

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

Children's Hospital Program of 2018 (Proposition 4)

First Amendment to Resolution Number CHP-4E 2020-12

Community Regional Medical Center

September 26, 2024

PURPOSE OF THE REQUEST:

Community Regional Medical Center (CRMC) is requesting the Authority approve an amendment to Resolution Number CHP-4E 2020-12 to extend the grant period end date and resolution expiration date for its Children's Hospital Program of 2018 (Health & Safety Code, §1179.81 et seq.) (CHP) project.

ISSUE:

CRMC will not be able to submit all disbursement documentation and be disbursed all their grant funds by the grant period end date and resolution expiration date of September 30, 2024. CRMC has \$501,592.33 remaining undisbursed from its grant award and has notified Authority staff of its intention to request these funds. Per section 5.3 of the grant agreement, all grant disbursements shall be disbursed within the grant period.

CRMC experienced significant delays in its renovation and equipment purchasing schedule. They have requested extensions in the past due to nationwide supply chain shortages and increased delivery times. Additionally, CRMC assigned a new point-of-contact for their third disbursement request, resulting in more time needed to train the new contact on CHP requirements and for Authority staff to provide feedback on the submission. The supply chain shortages and training lengthened the project period and delayed the disbursement process. Despite delays, all Neonatal Intensive Care Unit (NICU) and Pediatric Intensive Care Unit (PICU) equipment was placed in service by September 2022; construction of the pediatric Post Anesthesia Care Unit (PACU) was completed in January 2022; and renovation and expansion of the Pediatric Outpatient Clinic was completed in May 2024. Patients are being seen in both the pediatric PACU and Pediatric Outpatient Clinic.

CRMC has requested a nine-month extension to their grant period and resolution end date from September 30, 2024 to June 30, 2025. The additional requested time will allow CRMC to finish compiling their disbursement documentation related to the Pediatric Outpatient Clinic. The extension will also ensure Authority staff can do a thorough and proper review of all documentation since the Authority's grants unit is processing a large volume of disbursement requests, and the unit is currently short staffed. CRMC and Authority staff anticipate a final grant disbursement well before the end of the requested grant period end date and resolution expiration date.

BACKGROUND:

On December 3, 2020, the Authority approved a final allocation in the amount of \$14,977,315.00 to fund the costs of renovating, furnishing, and equipping space to create a designated PACU and expand the Pediatric Outpatient Clinic as well as to purchase various patient care equipment for the NICU and PICU.

On October 24, 2022, CRMC received a disbursement of \$6,922,667.07 in grant funds.

On July 10, 2023, CRMC received an extension of the grant period end date from September 30, 2023 to August 31, 2024 due to continued nationwide supply chain delays.

On November 21, 2023, CRMC received a second disbursement of \$3,233,628.12 in grant funds.

On August 9, 2024, CRMC received a second extension of their grant period end date from August 31, 2024 to September 30, 2024, the resolution expiration date, to account for delays in the processing of CRMC's third disbursement request, which has been scheduled to be wired on September 25, 2024 in the amount of \$4,158,421.34, leaving \$501,592.33 to disburse.

RECOMMENDATION:

Staff recommends the Authority approve an amendment to Resolution Number CHP-4E 2020-12 to extend the grant period end date and resolution expiration date from September 30, 2024 to June 30, 2025.

All other conditions in the Resolution shall remain the same and in full effect.

FIRST AMENDMENT TO RESOLUTION NO. CHP-4E 2020-12

**RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
EXECUTION AND DELIVERY OF GRANT FUNDING
UNDER THE CHILDREN’S HOSPITAL PROGRAM OF 2018
TO COMMUNITY REGIONAL MEDICAL CENTER**

WHEREAS, the California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Children’s Hospital Bond Act of 2018 (Pt. 6.3 (commencing with Section 1179.81), Div. 1, Health and Safety Code; hereafter the “Act”) and implementing regulations to award grants from the proceeds of general obligation bonds in an amount not to exceed \$15,000,000.00, less the bond issuance and administrative costs, to Community Regional Medical Center (the “Grantee”) to finance eligible projects; and

WHEREAS, Authority staff reviewed the Grantee’s application against the eligibility requirements of the Act and implementing regulations and, pursuant to the Act and implementing regulations, recommends approval of a grant in an amount not to exceed \$14,977,315.00, less bond issuance and administrative costs, to the Grantee for the eligible project (“Project”) described in the application;

NOW THEREFORE BE IT RESOLVED by the California Health Facilities Financing Authority, as follows:

Section 1. The Authority hereby approves a grant of \$14,977,315.00, less bond issuance and administrative costs, to the Grantee to complete the Project as described in the Children’s Hospital Program Application and Exhibit A to this Resolution (Exhibit A is hereby incorporated by reference) within a grant period that ends on ~~September 30, 2023~~ June 30, 2025.

Section 2. The Executive Director and the Deputy Executive Director are hereby authorized, for and on behalf of the Authority, to approve any minor, non-material changes in the Project described in the application submitted to the Authority and extend the grant period completion date identified in Section 1 as authorized under the Act and implementing regulations. However, any extension approved by the Executive Director and the Deputy Executive Director shall not surpass the grant resolution expiration date. Nothing in this Resolution shall be construed to require the Authority to provide any additional funding. Any notice to the Grantee shall indicate that the Authority shall not be liable to the Grantee in any manner whatsoever should such funding not be completed for any reason whatsoever.

Section 3. The Executive Director and the Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to draw money from the Act Fund not to exceed those amounts approved by the Authority for the Grantee. The Executive Director and the Deputy Executive Director are further authorized and directed, for and on behalf of the Authority, to execute and deliver to the Grantee any and all documents necessary to complete the transfer of funds that are consistent with the Act and implementing regulations.

Section 4. The Executive Director and the Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to do any and all things and to execute and deliver any and all documents, which the Executive Director and the Deputy Executive Director deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 5. This Resolution expires ~~September 30, 2024~~ June 30, 2025.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by Community Regional Medical Center to fund the costs of renovating, furnishing, and equipping the pediatric Post Anesthesia Care Unit and the Pediatric Outpatient Clinic. Grant proceeds will also be used to purchase various patient care equipment for the Neonatal Intensive Care Unit and the Pediatric Intensive Care Unit.