatment (CRT) center and a crisis stabilization (CS) unit to serve children and youth ages 18 and under.

The County would not be able to meet the milestone condition deadlines of being open and operational by December 31, 2025 and of submitting all disbursement documentation by February 28, 2026 due to delays in obtaining their Children's Crisis Residential Program (CCRP) license. The renovation of the CS unit and the CRT center was completed on May 16, 2025, and the CS unit was already providing services for children and youth. The County was applying for their CCRP license for the CRT program, as statutorily required under the CY Program, but faced delays due to the lengthy application process. The lengthy application process includes, but is not limited to, attending an on-line orientation hosted by the CA Department of Social Services (CDSS), obtaining a Short-Term Residential Treatment Program license through CDSS, and completing and submitting the CCRP application to DHCS, which needs to include a CCRP Mental Health Program Statement and supporting documentation.

The County submitted a new timeline and requested to amend its milestone condition deadlines of being open and operational from December 31, 2025 to December 31, 2026 and of submitting all disbursement documentation from February 28, 2026 to June 30, 2027. The County also requested to extend the grant period and resolution expiration dates from June 30, 2026 to June 30, 2028. The extensions would allow sufficient time for the County to obtain their CCRP license, become open and operational, and submit all disbursement documentation. The requested extension also considered additional administrative delays.

Attendee (via teleconference): Nicholas Cronkhite, Finance Manager II, County of Monterey – Behavioral Health Bureau.

Finance Manager Cronkhite said that the CS unit was open and operational and was serving youth patients as of August 2025. Finance Manager Cronkhite added that further steps to obtain the required licensing and certification for the CRT had many requirements that must be done in sequence and said those steps involved many different county and state agencies.

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

Authority Action

Motion to approve a second amendment and restatement to Resolution No. CY 2022-03 for the County of Monterey to amend the milestone condition of being open and operational from December 31, 2025 to December 31, 2026, amend the milestone condition of submitting all disbursement documentation from February 28, 2026 to June 30, 2027, and extend the grant period and resolution expiration dates from June 30, 2026 to June 30, 2028 for its CY Program grant. All other conditions in the Resolution shall remain the same and in full effect.

MOTION: Member Silva SECOND: Member Hertzka

AYES: .....Members Silva, Kalvoda, Hertzka, Kropke, Lukenbill, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION APPROVED

Item #9 **County of San Mateo (County)**
Investment in Mental Health Wellness Grant Program for Children and Youth (Second Funding Round)
Third Amendment and Restatement to Resolution No. CY 2021-07 (Action Item)

Staff Member Nguyen reported that the County requested Authority approval to amend the milestone conditions and extend the grant period and resolution expiration dates for its CY Program project (Project). The grant was approved through the CY Program to develop a dedicated three-bed Crisis Stabilization Unit (CSU) to serve children and youth ages 18 and under.

The County would not be able to meet the milestone condition deadlines of being open and operational by December 31, 2025 and of submitting all disbursement documentation by February 28, 2026. The County confirmed that renovation for the children and youth CSU started on January 8, 2025 and expected construction to be completed by March 31, 2026. The County received a Certification of Substantial Compliance from the Department of Health Care Access and Information (HCAI), which confirmed the Project's compliance with the California Building Standards Codes, and showed completion of the Project at 95%. An onsite review from the California Department of Public Health (CDPH) was pending for licensing approvals, and the Project may also require clearance from the local Fire Department and/or the State Fire Marshal.

The County submitted a new timeline and requested to amend its milestone condition deadlines of being open and operational from December 31, 2025 to December 31, 2026 and of submitting all disbursement documentation from February 28, 2026 to June 30, 2027. The County also requested to extend the grant period and resolution expiration dates from June 30, 2026 to June 30, 2028. The extensions would allow sufficient time for the County to complete the onsite review with CDPH, become open and operational, and submit all disbursement documentation. The requested extension also considered additional construction and/or administrative delays.

Attendees (via teleconference): Rob Larcina, Chief Nursing Officer; Robert Blake, Chief Operating Officer; and Jolie Gordon-Browar, Deputy Director of Nursing, Acute Psychiatry, San Mateo Medical Center.

Deputy Director Gordon-Browar said that the County ordered furniture and was waiting for delivery and that the CSU was pending the completion of infection control and water and air quality studies, which was required for relicensing through CDPH.

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

Authority Action

Motion to approve a third amendment and restatement to Resolution No. CY 2021-07 for the County of San Mateo to amend the milestone condition of being open and operational from December 31, 2025 to December 31, 2026, amend the milestone condition of submitting all disbursement documentation from February 28, 2026 to June 30, 2027, and extend the grant period and resolution expiration dates from June 30, 2026 to June 30, 2028 for its CY Program grant. All other conditions in the Resolution shall remain the same and in full effect.

MOTION: Member Lukenbill SECOND: Member Kalvoda

AYES: .....Members Silva, Kalvoda, Hertzka, Kropke, Lukenbill, Oppenheim, Morton
NOES: .....NONE
ABSTAIN: .....NONE
RECUSE: .....NONE

MOTION APPROVED

Items #10 and #11 Public Comment and Adjournment

Public Commenter (in-person): Dr. Maxmillian Chambers, President, ImpowerDent Surgi Centers (ImpowerDent).

President Chambers thanked Authority staff for their diligence and work on the Specialty Dental Clinic Grant Program (Dental Program). He stated that ImpowerDent was approved for a Dental Program grant (Grant) at the February 27, 2025 Authority meeting and that the ImpowerDent project (Project) had since been deemed somewhat Ready, Feasible, and Sustainable. President Chambers said that receipt of ImpowerDent's Grant disbursement was originally projected to take four to six weeks but ImpowerDent received notification that disbursal would be delayed by an additional 30 business days. President Chambers said that if the disbursement was not received before December 23, 2025, ImpowerDent's acquisition would likely be terminated, and ImpowerDent would likely lose its facility. President Chambers requested that the Authority proceed with the original timeline for ImpowerDent's Grant disbursement.

Chair Morton clarified with counsel that the item could not be opened for discussion because it was not agendized. Chair Morton asked Executive Director Aboubechara to work with ImpowerDent and provide an update to the Authority Board at a future meeting.

Executive Director Aboubechara expressed appreciation for President Chambers' comment. Executive Director Aboubechara confirmed that she would work with ImpowerDent and update the Authority Board at a future meeting.

Member Oppenheim commented generally on the importance of meeting commitments when opportunities arise, even when the timing to do so is not perfect. Member Oppenheim said that there was currently a rural hospital crisis pending due to federal action or inaction and asked whether the Authority could provide any additional support to keep health facilities open, especially due to the amount of additional work required to relicense a facility once it has been closed.

Member Kropke expressed the importance of public comments and extended a warm welcome to all new Authority staff members, emphasizing that the Authority has the ability to do better by asking questions and developing new ideas.

Chair Morton asked if there were any additional questions or public comment. Hearing none, the meeting adjourned at 2:46 P.M.