CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBank)
CONDUIT 501 (c)(3) REVENUE BOND FINANCING

STAFF REPORT[1]

EXECUTIVE SUMMARY			
Applicant:	Whittier Sustainable Energy Partners II, LLC (“Whittier” or “Borrower”)	**Par Amount Requested:**	Not to exceed $150,000,000.00
Applicant Description:	Whittier Sustainable Energy Partners II, LLC, an Arizona LLC, the sole member of which is Community Finance Corporation, an Arizona nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code. PIH Health will enter into a Concession Agreement with the Borrower, for an exclusive 30-year concession, so that the Borrower can make improvements and optimizations, supply PIH Health and its Affiliates with Thermal Energy to operate the Concession Campuses and provide Operation and Maintenance Services.		
Type of Financing:	Conduit Tax-Exempt and/or Taxable Fixed Rate Revenue Bonds (“Bonds”)		
Project Description:	The proceeds of the Bonds will be used to (1) pay or reimburse the costs of the acquisition, development, construction, improvement and equipping of certain energy related improvements, including but not limited to, upgrading and replacing central utility plant assets, installing solar arrays, replacing air handling units, upgrading building automation systems, implementing battery storage solutions, and making other infrastructure improvements at certain medical office buildings and related facilities owned and operated by PIH Health Inc., or certain affiliates of PIH Health Inc., located throughout California (the “Energy Assets”); (2) fund a portion of the interest payable on the Bonds; and (3) pay or reimburse certain costs in connection with the issuance of the Bonds (collectively, the “Project”).		
Potential Project Sites:	<u>**Los Angeles County**</u> Please visit Appendix B for the complete List.		
Plan of Finance:	IBank will lend the proceeds of the Bonds to the Borrower to finance the costs of the Project.		
Type of Issue:	Limited Public Offering		
Tax Status:	Tax-Exempt and/or Taxable		
Term:	Up to 40 years		
Credit Enhancement:	None		
Credit Rating:	Expected S&P Global Rating: A-		
IBank Fees[2]:	Application Fee $5,000; Issuance Fee $82,500; Initial Annual Fee $17,500		
STO Fee:	Agent For Sale $10,500 to be paid directly to STO.		

[1] The information concerning Whittier and the project to be financed with the proceeds of the Bonds has been provided by the Borrower. This Report has been prepared in connection with the approval of the Bonds by IBank, does not constitute a recommendation by IBank to purchase the Bonds and should not be used by potential purchasers in connection with any investment decision with respect to the Bonds. Potential purchasers of the Bonds are advised to read the entire Preliminary Official Statement relating to the Bonds to obtain information essential to the making of an informed investment decision.
[2] Issuance Fee and Initial Annual Fee are subject to change. Final Fees will be based on the par amount at Closing.

	2026A Bonds Tax-exempt	2026B Bonds Taxable	Total
Estimated Sources of Funds:			
Bonds Par	$60,675,000	$89,325,000	$150,000,000
Premium	$5,000,000	$0	$5,000,000
Total Sources	**$65,675,000**	**$89,325,000**	**$155,000,000**
Estimated Uses of Funds:			
Energy Projects	$60,000,000	$15,000,000	$75,000,000
Other Projects	$0	$70,000,000	$70,000,000
Suspense Account	$0	$250,000	$250,000
Capitalized Interest	$4,750,000	$0	$4,750,000
Costs of Issuance	$925,000	$4,075,000	$5,000,000
Total Uses	**$65,675,000**	**$89,325,000**	**$155,000,000**

Financing Team:

Bond Counsel:	Foley & Lardner LLP
Underwriter:	RBC Capital Markets LLC
Underwriter Counsel:	Norton Rose Fullbright US LLP
P3 Advisor:	Fifth Third Securities, Inc.
Operator Counsel:	Chapman and Cutler LLP
Trustee and Collateral Agent:	U.S. Bank Global Corporate Trust
IBank Outside Counsel:	Stradling Yocca Carlson & Rauth LLP

Public Benefits: PIH Health operates an integrated health care system that includes three acute care hospitals and an independent physician association. The System also operates urgent care centers, home health services, inpatient hospice facilities and outpatient hospice services.

Financing certain energy infrastructure improvements at the certain PIH medical offices, buildings and related facilities in 7 cities will support PIH Health in providing the capacity to continue providing healthcare services to their surrounding communities. The Project is expected to create approximately 250 construction jobs and 1 full-time permanent jobs to support the completion of the Project.

Date of Board Meeting:	Resolution Number:	Prepared by:
August 26, 2026	26-11	Dalibor Zivkovic

Staff Recommendation: Staff recommends approval of Resolution No. 26-11 authorizing the issuance of Conduit Tax-Exempt and/or Taxable Fixed Rate Revenue Bonds, in an aggregate amount not to exceed $150,000,000, for the benefit of Whittier Sustainable Energy Partners II, LLC.

BACKGROUND AND HISTORY

Whittier Sustainable Energy Partners II, LLC

The Borrower is Whittier Sustainable Energy Partners II, LLC, the sole member of which is Community Finance Corporation (CFC"), an Arizona nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code. Whittier is an Arizona limited liability company that was specially established for this transaction. Whittier is disregarded as an entity separate from CFC for federal income tax purposes. The specific projects being financed are located at PIH Health, Inc. ("PIH Health") healthcare facilities.

PIH Health is not the borrower and PIH Health or PIH's affiliates are not obligated on the Bonds. Whittier is not an affiliate of PIH and has no material operations or assets, other than its rights under Material Contracts, including Whittier's rights to operate the Energy Services Equipment, and to receive the payments from PIH under the Material Contracts.

PIH Health, Inc.

PIH Health was incorporated in 1981 and at the time included only PIH Health Whittier Hospital ("PHWH"). PIH Health added other hospitals, PIH Downey Community Hospital ("PHDH") and PIH Good Samaritan Hospital ("PHGSH"). PIH Health is the parent organization of PHDH, PHGSH and PIH Health Management Corp. ("PHMC")(collectively, the "System"), each of which is a California nonprofit public benefit corporation, organized as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code, as amended (the "Code"). PIH Health is the sole corporate member, sole shareholder, or attorney-in-fact, as applicable, of certain other affiliated nonprofit and for-profit corporations of PHWH, PHDH, PHGSH and PHMC. PHMC provides management support and certain financial services to PIH Health and the related hospitals. PIH Health provides centralized management services to its affiliates (collectively, the "Affiliates") and owns certain of the real property used by the Affiliates. The System also operates urgent care centers, home health services, inpatient hospice facilities and outpatient hospice services.

Whittier's Prior IBank Issued Debt

Table 1 displays the Whittier's current outstanding IBank issued Bonds. The Series 2024A and the Series 2024B Bonds were issued to finance certain energy related infrastructure improvements at certain PIH Health owned and operated hospitals and related facilities.

Table 1: Current Outstanding Bonds

Bonds	Debt Type	Issue Date	Issue Par Amount	Final Maturity	Current Outstanding Amount	Trustee
Series 2024A	Tax-exempt	12/19/2024	$141,375,000	12/1/2025	$141,375,000	U.S. Bank
Series 2024B	Taxable	12/16/2024	$45,430,000	12/1/2045	$45,430,000	U.S. Bank
		Total	**$186,805,000**		**$186,805,000**	

Current leadership is listed in Appendix A.

PROJECT DESCRIPTION

The Borrower is requesting that IBank issue conduit tax-exempt and/or taxable fixed rate revenue bonds to pay or reimburse the costs of the acquisition, development, construction, improvement and equipping of certain energy related improvements, including but not limited to, upgrading and replacing central utility plant assets, installing solar arrays, replacing air handling units, upgrading building automation systems, implementing battery storage solutions, and making other infrastructure improvements at certain medical office buildings and related facilities owned and operated by PIH Health, or certain of its affiliates.

The Borrower, PIH Health and ENFRA MCC, LLC, a Delaware Limited Liability company ("EMCC") will enter into Material Contracts in connection with the Project. Material Contracts includes a set of Contracts such as the Energy Services Agreement, the Design-Build Agreement, the Qualified Management Agreement, and the Guaranty Agreement that define the roles and responsibilities of the Borrower, PIH Health, EMCC and other related parties.

PIH Health and the Borrower will enter into an Energy Services Agreement dated as of the Closing Date (the "Energy Services Agreement"). Under the Energy Services Agreement, PIH Health is expected to grant an exclusive 30-year right and easements to the Borrower with respect to the Energy Assets. The Borrower will make improvements and optimizations, and supply PIH Health and its Affiliates with Thermal Energy to operate the Energy Services Campuses.

ENFRA MCC, LLC, a Delaware Limited Liability company ("EMCC") and EaaSyCorp, Inc. ("ESC") (a Delaware limited liability company) will be the Design-Builder team members. PIH Health, ESC, and EMCC entered into the Design-Build Agreement pursuant to which EMCC will complete all of the Energy Asset Improvements at the Energy Services Campuses with regards to the Energy Services Equipment to provide the Thermal Services (cooling, steam and conditioning services) under the Energy Services Agreement.

FINANCING STRUCTURE

IBank Term Sheet
Whittier Sustainable Energy Partners II, LLC
Board Meeting Date: 8/26/2026

Par Amount:	Not to exceed $150,000,000.00 in one or more tax-exempt and/or taxable series
Type of Offering:	Limited Public Offering
Underwriter:	RBC Capital Markets
Expected Credit Rating:	S&P: A-
Interest Rate:	Two series of the Bonds are expected, and each series is expected to bear interest at fixed rates, at a per annum interest rate of not to exceed 7.50% with respect to any tax-exempt bonds and not to exceed 9.50% with respect to any taxable bonds.
Maturity:	Not to exceed 40 years from the date of issuance
Expected Closing Date:	On or Prior to December 31, 2026
Conduit Transaction:	The Bonds are special, limited obligations payable solely from payments made by the Borrower under the Transaction Documents, and IBank shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of IBank for all or any portion of payment to be made pursuant to the Bonds.

Financing Structure

The Bonds are being issued pursuant to an Indenture of Trust. The Bonds will be sold pursuant to a Bond Purchase Agreement to RBC Capital Markets. The Bonds will be secured by and payable from payments made by the Borrower under the Loan Agreement. Neither PIH Health nor any affiliate of PIH Health is liable for the payment of the principal, premium, if any, or interest on the Bonds. The Bonds and the obligations of the Borrower under the Loan Agreement are not secured by a lien on or security interest in any assets or revenues of PIH Health or any affiliates of PIH Health.

The Bonds will be issued as fully registered Bonds in authorized denominations of $100,000 and any integral multiples of $5,000 in excess thereof. The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company of New York ("DTC"). The Bonds are only being offered to, and may only be purchased by an accredited investor ("AI"), as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended, or a qualified institutional buyer ("QIB"), as defined in Rule 144A under the Securities Act. Following the issuance of the Bonds, the Bonds may only be transferred to an AI or QIB as described in this paragraph.

The Bonds will be issued at a fixed rate and are expected to be designated as (PIH Health Energy Projects II), Series 2026A ("2026A Bonds")(Tax-Exempt)) and Series 2026B ("2026B Bonds")(Taxable) (collectively, the "2026 Bonds"). The 2026A Bonds will be subject to redemption prior to their stated maturity at redemption price equal to the principal amount, plus accrued interest, without premium. The Series 2026B Bonds will be subject to redemption prior to maturity at the Make-Whole Redemption Price applicable to these Taxable Bonds, together with the accrued interest to the date fixed for redemption.

Payments due on the 2026 Bonds are expected to be made from Monthly Energy Services Charges that the Borrower receives from PIH Health as payment for thermal energy under the Energy Services Agreement. The Bonds will be secured by the Trust Estate pursuant to the Indenture and secured by the Collateral, held by the Collateral Agent, U.S. Bank, National Association, pursuant to the Collateral Security Agreement.

No reserve fund will be established in connection with the issuance of the Bonds.

Limited Obligations of IBank

The Bonds are payable solely from and secured solely by the pledge of the Borrower's payments under the transaction documents. IBank; any of the members of its Board of Directors; any of its officers or employees; and any person executing the transaction documents on behalf of IBank shall not be personally liable for the Bonds or subject to any personal liability or accountability by reason of the execution thereof. The Bonds are limited obligations of IBank and are not a pledge of the faith and credit of IBank or the State of California or any of its political subdivisions.

PUBLIC BENEFITS

PIH Health operates an integrated health care system that includes three acute care hospitals and an independent physician association. The System also operates urgent care centers, home health services, inpatient hospice facilities and outpatient hospice services.

The specific projects being financed allow the Borrower to support PIH Health, as these projects will be at PIH Health's healthcare facilities. These projects will provide the capacity for PIH to continue providing healthcare services to their communities. The completion of the project will provide the necessary energy-related improvements to existing and new facilities, so PIH can continue and expand their operations.

The Project is expected to create approximately 250 construction jobs and 1 full-time permanent job to support the completion of the Project.

OTHER PROJECT DATA

PERMITS AND APPROVAL	
Required?	☒ **NO** ☐ **YES, Describe:**
TEFRA	
Date of TEFRA Publication:	August 17, 2026
Publications:	https://ibank.ca.gov/board/notices-of-public-hearing/
Date of TEFRA Hearing:	August 25, 2026
Oral/Written Comments:	☒ **NO** ☐ **YES, Explain: None as of the date this report was prepared.**
ELIGIBILITY REVIEW	
Applicant meets all of the IBank eligibility criteria? ☒ **YES** ☐ **NO**	1. Project is in the State of California. 2. The Borrower is capable of meeting the obligations incurred under relevant agreements. 3. Payments to be made by the Borrower to IBank under the proposed financing agreements are adequate to pay the current expenses of the IBank in connection with the financing and to make all the scheduled payments. 4. The proposed financing is appropriate for the Project.
INDUCEMENT CERTIFICATE	
Completed?	☐ **NO** ☐ **YES** ☒ **N/A** Certificate No.: Date:

RECOMMENDATION

Staff recommends approval of Resolution No. 26-11 authorizing the issuance of Conduit Tax-Exempt and/or Taxable Fixed Rate Revenue Bonds, in an aggregate amount not to exceed $150,000,000, for the benefit of Whittier Sustainable Energy Partners II, LLC.

APPENDIX A: GOVERNANCE AND MANAGEMENT

BOARD OF DIRECTORS	
Michael Hammond, President	Founder Cushman & Wakefield | PICOR Commercial Real Estate Services Tucson, AZ
Kathleen Perkins, Vice President	External Advisor EU, Photonics Tucson, AZ
Kendall Bert, Secretary	Regional Competitiveness (Retired) Tucson Regional Economic Opportunities Tucson, AZ
Michael Arnold, Treasurer	Director, Engineering Management Programs (Retired) University of Arizona Tucson, AZ
Ken Abrahams, Member, Trustee	Board Member, Former Chairman NexMetro Communities Tucson, AZ
OFFICERS	
Gary Molenda	CFC Designated Representative Community Finance Corporation

HEALTH SYSTEM OFFICERS	
James West	President and Chief Executive Officer PIH Health
Vid Shivaraman	Chief Financial Officer PIH Health
Peggy Chulack	Chief Administrative Officer PIH Health
Rosalio Lopez, MD	Senior Vice President, Chief Medical Officer, & Chief Strategy Officer PIH Health

APPENDIX B: POTENTIAL PROJECT SITES

Los Angeles County

1141, 11480 Brookshire Avenue, Downey, CA 90241
1850 S. Azusa Avenue, Hacienda Heights, CA 91745
12625, 12675 La Mirada Boulevard, La Mirada, CA 90638
15030 -15092 Imperial Highway, La Mirada, CA 90638
1245 Wilshire Boulevard, Los Angeles, CA 90017 (North Tower)
1245 Wilshire Boulevard, Los Angeles, CA 90017 (South Tower)
2205 W. Beverly Boulevard, Montebello, CA 90640
12400 Bloomfield Avenue, Santa Fe Springs, CA 90670
6557 Greenleaf Avenue, Whittier, CA 90601
7612 Greenleaf Avenue, Whittier, CA 90602
12462 Putnam Street, Whittier, CA 90602
12415, 12455 Washington Boulevard, Whittier, CA 90602
15725, 15733 E. Whittier Boulevard, CA 90603
10736 Valley View, Whittier, CA 90604
12291, 12393 Washington Boulevard, Whittier, CA 90606
12102 E. Washington Boulevard, Whittier, CA 90606
12522 Lambert Road, Whittier, CA 90606
12532 Lambert Road, Whittier, CA 90606
12471-12519 Washington Boulevard, Whittier, California 90602