

California Health Facilities Financing Authority

Community Clinic Grant Program of 2005 (CCGP)

Documentation Deadline Extension and Change in Use Request

Staff Summary

Resolution No. 2008-35

October 30, 2008

PURPOSE OF REQUEST:

Clinicas del Camino Real, Inc. (“Clinicas”) is an awardee of the CCGP and had an obligation to submit grant documentation to the Authority by June 4, 2007, as a condition for the funding of its grant . Clinicas respectfully requests the Authority to: (1) extend the documentation deadline to December 1, 2008, and (2) authorize the use of the \$375,000 grant, initially approved for Clinicas del Camino Real, in Moorpark, to fund a newer but substantially similar project located at Clinicas del Camino Real, in Newbury Park.

BACKGROUND:

On May 25, 2006, the Authority approved Resolution No. 2006-06, which awarded a total of \$40.1 million in grants to 146 California community clinics under the CCGP. The funds were to be used for capital improvement projects such as construction, remodeling, facility acquisitions, equipment purchases and information technology expenditures. Clinicas was approved on June 2, 2006, to receive \$375,000 to assist with the construction of a new facility located in Moorpark.

Grantees are required to submit certain documentation within 12 months of the date of the final allocation per Section 7093 (b) of the regulations. The final allocation is defined in Section 7075 (n) as “the amount of funds awarded to an applicant by the Authority.” Since the Authority notified Clinicas of its award via an award letter addressed to Clinicas and dated June 2, 2006, a documentation deadline date of June 4, 2007, was then established.

Section 7093 (b) of the regulations states in pertinent part: “Grantees who do not meet the documentation deadline will forfeit their grant, except in cases where the recipient demonstrates, to the satisfaction of the Authority, extraordinary circumstances that prevent the recipient from meeting this requirement.” Additionally, the Authority may, on a case-by-case basis, consider a change in the use of the grant if the grantee demonstrates to the satisfactory of the Authority that the change is consistent with the community clinic grant program pursuant to Section 7091 of the regulations.

ISSUES:

The two issues staff reviewed are: (1) whether Clinicas has sufficiently demonstrated extraordinary circumstances meriting the extension of the documentation deadline and (2) whether Clinicas has demonstrated their proposed change in use of funds is consistent

with the Authority's community clinic grant program. Staff has reviewed multiple justifications provided by Clinicas on both points and has concluded Clinicas has indeed satisfied these requirements.

The paragraphs below provide the circumstances upon which staff bases its conclusions:

1. Clinicas experienced several unexpected delays related to construction of their Moorpark project, including extended time needed for the preparation of building plans, delays in the application process for obtaining building permits, and weakened support from the city of Moorpark.
2. Clinicas decided to focus their efforts on the project in Newbury Park (located near the proposed Moorpark facility) when the opportunity presented itself and was able to implement a nearly identical project, which will serve a nearly identical population of patients as originally contemplated for the Moorpark facility.

STAFF RECOMMENDATION: Staff recommends the Authority approve Clinicas requests for an extension of the documentation deadline to December 1, 2008, as well as for the change in the use of the grant award for its Newbury Park project.