



2024 Annual Report

California Health Facilities Financing Authority



Contents

| | |
|--|----|
| Letter from the Executive Director | 3 |
| CHFFA Overview | 4 |
| Bond Financing Program | 5 |
| Tax-Exempt Equipment Financing Program | 6 |
| Commercial Paper Program | 6 |
| Calendar Year 2024 Bond Financings | 7 |
| Healthcare Expansion Loan Program II | 8 |
| 2025 Emergency Wildfire Help Loan Program | 10 |
| Nondesignated Public Hospital Bridge Loan Programs ... | 10 |
| Distressed Hospital Loan Program | 11 |
| Children's Hospital Programs | 12 |
| Investment in Mental Health Wellness Grant Programs .. | 14 |
| Community Services Infrastructure Grant Program | 16 |
| Specialty Dental Clinic Grant Program | 17 |

Letter from the Executive Director

Greetings,

On behalf of the California Health Facilities Financing Authority (CHFFA), I am pleased to provide the annual report for CHFFA's activities during calendar year 2024.

In 2024, CHFFA had the pleasure to assist in the issuance of 13 bond financings for seven California health facilities, which resulted in a total issuance of \$2,407,225,000. Additionally, CHFFA closed eight loans totaling \$7,957,169 to small and rural health facilities through the Healthcare Expansion Loan Program II (HELP II).

CHFFA also continued the administration of 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 \$292,500,000 in funding with the issuance of 16 loans.

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 \$167,527,731.31 to 13 hospitals. For our Investment in Mental Health Wellness Grant Programs, we disbursed \$15,244,254.90 in capital funding to four counties and \$1,440,123.70 in personnel funding to six counties. The Community Services Infrastructure Grant Program disbursed a total of \$5,758,224.94 to two counties to expand access to jail diversion programs.

Calendar year 2024 was a tremendous 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 2025 and beyond.

Sincerely,



Executive Director
California Health Facilities Financing Authority

Highlighting a successful 2024:

...Issued **13** bonds totaling approximately **\$2.4 billion** in proceeds...

...Closed **eight** HELP II loans with total proceeds of approximately **\$8 million**...

...Disbursed **seven** Distressed Hospital Loan Program loans with total proceeds of approximately **\$89.9 million**...

...Disbursed approximately **\$167.5 million** in grant funds to **13** hospitals through our Children's Hospital Programs...

...Disbursed approximately **\$16.7 million** in grant funds to **nine** counties for the Investment in Mental Health Wellness Grant Programs...

...Disbursed approximately **\$5.8 million** in grant funds to **two** 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, TAX-EXEMPT EQUIPMENT, & COMMERCIAL PAPER PROGRAMS

CHFFA offers a **Bond Financing Program**, a **Tax-Exempt Equipment Financing Program**, and a **Commercial Paper Program** to provide 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, 2024, CHFFA had **101** outstanding bond issuances totaling approximately **\$17.6 billion**.

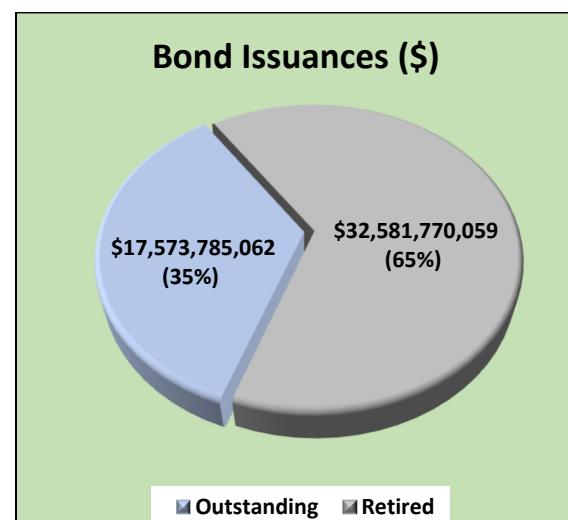
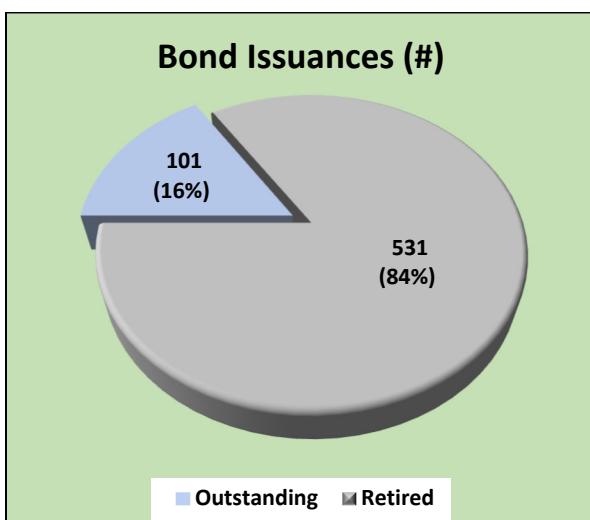
CHFFA HAS ISSUED

632 BONDS

For Approximately

\$50 BILLION

Since program inception (1979 – 2024)



Tax-Exempt Equipment Financing Program

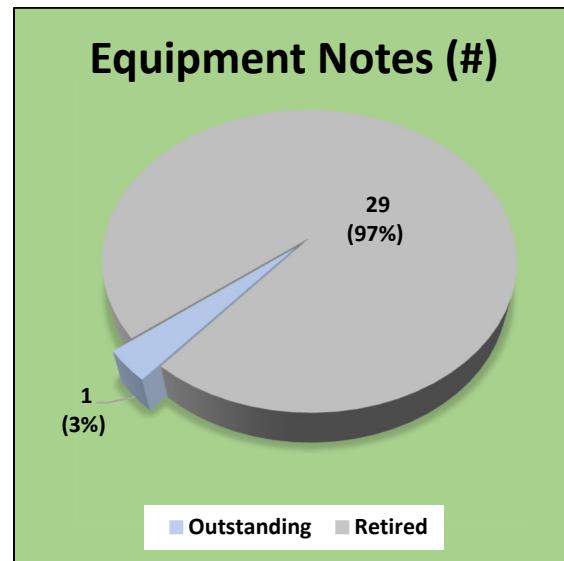
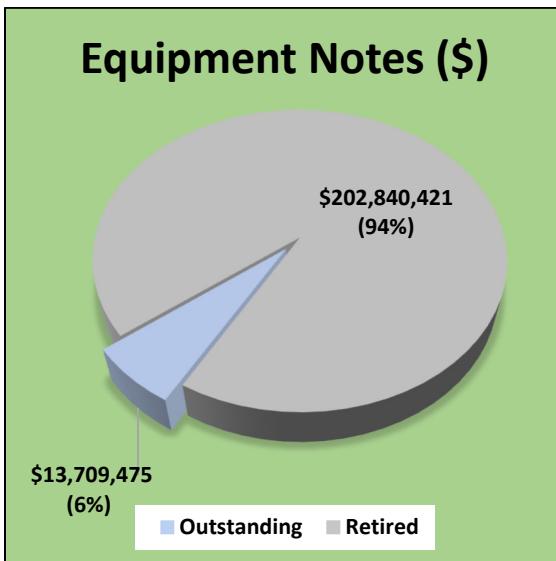
The **Tax-Exempt Equipment Financing Program** provides eligible health facilities with access to tax-exempt, fixed rate financing for equipment purchases. As of December 31, 2024, CHFFA has **one** outstanding tax-exempt equipment note in the approximate amount of **\$13.7 million**.

CHFFA HAS ISSUED *30 TAX-EXEMPT EQUIPMENT NOTES*

For Approximately

\$217 MILLION

Since program inception (1994 – 2024)



Commercial Paper Program

The **Commercial Paper Program** allows borrowers to issue multiple, short-term notes to coincide with the funding need for costs associated with construction projects. In **2024**, CHFFA issued **one** tranche of commercial paper notes on behalf of Stanford Health Care in the amount of **\$50 million**.

Calendar Year 2024 Bond Financings

In 2024, CHFFA closed 13 bonds for **seven** healthcare facilities resulting in a total issuance of **\$2,407,225,000**. The following provides a summary of CHFFA's bond issues that closed in 2024.

| Borrower | Series | Amount | Type of Issue |
|---|--------------------------|------------------------|-----------------------|
| Scripps Health | 2024 A, B, C-1, & C-2 | \$999,615,000 | New Money & Refunding |
| Adventist Health System/West | 2024 A | \$604,530,000 | New Money |
| CommonSpirit Health | 2024 A | \$285,190,000 | New Money |
| Lucile Salter Packard Children's Hospital at Stanford | 2024 A & B | \$180,315,000 | Refunding |
| Children's Hospital of Orange County | 2024 A & B | \$177,060,000 | New Money |
| Episcopal Communities & Services | 2024 A & B | \$105,515,000 | New Money |
| On Lok Senior Health Services | 2024 | \$55,000,000 | New Money |
| Total: | | \$2,407,225,000 | |



Adventist Healy System/West – Twin Cities Community Hospital

Photo courtesy of Adventist Health System/West



On Lok Senior Health Services – Gee Building
Photo courtesy of On Lok Senior Health Services

LOAN PROGRAMS

Healthcare Expansion Loan Program II (HELP II)

HELP II is designed to provide eligible small and rural health facilities and district hospitals with financing for capital project needs through low-cost loans. As of December 31, 2024, CHFFA had 66 outstanding loans in the approximate amount of \$43.5 million.

CHFFA HAS ISSUED

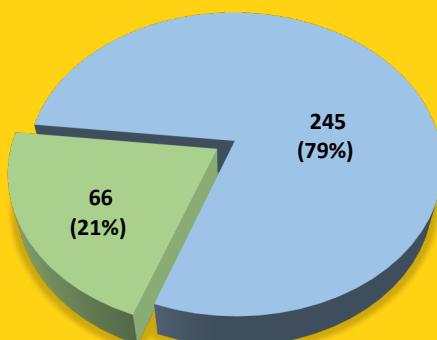
311 HELP II LOANS

For Nearly

\$153 MILLION

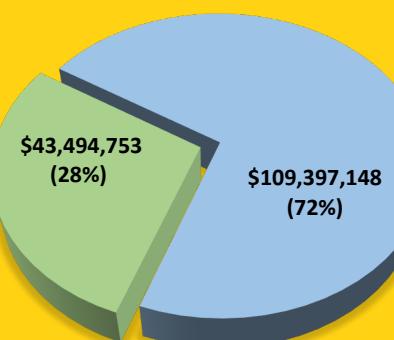
Since program inception (1995 – 2024)

HELP II Loans (#)



■ Outstanding ■ Retired

HELP II Loans (\$)



■ Outstanding ■ Retired

Calendar Year 2024 HELP II Financings

In 2024, CHFFA closed **eight** HELP II loans, which resulted in a total issuance of **\$7,957,169**. The following provides a summary of CHFFA's HELP II loans that closed in 2024.

| Borrower | Amount | Use of Proceeds |
|---|--------------------|------------------------|
| CRI-HELP, Inc. | \$2,000,000 | Purchase Real Property |
| Celebrating Life Community Health Center | \$1,610,000 | Renovation |
| Dientes Community Dental Care | \$1,125,747 | Renovation |
| Mountain Valleys Health Centers | \$979,922 | Refinance |
| Humanistic Foundation, Inc. | \$850,250 | Purchase Real Property |
| Walt's Home for Young Men | \$508,250 | Purchase Real Property |
| Asian Pacific Health Care Venture, Inc. | \$500,700 | Renovation |
| Celebrating Life Community Health Center | \$383,000 | Purchase Equipment |
| Total: | \$7,957,169 | |



Purchased facility

*Photo courtesy of
CRI-HELP, Inc.*



Elevator construction project

*Photo courtesy of
Asian Pacific Health Care Venture, Inc.*

2025 Emergency Wildfire Help Loan Program (Wildfire Program)

On January 30, 2025, CHFFA approved the Wildfire Program to provide financial assistance to qualifying health facilities in the state of California that were impacted by the wildfires in Los Angeles, Ventura, and San Bernardino counties. The Wildfire Program allocated \$2 million from the HELP II Fund to provide 0% interest rate loans, up to \$500,000, for qualifying health facilities. To

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.

As of December 31, 2024, all 14 hospitals that received an NDPH I loan had repaid their loans, totaling \$39.9 million¹.

¹ Bear Valley Community Hospital did not claim the NDPH I round 1 disbursement in the amount of \$83,852.

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.

Under NDPH II, three hospitals repaid their loans in the amount of \$15.6 million, and six hospitals had loans outstanding, totaling \$24.4 million.

Loans Outstanding as of 12/31/2024

| Facility Name | Amount Outstanding |
|-----------------------------------|--------------------|
| 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 |
| Sonoma Valley Hospital | \$758,242.00 |
| Palo Verde Hospital | \$600,000.00 |
| Total Outstanding: | \$24,412,450.00 |

Funding for both NDPH programs is no longer available as all monies have been awarded in loans.

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 2024, CHFFA approved a \$50 million loan for one hospital, bringing the total loans awarded to \$292.5 million for 16 hospitals. CHFFA disbursed \$89.8 million in funding for seven hospitals in 2024.

Approved Loans in 2024

| Facility Name | Amount Approved |
|--|-----------------|
| Madera Community Hospital ¹ | \$50,000,000 |
| Total Approved: | \$50,000,000 |

Disbursed Loans in 2024

| Facility Name | Amount Disbursed |
|---|------------------|
| Dameron Hospital Association | \$29,000,000 |
| Kaweah Delta Health Care District | \$20,750,000 |
| Madera Community Hospital ² | \$15,169,918 |
| San Gorgonio Memorial Healthcare District | \$9,800,000 |
| John C. Fremont Healthcare District | \$9,350,000 |
| Sonoma Valley Hospital | \$3,100,000 |
| San Benito Healthcare District/Hazel Hawkins Memorial Hospital ² | \$2,700,000 |
| Total Disbursed: | \$89,869,918 |

¹ \$50 million allocation was reserved for Madera Community Hospital, was disbursed upon receipt of an acceptable reopening plan for the hospital.

² Due to prior bankruptcy status, Madera Community Hospital and San Benito Healthcare District/Hazel Hawkins Memorial Hospital are receiving drawdown disbursements and will continue to receive subsequent disbursements until the allocated amount is fully disbursed.

GRANT PROGRAMS



Children's Hospital Programs

| |
|---------------------------------|
| Comprehensive Activity in 2024: |
| 1 Grant Awarded |
| \$1.5 Million Awarded |
| 18 Disbursements |
| \$167.5 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.

All awards and disbursements have been completed, and the program is no longer accepting applications.

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.

In 2024, CHFFA approved one grant award for approximately \$1.5 million and made five disbursements totaling approximately \$3.3 million to two hospitals.

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.

Calendar Year 2024 CHP Grant Disbursements

In 2024, CHFFA made 18 disbursements to 13 hospitals in a total amount of \$167,527,730.91. The following table provides a summary of CHFFA's CHP grant disbursements in 2024.

| Grantee | Amount | CHP Program |
|--|------------------|----------------------|
| Children's Hospital of Orange County | \$92,665,633.43 | Proposition 4 – 2018 |
| Children's Hospital Los Angeles | \$33,312,841.69 | Proposition 4 – 2018 |
| Children's Hospital & Research Center at Oakland | \$15,748,386.20 | Proposition 4 – 2018 |
| Lucile Packard Children's Hospital at Stanford | \$7,704,898.44 | Proposition 4 – 2018 |
| Community Regional Medical Center | \$4,158,421.34 | Proposition 4 – 2018 |
| Santa Clara Valley Medical Center | \$2,689,246.65 | Proposition 4 – 2018 |
| Bakersfield Memorial Hospital | \$2,386,103.61 | Proposition 4 – 2018 |
| University of California Irvine Children's Hospital | \$1,949,445.89 | Proposition 3 – 2008 |
| St. Joseph Medical Center | \$1,889,774.49 | Proposition 4 – 2018 |
| Pomona Valley Hospital Medical Center | \$1,868,850.07 | Proposition 4 – 2018 |
| Mattel Children's Hospital at University of California Los Angeles | \$1,340,983.67 | Proposition 3 – 2008 |
| Providence Cedars-Sinai Tarzana Medical Center | \$999,240.16 | Proposition 4 – 2018 |
| University of California San Francisco Children's Hospital | \$813,905.67 | Proposition 4 – 2018 |
| Total | \$167,527,731.31 | |



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 2024, 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 June 2025 for the County of Los Angeles. 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.

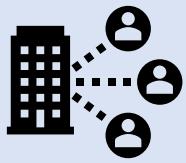
In 2024, CHFFA disbursed \$1,244,254.90 in capital funding to three counties and \$1,440,123.70 in personnel funding to six counties. The program is no longer accepting new applications.

Calendar Year 2024 IMHW Grant Disbursements

In 2024, CHFFA made 13 disbursements to nine counties for a total amount of \$16,684,378.60, which includes \$15,244,254.90 in capital funding and \$1,440,123.70 in personnel funding.

The following table provides a summary of CHFFA's IMHW grant disbursements in 2024.

| Grantee | Amount | Grant Program |
|------------------------|-----------------|---------------------|
| Los Angeles County | \$14,000,000.00 | IMHW |
| Tulare County | \$755,058.30 | IMHW CY – Capital |
| Santa Cruz County | \$569,984.58 | IMHW CY – Personnel |
| Kings County | \$379,813.00 | IMHW CY – Capital |
| Riverside County | \$321,647.00 | IMHW CY – Personnel |
| Monterey Cruz County | \$164,460.15 | IMHW CY – Personnel |
| San Luis Obispo County | \$163,137.60 | IMHW CY – Personnel |
| Humboldt County | \$160,160.00 | IMHW CY – Personnel |
| Humboldt County | \$109,383.60 | IMHW CY – Capital |
| Marin County | \$60,734.37 | IMHW CY – Capital |
| Total | \$16,684,378.60 | |



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.

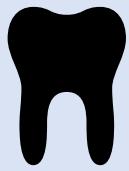
In 2024, CHFFA disbursed funds of approximately \$5.8 million to two counties. The CSI Grant Program has three remaining projects that are expected to be open and operational by the end of June 2025. The program is no longer accepting new applications.

Calendar Year 2024 CSI Grant Disbursements

In 2024, CHFFA made three disbursements to two counties totaling \$5,758,244.94.

The following table provides a summary of CHFFA's CSI grant disbursements in 2024.

| Grantee | Amount | Grant Program |
|--------------------|----------------|---------------|
| San Joaquin County | \$5,430,186.00 | CSI |
| Sonoma County | \$328,038.94 | CSI |
| Total | \$5,758,224.94 | |



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, of which \$47.5 million was allocated for grant awards and \$2.5 million was allocated for program administration costs.

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 first funding round application submission deadline was April 1, 2024, and CHFFA received 111 applications, requesting approximately \$303 million in grant funding, by the submission deadline, but did not proceed with the review and scoring of the applications, until August 2024, due to the uncertainty of the state budget funding. In January 2024, the 2024-25 Governor's budget proposed a two-year delay of the Dental Program funding. In May 2024, the Governor's budget revision proposed elimination of the funding altogether; however, the Final Budget Act of 2024 left funding for the Dental Program as chaptered in the Statutes of 2022 and 2023.