















2022 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 2022.

In 2022, CHFFA had the pleasure to assist in the issuance of four bond financings and one equipment note financing for four California health facilities and the No Place Like Home Program, which resulted in a total issuance of \$1,395,093,000. CHFFA also closed ten loans totaling \$8,132,750 to small, rural health facilities and district hospitals through the Healthcare Expansion Loan Program II (HELP II).

CHFFA also implemented the Nondesignated Public Hospital Bridge Loan Program II, which was a second installment of the Nondesignated Bridge Loan Program, aimed to offset a delay in funding for California's nondesignated public hospitals. Through these programs, CHFFA approved \$62,177,146 in funding with the issuance of 21 loans in 2022.

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 \$86,682,318 to ten hospitals. For our Investment in Mental Health Wellness Grant Program for Children and Youth, we disbursed \$49,649.56 in capital funding to one county, and \$1,088,324.97 in personnel funding to four counties. The Community Services Infrastructure Grant Program disbursed a total of \$11,516,398.56 to five counties to expand access to jail diversion programs.

Calendar year 2022 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 2023 and beyond.

Sincerely,



Carolyn Aboubechara
Executive Director
California Health Facilities Financing Authority

Highlighting a successful 2022:

...Issued **four** bonds and **one** note totaling approximately **\$1.4 billion** in proceeds...

...Closed **ten** HELP II loans with total proceeds of approximately **\$8.1 million**...

...Approved **21** Nondesignated Public Hospital Bridge Loan Program I and II loans with total proceeds of approximately **\$62.2 million**...

...Disbursed approximately **\$86.7 million** in grant funds to ten hospitals through our three Children's Hospital Programs...

...Disbursed approximately **\$1.1 million** in grant funds to **five** counties for the Investment in Mental Health Wellness Grant Programs...

...Disbursed approximately **\$11.5 million** in grant funds to **five** 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**. Both 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, 2022, CHFFA had **109** outstanding bond issuances totaling approximately **\$17.1 billion**.

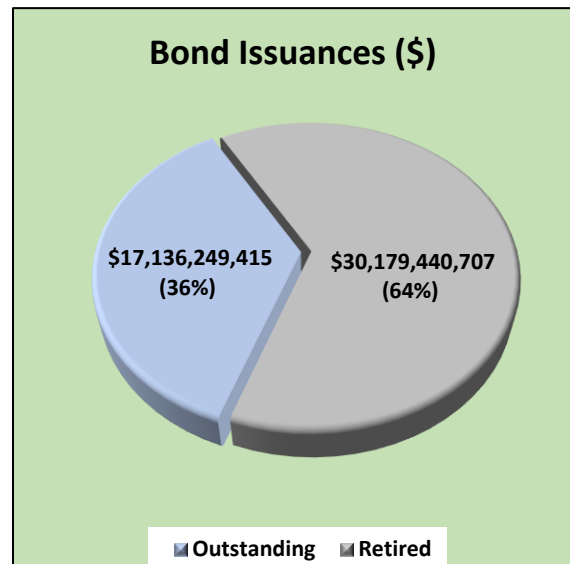
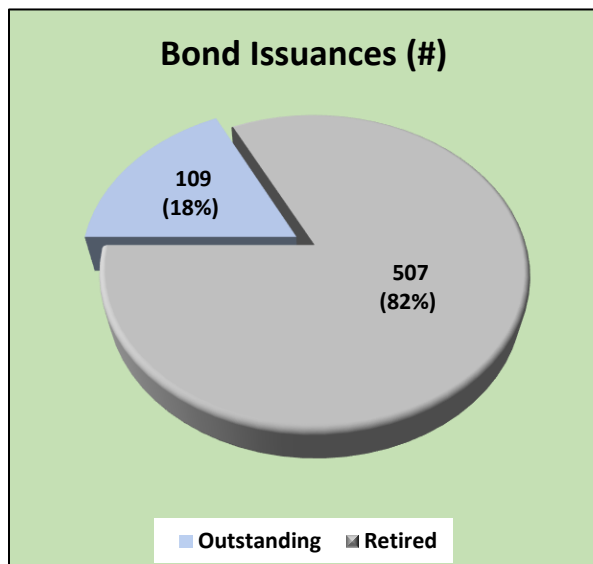
CHFFA HAS ISSUED

616 BONDS

For Approximately

\$47 BILLION

Since program inception (1979 – 2022)



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, 2022, CHFFA had **two** outstanding tax-exempt equipment notes in the approximate amount of **\$22.5 million**.

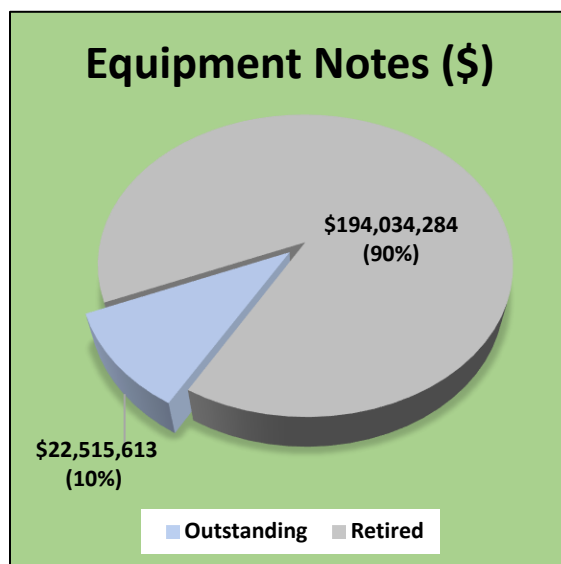
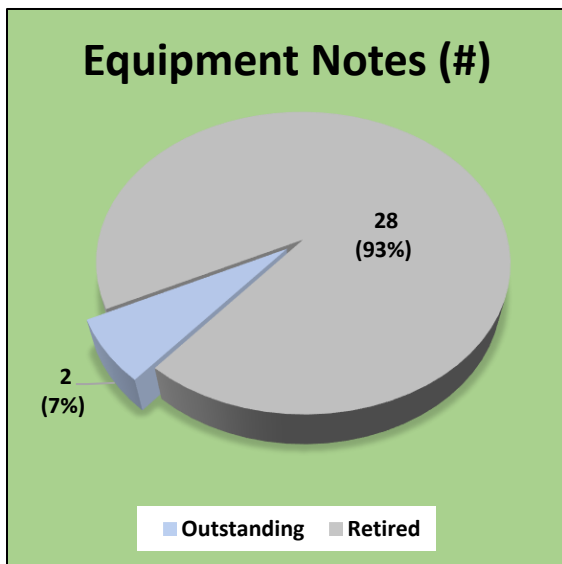
CHFFA HAS ISSUED

30 TAX-EXEMPT EQUIPMENT NOTES

For Approximately

\$217 MILLION

Since program inception (1994 – 2022)



Calendar Year 2022 Bond Financings

In 2022, CHFFA authorized **four** bond financings and one equipment note financing for **four** California health facilities and the No Place Like Home Program, which resulted in a total issuance of **\$1,395,093,000**. The following provides a summary of CHFFA’s bond issues that closed in 2022.

Borrower	Series	Amount (\$)	Type of Issue
No Place Like Home Program	2022	\$1,050,000,000	New Money
AltaMed Health Services Corporation	2022	\$129,568,000	Refunding
Children’s Hospital Los Angeles	2022 A-1 & A-2	\$103,420,000	Refunding
Adventist Health System/West	2022 A	\$92,105,000	New Money
Marin General Hospital	2022 A	\$20,000,000	New Money
Total:		\$1,395,093,000	



AltaMed Health Services Corporation – Headquarters
Photo courtesy of AltaMed Health Services Corporation



Children’s Hospital Los Angeles – Anderson Pavilion
Photo courtesy of Children’s Hospital Los Angeles



Adventist Health System/West – Headquarters
Photo courtesy of Adventist Health System/West



Marin General Hospital – Oak Pavilion
Photo courtesy of Marin General Hospital

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, 2022, CHFFA had 73 outstanding loans in the approximate amount of **\$30.8 million**.

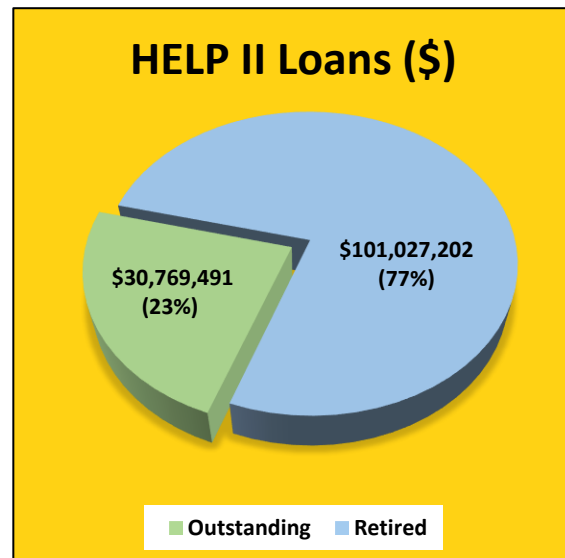
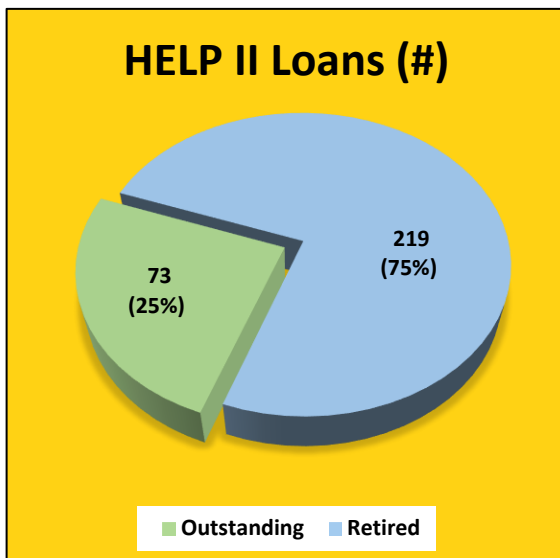
CHFFA HAS ISSUED

292 HELP II LOANS

For More Than

\$132 MILLION

Since program inception (1995 – 2022)



Calendar Year 2022 HELP II Financings

In 2022, CHFFA closed **ten** HELP II loans, which resulted in a total issuance of **\$8,132,750**. The following provides a summary of CHFFA’s HELP II loans that closed in 2022.

Borrower	Amount (\$)	Use of Proceeds
Henrietta Weill Memorial Child Guidance Clinic	\$2,000,000	Purchase Real Property
Heritage Group Homes, Inc.	\$1,750,000	Purchase Real Property (3 loans)
Fred Brown’s Recovery Services, Inc.	\$1,532,000	Purchase Real Property (2 loans)
Silence Aloud, Inc.	\$1,200,000	Purchase Real Property
Fleming & Barnes, Inc. dba Dimondale Adolescent Care Facility	\$1,182,750	Purchase Real Property (2 loans)
Fred Brown’s Recovery Services, Inc.	\$468,000	Refinance
Total	\$8,132,750	



Residential Treatment Homes

Photos courtesy of Fred Brown’s Recovery Services, Inc.



North Bakersfield Children’s and North Bakersfield Adult Programs

Photo courtesy of Henrietta Weill Memorial Child Guidance



Residential Treatment Home

Photo courtesy of Dimondale Adolescent Care Facility

Nondesignated Public Hospital Bridge Loan Program

The **Nondesignated Public Hospital Bridge Loan Program (NDPH)** 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 2022, CHFFA held a second funding round and approved **\$22,177,146** in loans for 12 hospitals, bringing the total amount approved to \$40,000,000.

Additionally, 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.

In 2022, CHFFA approved **\$40,000,000** in loans for nine hospitals, exhausting the program's allocated funding.

Approved Loans in 2022

NDPH

Facility Name	Amount Approved
Kaweah Delta Medical Center	\$6,762,530.00
Palomar Pomerado Health	\$3,396,093.56
Tri-City Medical Center	\$2,346,338.70
El Centro Regional Medical Center	\$2,239,996.36
Oak Valley District Hospital	\$1,995,119.60
Pioneers Memorial Hospital	\$1,489,754.34
Hazel Hawkins Memorial Hospital	\$1,222,437.59
San Geronio Memorial Hospital	\$1,113,169.42
John C. Fremont Healthcare District	\$537,560.34
Northern Inyo Hospital	\$484,877.48
Sonoma Valley Hospital	\$300,487.45
Palo Verde Hospital	\$288,780.15
Total:	\$22,177,146.00

NDPH II

Kaweah Delta Medical Center	\$9,849,993.00
Palomar Pomerado 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:	\$40,000,000.00

COVID-19 Response Programs

As a response to the COVID-19 pandemic, in April 2020, the Authority approved the **COVID-19 Emergency HELP Loan Program** and the **HELP II Loan Program Debt Service Payment Deferral** to provide financial assistance and financial relief to small and rural health facilities impacted by the COVID-19 pandemic.

COVID-19 Emergency HELP Loan Program

This program allocated \$5 million within the HELP II fund to provide 0% interest rate loans, up to \$250,000, for qualifying health facilities.

Although there was no new activity in 2022 to report, below is a brief breakdown of the activity of the program since its inception.

Loans Approved: 2

Total Amount Issued: \$500,000

HELP II Loan Program Debt Service Payment Deferral

In addition to the new loan program, CHFFA implemented the HELP II Loan Program Debt Service Payment Deferral, which allowed borrowers affected by the COVID-19 pandemic to request a one-time deferral of HELP II loan debt service payments for up to three months. Although there was no new activity in 2022 to report, below is a brief breakdown of the activity of the program since its inception.

Number of Participating Borrowers: 6

Number of Loans Deferred: 12

Total Amount Deferred: \$111,817

COVID-19 Response Programs Moving Forward

As of March 1, 2023, both programs were discontinued in conjunction with Governor Newsom's proclamation terminating the COVID-19 State of Emergency.

GRANT PROGRAMS



Children’s Hospital Programs

*Comprehensive
Activity in 2022:*

4 Grants
Awarded

\$44.4 Million
Awarded

13
Disbursements

\$86.7 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.

Although no disbursements were made in 2022, CHFFA approved **one** grant award for **\$128,121**.

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 2022, CHFFA approved **two** grants for approximately **\$14.1 million** and made **three** disbursements for approximately **\$17.6 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 2022, CHFFA approved **one** grant totaling approximately **\$30.2 million** and made **ten** disbursements totaling approximately **\$69.1 million**.

Calendar Year 2022 CHP Grant Disbursements

In 2022, CHFFA made 13 disbursements to ten hospitals in a total amount of \$86,682,317.80. The following table provides a summary of CHFFA’s CHP grant disbursements in 2022.

Grantee	Amount (\$)	CHP Program
Lucile Salter Packard Children’s Hospital at Stanford	\$28,292,952.71	Proposition 4 – 2018
Valley Children’s Hospital	\$19,856,672.26	Proposition 4 – 2018
Long Beach Memorial Medical Center	\$17,131,316.13	Proposition 3 – 2008
Children’s Hospital Los Angeles	\$11,705,991.50	Proposition 4 – 2018
Community Regional Medical Center	\$6,922,667.07	Proposition 4 – 2018
Pomona Valley Hospital Medical Center	\$942,075.69	Proposition 4 – 2018
Mercy Medical Center Redding	\$696,434.32	Proposition 4 – 2018
Mattel Children’s Hospital at University of California Los Angeles	\$427,976.63	Proposition 3 – 2008
St. Joseph’s Medical Center of Stockton	\$402,240.28	Proposition 4 – 2018
Kaweah Delta Health Care District	\$303,991.21	Proposition 4 – 2018
Total	\$86,682,317.80	



Long Beach Memorial Medical Center – Children’s Village

Photo courtesy of Long Beach Memorial Medical Center



Community Regional Medical Center – Pediatric Anesthesia Care Unit (PACU)

Photo courtesy of Community Regional Medical Center



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.

The IMHW Grant Program has only one remaining project that is expected to be open and operational by the end of March 2024. CHFFA did not disburse any funds under the IMHW Grant Program in 2022. The program is no longer accepting new applications.

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

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 2022, CHFFA awarded grants to **six** counties for approximately **\$16.9 million** in capital funding and approximately **\$946,000** in annual personnel funding for MCSTs. Additionally, **one** county received a disbursement of approximately **\$50,000** in capital funding, and **four** counties received approximately **\$1 million** in personnel funding.



Santa Cruz County – Mobile Emergency Response Team for Youth

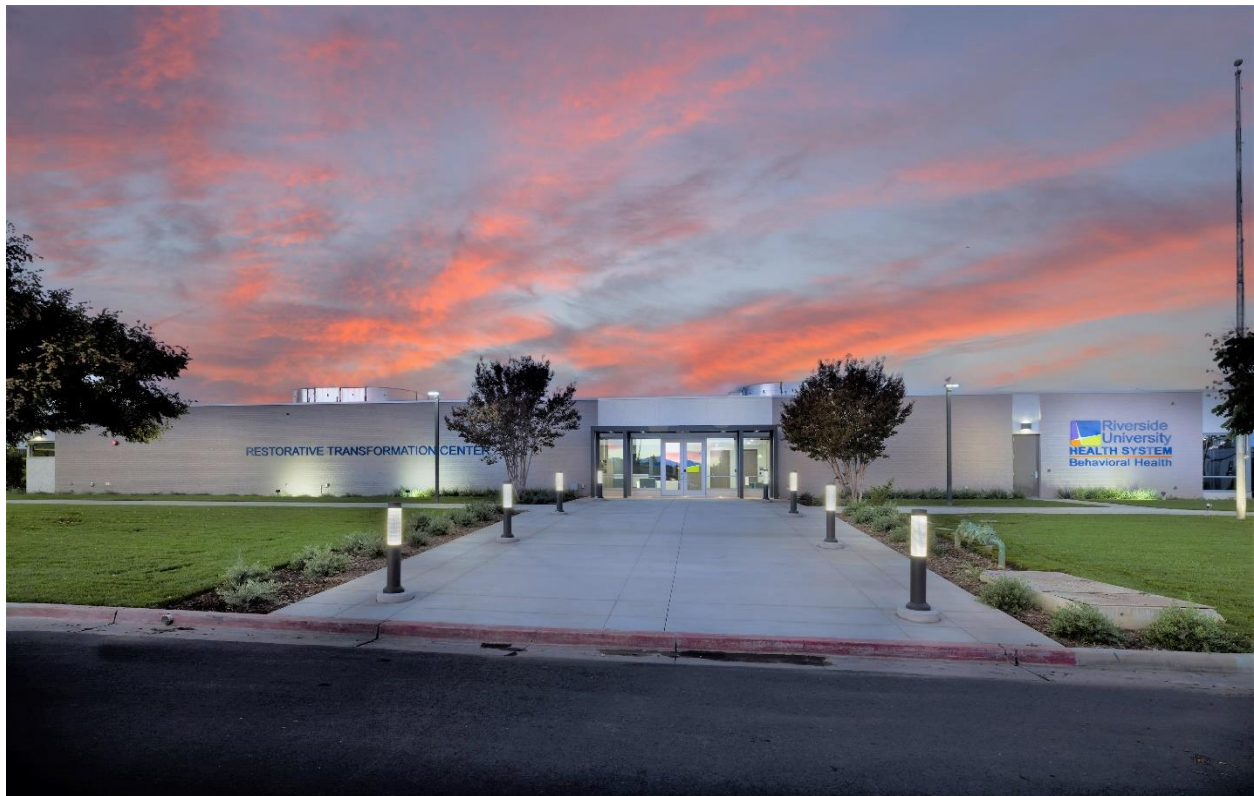
Photos courtesy of Santa Cruz County



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.

Although no grants were awarded in 2022, CHFFA disbursed approximately **\$11.5 million** to **five** counties in 2022.



Riverside County – Restorative Transformation Center

Photo courtesy of Riverside County



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. 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.

In 2022, CHFFA began holding several stakeholder meetings and working on developing guidelines, eligibility criteria, scoring criteria, and the application form. The Dental Program is expected to be open for applications in Summer 2023.