

CALIFORNIA HEALTH FACILITIES
FINANCING AUTHORITY

Children's Hospital Program of 2018

Grant Application for Children's Hospitals

GENERAL OBLIGATION BOND
FINANCING FOR PUBLIC AND
PRIVATE CALIFORNIA CHILDREN'S
HOSPITALS

915 Capitol Mall, Room 435
Sacramento, California 95814
Phone: (916) 653-2799
Fax: (916) 654-5362

**The Children’s Hospital Program of 2018
Application Submission Instructions**

Children’s Hospitals shall submit Applications for Grant funds to the California Health Facilities Financing Authority. An original and one copy of the Application and all required forms are to be provided in separate binders and tabbed as specified below.

TAB 1. Application

1. Completed pages 1-7 of the Application and Attachment A.
2. Any third-party data or other information requested in the appropriate Application sections.

TAB 2. Financial Information

Most Recent Audited Financial Statements. (California Code of Regulations (CCR), Title 4, Section 7005, subdivision (a)(1))

TAB 3 Organization Information

1. A copy of the current general acute care hospital license issued by the California Department of Public Health or a copy of the current general acute care hospital license of the California nonprofit corporation of which the Applicant is an operating entity. (CCR, Title 4, Section 7005, subdivision (a)(2)(B))
2. If the Applicant is a Non University of California Children’s Hospital, submit both of the following:
 - (a) A copy of the Applicant’s 501(c)(3) determination letter from the Internal Revenue Service (IRS) and a copy of either the tax-exemption letter or a letter from the California Franchise Tax Board (FTB) verifying that the Applicant is in good standing. For Applicants that are operating entities of a California nonprofit corporation, both the IRS and FTB letters are required for the parent corporation. (CCR, Title 4, Section 7005, subdivision (a)(2)(A)(i))
 - (b) A copy of the Applicant’s Articles of Incorporation and Bylaws. Applicants that are operating entities of a California nonprofit corporation, the Articles of Incorporation and Bylaws are required for the parent corporation. (CCR, Title 4, Section 7005, subdivision (a)(2)(A)(ii))

TAB 4 Legal Information

Legal Status Questionnaire - Attachment B of the Application.

TAB 5 Certification

The Agreement and Certification - Attachment C of the Application.
(Attachment D if applicable)

The Children's Hospital Program of 2018
Grant Application for Children's Hospitals



Please type all responses. Incomplete or illegible Applications will not be considered.

A. Summary Information

Date of Application: _____
Total CHFFA Grant Amount Requested: _____
Designated Lead Grantee Children's Hospital Legal Name: _____

Federal Tax ID#: _____
Street Address: _____
City, State, Zip: _____
County: _____
Address of Project (if different from above) _____

County: _____
Contact Person: _____ **Title:** _____
Phone: _____ **Fax:** _____
E-mail Address: _____

Lead Grantee Requested Amount: \$ _____

Children's Hospitals Applying Jointly*(if applicable)

Additional Children's Hospital Legal Name: _____

Federal Tax ID#: _____
Street Address: _____
City, State, Zip: _____
County: _____
Contact Person: _____ **Title:** _____
Phone: _____ **Fax:** _____
E-mail Address: _____

Requested Amount: \$ _____

*If additional Children's Hospitals are applying jointly, please include additional contact information and Attachments B and D for each additional Children's Hospital.

NOTE: For the first Funding Round only, eligible University of California Children's Hospitals are limited to \$54 million in grant funding less Cost of Issuance and Administrative Costs. Eligible Non University of California Children's Hospitals are limited to \$135 million in grant funding less Cost of Issuance and Administrative Costs.

<Authority Use Only>

Date Received: (stamp below) Allocation Meeting Date: _____

Resolution Number: _____

B. Children’s Hospital and Project Eligibility

Name of Children’s Hospital: _____

1. Is your facility:

- A University of California general acute care hospital described as:
 - University of California Davis, Children’s Hospital.
 - Mattel Children’s Hospital at University of California, Los Angeles.
 - University Children’s Hospital at University of California, Irvine.
 - University of California, San Francisco Children’s Hospital.
 - University of California, San Diego Children’s Hospital.

OR

- A general acute care hospital that is, or is an operating entity of, a California nonprofit corporation that received a grant or grants pursuant to Part 6 (Children’s Hospital Bond Act of 2004) or Part 6.1 (Children’s Hospital Bond Act of 2008) of Division 1 of the Health and Safety Code that provides comprehensive pediatric services to a high volume of children eligible for governmental programs and to children with special health care needs eligible for the California Children’s Services program.

If the organization is not one of the above, the organization is ineligible to apply as a Children’s Hospital as defined in the Children’s Hospital Program of 2018 regulations.

- | | Yes | No |
|--|--------------------------|--------------------------|
| 2. If the Children’s Hospital is not a University of California Children’s Hospital, is the Children’s Hospital, or the California nonprofit corporation of which the Children’s Hospital is an operating entity, a non-profit 501(c)(3) corporation, for purposes of federal and state tax law? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is the Children’s Hospital, or the California nonprofit corporation of which the Children’s Hospital is an operating entity, currently licensed by the California Department of Public Health as a general acute care hospital? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are the Most Recent Audited Financial Statements of the Children’s Hospital or the California nonprofit corporation of which the Children’s Hospital is an operating entity, free of Going Concern Qualification language? | <input type="checkbox"/> | <input type="checkbox"/> |

NOTE: If Children’s Hospitals Applying Jointly, please fill out items 1, 2, 3, and 4 for each Children’s Hospital.

- | | Yes | No |
|--|--------------------------|--------------------------|
| <p>5. Is the Project an eligible Project? An eligible Project is limited to:</p> <p style="margin-left: 40px;">Constructing, expanding, remodeling, renovating, furnishing, equipping, financing, or refinancing capital assets, as defined in Section 16727(a) of the Government Code, of a children’s hospital facility. This may include reimbursement for the costs of constructing, expanding, remodeling, renovating, furnishing, equipping, financing, or refinancing of a children’s hospital when such costs are incurred after January 1, 2018. Costs of Issuance for any financing or refinancing of a Project are not eligible Project costs.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>6. If the Children’s Hospital proposes to use Grant funds for the acquisition of real property, does the Children’s Hospital have either (i) a valid, current and enforceable contingent purchase and sale agreement between the Children’s Hospital or the California nonprofit corporation of which the Children’s Hospital is an operating entity and the owner of the property; or (ii) an option agreement between the Children’s Hospital or the California nonprofit corporation of which the Children’s Hospital is an operating entity and the owner of the property? The Children’s Hospital shall provide evidence of any executed extensions, if applicable, to keep the contingent purchase and sale agreement or the option agreement current through the Final Allocation.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>7. If the Children’s Hospital proposes to use Grant funds for a Project other than equipment acquisition, can the Children’s Hospital provide evidence that either:</p> <ul style="list-style-type: none"> • The Children’s Hospital or the California nonprofit corporation of which the Children’s Hospital is an operating entity owns the property, OR • The Children’s Hospital or the California nonprofit corporation of which the Children’s Hospital is an operating entity is a lessee under a lease agreement that satisfies Section 7014 of the Children’s Hospital Program of 2018 regulations. | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>8. If the Children’s Hospital proposes to use Grant funds for a Project that includes the acquisition of real property and/or architect, design, and/or engineering fees, can the Children’s Hospital provide the Authority documentation that confirms that the Project itself or the Project as a component of a larger project will ultimately benefit the health and welfare of California’s critically ill children?</p> | <input type="checkbox"/> | <input type="checkbox"/> |

If the Children’s Hospital answered “No” to any applicable question above, the Children’s Hospital is not eligible to receive a grant.

C. Project Description

- (a) Describe the Project and explain:
 - 1. How well the Project contributes to both of the following:
 - A. Expansion of Health Care Access or Improvement of Health Care Access by children eligible for Governmental Health Insurance Programs and Indigent, Underserved, and Uninsured children.
 - B. Improvement of Child Health Care or Improvement of Pediatric Patient Outcomes.
 - 2. How well the Children's Hospital does any or all of the following:
 - A. Provides Uncompensated Care or Undercompensated Care to Indigent or public pediatric patients.
 - B. Provides services to Vulnerable Pediatric Populations.
 - C. Promotes Pediatric Teaching Programs or Pediatric Research Programs.
- (b) To ensure that the tax-exempt status of the General Obligation bonds funding this Project conforms to all applicable bond law, please answer the following:
 - 1. Was any portion of the Project to be refinanced with the Grant originally funded with the proceeds of a tax-exempt financing? If yes, please describe the tax-exempt financing.
 - 2. If a University of California Children's Hospital is requesting Grant funds to refinance Projects that have already been completed, when were the Project expenditures incurred?
 - 3. For Children's Hospitals Applying Jointly, include a statement of the benefits to each Children's Hospital identified in the Application.

D. Project Readiness and Feasibility

1. All Children's Hospitals shall provide a Project timeline, which:
 - A. Describes expected Project start and completion dates (e.g. construction completion date(s) and/or equipment installation date(s)).
 - B. Describes any potential challenges anticipated in implementing the Project and how these challenges will be managed to ensure timely completion.
2. All Children's Hospitals shall identify and provide supporting documentation as described for the following types of Projects and funding sources:
 - A. For all Projects with the exception of equipment acquisition Projects, Children's Hospital shall submit estimates of Project costs and evidence of property ownership or, if the property is leased to a Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity, a copy of a lease agreement that satisfies the requirements of Section 7014. The Children's Hospital shall also provide building permits and/or executed architect, design, engineering, and construction contracts, if available. When applicable, the Children's Hospital shall submit evidence that it is in compliance with CEQA.
 - B. A Children's Hospital with a Project that does not yet have building permits, and/or executed architect, design, engineering, and construction contracts, but is actively in the process of obtaining these items shall provide a detailed statement that explains the status of obtaining the missing items.
 - C. For Projects that include the acquisition of real property, the Children's Hospital shall submit a copy of an executed purchase and sale agreement or status of obtaining one or other evidence of site control to the Authority and a timeline that specifies when the entire Project will be complete.
 - D. For equipment acquisition Projects, the Children's Hospital shall submit a specific list of items and cost estimates of equipment (or copies of purchase orders and invoices), and if applicable, cost estimates of installation of such equipment.
 - E. If funding sources other than the Grant are required to complete the Project, the Children's Hospital shall provide proof of the other funding sources, including but not limited to, commitment letters and board approved capital campaign plans. Such documentation shall be in accordance with the Project timeline and budget.

3. The sources and uses of funds.
 - A. Applicant shall submit the budget for the proposed Project including all sources and uses of funds including completion of Attachment A, Sources and Uses of Funds. If other sources of funds will be used to complete the Project, the Applicant shall submit copies, if available, of written confirmation of these funding sources, including but not limited to bank and grant commitment letters. If documentation for other sources of funds has been provided for Section D (2)(E), Applicant does not need to provide additional copies.
 - B. The Applicant shall itemize what portion of the total funds available will be used for each specific portion of the proposed Project. In some instances, funds from sources other than the requested Grant may be used for portions of the proposed Project that would otherwise be ineligible for the Grant. The Applicant shall describe how the Grant funds as well as other grants, loans, or internal funds will be used. Authority staff must be able to determine that the entire Grant will be used for eligible portions of the proposed Project.
 - C. If the proposed Project will benefit both pediatric and non-pediatric patients, the Applicant shall provide: (i) proportionate share use, (ii) methodology employed, and (iii) documentation to demonstrate the methodology employed to determine the proportionate share use for pediatric patients. Examples: The expansion of capacity for pediatric and non-pediatric patients may include the total square footage being added and the allocation of this space to pediatric vs. non-pediatric patients; the methodology for determining proportionate share for a piece of equipment may be based on historical data as to the numbers of pediatric vs. non-pediatric patient usage over a specified period of time.
4. All Children's Hospitals shall demonstrate the feasibility of the Project to generate sufficient revenues to support on-going operation of new or expanded services and/or research programs through one of the following: (i) a third-party feasibility study (including but not limited to the scope of the services to be provided with the new Project, financing plan of the Project, forecasted revenues and expenses of the Project operations, market share/service area demand analysis and observations on market positioning); or (ii) funding letters or other documentation. If revenues generated by the Project will be insufficient to support the on-going operation of new or expanded services and/or research programs the Applicant's revenues shall be sufficient to support the on-going operation.

E. Financial Capacity

As part of its due diligence review, the Authority staff will review the Most Recent Audited Financial Statements of the Applicant, Children's Hospitals Applying Jointly, or the California nonprofit corporation of which the Applicant is an operating entity to ensure there is no Going Concern Qualification language.

F. Application Submission

Applications are due the first business day of each month, except October and November, and will be presented to the Authority the following month. For the month of October, Applications are due on October 7. Applications received on October 7 will be presented for Authority consideration at a regularly scheduled meeting in December or January. Applications are not accepted in November.

Applications shall be submitted in duplicate to the Authority. Each Children's Hospital may apply more than once. Submit completed Application by mail or in-person to:

California Health Facilities Financing Authority
Children's Hospital Program
915 Capitol Mall, Room 435
Sacramento, CA 95814

Sources and Uses of Funds*

Sources of Funds:

Total CHFFA Grant Amount Requested	\$ _____
Children’s Hospital Internal Funds	\$ _____
Other (bank loans, grants, etc.):	
_____	\$ _____
_____	\$ _____
_____	\$ _____
 Total Sources	 \$ _____

Uses of Funds:

Construct/expand facilities	\$ _____
Acquire facilities	\$ _____
Remodel/renovate	\$ _____
Purchase equipment/furnishings	\$ _____
 Other (list):	
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
 Total Uses	 \$ _____

*Total Sources must equal Total Uses. In no case can a Grant award exceed the total cost of the Project.

LEGAL STATUS QUESTIONNAIRE

1. Financial Viability

Disclose any legal or regulatory action or investigation that may have a material impact on the financial viability of the Project or the Applicant. The disclosure should be limited to actions or investigations in which the Applicant or the Applicant's parent, subsidiary, or affiliate involved in the management, operation, or development of the Project has been named a party.

Response:

2. Fraud, Corruption, or Serious Harm

Disclose any legal or regulatory action or investigation involving fraud or corruption, matters related to employment conditions (including, but not limited to wage claims, discrimination, or harassment), or matters involving health and safety where there are allegations of serious harm to employees, the public or the environment. The disclosure should be limited to actions or investigations in which the Applicant or the Applicant's current board member (except for volunteer board members of non-profit entities), partner, limited liability corporation member, senior officer, or senior management personnel has been named a defendant within the past ten years.

Response:

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charges, complaint or filing, and the outcome.

NOTE: If Children's Hospitals Applying Jointly, please fill out Legal Status Questionnaire for each Children's Hospital.

AGREEMENT AND CERTIFICATION
For Designated Lead Grantee

The Chief Executive Officer, Chief Financial Officer or other authorized officer of the Children’s Hospital on behalf of the Children’s Hospital shall agree and certify to the following terms and conditions:

1. The information contained in the Application and attachments is true and correct to the best of its knowledge and belief and understands that any misrepresentation may result in the cancellation of a Grant and other actions permitted by law and the Grant Agreement.
2. Children’s Hospital may be required to return all or a portion of the Grant including any unused interest earnings if the Children’s Hospital fails to complete the Project as approved. In cases where the Grant will fund architect, design, or engineering fees or land acquisition costs as part of an approved Project, the Children’s Hospital may be required to return all Grant funds and any unused interest earnings if the Authority cannot determine that the associated larger Project has been completed, based on timelines provided within the Application.
3. Grant funds will only be used for the Project described in the Application unless a change in the Project is approved in writing by the Authority.
4. The Project and financial records of the Children’s Hospital’s Project are subject to audit and inspection by the Authority and the California State Auditor.
5. Children’s Hospital has disclosed all information requested by the Legal Status Questionnaire.
6. Children’s Hospital will notify the Authority in writing at the time of Project completion with evidence of completion included.
7. Children’s Hospital will provide all documents and information required by law and will meet all necessary requirements prior to the release of the Grant.
8. If Children’s Hospital is a party to a Children’s Hospital Applying Jointly Application, Children’s Hospital accepts designation as Lead Grantee.

Name of Designated Lead Grantee Children’s Hospital

By (Print Name)

Signature

Title

Date

AGREEMENT AND CERTIFICATION
For Children's Hospitals other than Designated Lead Grantee

The Chief Executive Officer, Chief Financial Officer or other authorized officer of the Co-Children's Hospital on behalf of the Co-Children's Hospital shall agree and certify to the following terms and conditions:

1. The information contained in the Application and attachments is true and correct to the best of its knowledge and belief and understands that any misrepresentation may result in the cancellation of a Grant and other actions permitted by law and the Grant Agreement.

2. Children's Hospital has disclosed all information requested by the Legal Status Questionnaire.

3. The Children's Hospital designates the Children's Hospital identified on Attachment C as Lead Grantee.

Name of Children's Hospital

By (Print Name)

Signature

Title

Date

NOTE: Each Additional Children's Hospital other than Designated Lead Grantee shall fill out Attachment D.