



March 3, 2025

The Honorable Jaun Carrillo  
Chair, Assembly Local Government Committee  
1021 O St., Room 5610  
Sacramento, CA 95814

**RE: AB 533 (Flora) Health care districts: design build process— SPONSOR**

Dear Assemblymember Carrillo:

On behalf of the Association of California Healthcare Districts (ACHD), I am writing to convey our strong support and sponsorship of Assembly Bill 533, which would allow healthcare districts that own and operate a hospital or clinic to utilize the design build process for construction projects.

ACHD represents the 77 healthcare districts throughout California, in both urban and rural settings. The districts offer a variety of services aimed at improving community health including acute hospital care, public health services, ambulance services, primary care clinics, dental clinics, nutritional counseling, and long-term care/skilled nursing. In many instances, healthcare districts are the sole source of health care in the community, serving as an integral part of the safety net for the state's uninsured and underinsured.

In 2016, the legislature granted healthcare district that own clinics and hospitals the ability to utilize the design and construction process known as design build. Unfortunately, the authority sunset January 1, 2025. This leaves district hospitals and clinics that require this authority to leverage financing without the ability to do so. Specifically, AB 533 would explicitly allow a qualifying healthcare districts to use the design-build process for hospital and health facility construction projects.

The design-build process allows a single entity to be responsible for both the design and construction phases of a project, streamlining the process and reducing costs. Hospitals and clinics operated by healthcare districts utilize USDA or other federal financing mechanisms. In order to secure this financing, the district requires a firm number on cost up-front, a feature of design-build that distinguishes it from its other public contracting and construction counter parts. In addition, the design build method requires that the cost be maintained through the process, ensuring that our public projects come in at budget.

AB 533 is critically important to ensure that healthcare districts can continue to meet their state mandates and build and maintain quality health care infrastructure for the communities they serve. For these reasons, ACHD strongly supports this bill and respectfully requests your "AYE" vote. Please don't hesitate to contact me at (916) 266-5204 or [sarah.bridge@achd.org](mailto:sarah.bridge@achd.org) if I can be of additional assistance.

Sincerely,

Sarah Bridge  
VP, Advocacy & Strategy

cc: All members, Assembly Local Government Committee  
Angela Mapp, Principal Consultant, Assembly Local Government Committee  
William Weber, Consultant, Senate Republican Caucus