

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Cedillo-Alarcón Community Clinic Investment Act of 2000 Executive Summary

October 30, 2003

Background: Effective January 1, 2001, the California Health Facilities Financing Authority was authorized to administer the Cedillo-Alarcón Community Clinic Investment Act of 2000 (Act). The Act provided \$50 million in available grant funds to community clinics for purposes of capital projects. The Authority initially approved 225 grant requests in an amount totaling \$42,244,065. Since a portion of the \$50 million appropriation remained, the Authority authorized a second round of funding and approved 105 grant requests in an amount totaling \$8,580,217. An additional \$1,530,724 was later approved for waiting list applicants, resulting in total approved projects of \$52,355,006.

Funds Available for Reallocation: As of September 30, 2003, \$1,742,900 in grant allocations had been forfeited from fourteen clinics that could not meet the requirements for release of all or a portion of the funds. Staff contacted the clinics to determine the current status of projects that were previously approved. Of the fourteen clinics contacted, seven are still moving forward with the projects and could now meet the program's regulations. The seven clinics were previously approved for \$1,144,610 with \$593,540 forfeited. Staff has reviewed these updated projects and recommends that the Authority fund the seven clinics in an amount totaling \$540,289. Clinics that are receiving an allocation at this meeting will have six months to provide sufficient documentation for fund release.

Current Status of Grant Program: If the reallocation is approved, a total of \$51,152,395 will have been allocated to 301 community clinics throughout the state and the Authority will have approved at least partial funding for every eligible applicant under the program. The staff will continue to monitor projects for compliance and perform site visits to various clinics to verify project completion.

A report on the Cedillo-Alarcón Community Investment Act of 2000 is due to the Joint Legislative Budget Committee when all grant funds have been disbursed and all recipients have certified completion of projects. Staff will prepare a draft of that report for the Authority's approval early next year. However, even though more than \$50 million in grants have been disbursed, there will be some funds remaining because of interest earnings from investments. Staff will prepare an analysis of optional uses and a recommendation to the Authority prior to submission of the draft report.

Staff Recommendation: Staff recommends the Authority approve grant reallocations to the applicants detailed as Exhibit A.

List of Proposed Reallocation Awards

<u>Applicant/Facility Name</u>	<u>Project City</u>	<u>Forfeited Amount</u>	<u>Proposed Reallocation</u>	<u>Page</u>
Inland Behavioral and Health Services, Inc. -				
IBS Community Health Care Clinic	San Bernardino	\$250,000	\$250,000	A-2
La Clinica de la Raza - Fruitvale Health Project, Inc.				
San Antonio Neighborhood	Oakland	\$22,810	\$22,810 *	A-3
Neighborhood Healthcare (formerly East County Health Services)				
La Mesa Community Health Services	Lemon Grove	\$100,000	\$100,000 **	A-4
Santa Barbara Neighborhood Clinics				
Carrillo Community Medical Clinic, Inc.	Santa Barbara	\$ 18,090	\$ 18,090	A-5
Isla Vista Health Project	Goleta	\$100,570	\$ 70,819	A-6
Westside Neighborhood Medical Clinic of Santa Barbara, Inc.	Santa Barbara	<u>\$ 37,070</u> \$155,730	<u>\$ 13,570</u> \$102,479	A-7
Tarzana Treatment Centers, Inc.				
Tarzana Treatment Center Family Medical Clinic Lancaster	Lancaster	\$65,000	\$65,000	A-8
	Total:	<u>\$593,540</u>	<u>\$540,289</u>	

* Reallocation will be applied to La Clinica de la Raza - Fruitvale Health Project, Inc. – Transit Village

** Reallocation will be applied to Neighborhood Healthcare – Mountain Valleys

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
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STAFF SUMMARY

Name: Inland Behavioral and Health Services, Inc.
D.B.A. IBS Community Health Care Clinic
Address: 1932 North E Street
San Bernardino, CA 92405
County: San Bernardino

Original Project Description:

Grant funds were to be used to purchase and remodel an existing building to expand services.

Current Status:

Inland Behavioral and Health Services, Inc. (IBHS) was unable to purchase the existing building as proposed in the original grant. IBHS has now purchased the land to build a new clinic. Grant proceeds will be used to pay for the land once IBHS has secured other funding. IBHS has been in the process of obtaining bond financing through CSCDA and insured by Cal Mortgage. In addition, IBHS is awaiting approval of an additional grant award from the Department of Commerce, Economic Development Agency (EDA) to build two clinics in San Bernardino and Banning. Phase one of the project will begin November 1, 2003. Management anticipates the completion of phase one by August 31, 2004. The EDA grant will be used to fund the final two phases of the project.

Reallocation of proposed grant award:	\$250,000
Purchase land	\$ 455,000
Building Construction	4,453,160
Internal Funds	(388,160)
CSCDA Bond Financing	<u>(4,270,000)</u>
Total	\$ 250,000

Legal Review:

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

Contingencies of Funding:

- Secured other funding sources.
- 2003 Audited Financials.

* *The Authority may require additional information for your specific project prior to fund disbursement. In addition, the Authority will require certain additional information once funds have been appropriated.*

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
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STAFF SUMMARY

Name: La Clinica de la Raza – Fruitvale Health Project, Inc.
D.B.A. San Antonio Neighborhood
Address: 1030 International Blvd.
Oakland, CA 94606
County: Alameda

Original Project Description:

The original grant award was for \$22,810. The proposed project was to convert two administrative rooms to exam rooms and purchase medical equipment. The project did not go forward because La Clinica decided there was not enough space to relocate the administrative staff that occupied those offices. Since funds remain from the clinic grant program, CHFFA contacted the facility and the clinic would now like to use previously forfeited funds at the new Transit Village site for dental equipment.

Current Status:

La Clinica de la Raza – San Antonio Neighborhood would like to transfer the funds to the La Clinica de la Raza – Transit Village to purchase dental equipment for the new dental clinic. Since the San Antonio Neighborhood location does not offer dental services, the Transit Village will service those patients. La Clinica has submitted the list of dental equipment to be purchased.

Proposed Reallocation Grant Award:	\$22,810
Purchase Equipment	\$22,810

Legal Review:

The Staff has reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

Contingencies of Funding:

- 2003 Audited Financials.
- Copy of current license from Department of Health Services.

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CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
Cedillo-Alarcón Community Clinic Investment Act of 2000
STAFF SUMMARY

Name: Neighborhood Healthcare (formerly: East County Health Services)
D.B.A. La Mesa Community Health Services
Address: 7339 El Cajon Blvd., Ste. 1
 La Mesa, CA 91941
County: San Diego

Original Project Description:

To acquire a building to be renovated for use as a new site for their La Mesa clinic facility.

Current Status:

Neighborhood Healthcare (“NHC”) had to forfeit a \$100,000 Cedillo-Alarcón grant that was awarded for it’s La Mesa clinic due to the anticipated purchase of a building that did not materialize. Also, NHC was unable to locate another suitable building for their needs. NHC has decided that establishing a new site in the area would not be cost-effective at this time and has instead requested that these funds be applied toward the planned purchase of a modular facility, to be used to expand its small, and remote, Pauma Valley clinic dba Mountain Valleys Health Center. The Pauma Valley clinic had also been awarded grant funding, but due to permit issuance delays (that extended beyond grant deadline dates), these funds were transferred to other approved NHC projects.

Proposed Reallocation Grant Award:	\$100,000
Purchase prefab unit	\$74,295
Preparation & set up	<u>26,705</u>
TOTAL	\$100,000

Legal Review:

The Staff has reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

Contingencies of Funding:

- 2003 audited financial statements
- Executed purchase contract for modular unit
- Permits
- Equipment detail and invoices

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CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
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STAFF SUMMARY

Name: Santa Barbara Neighborhood Clinics (SBNC)
D.B.A. Carrillo Community Medical Clinics Inc.
Address: 915 North Milpas Street
Santa Barbara, CA 93101
County: Santa Barbara

Original Project Description:

SNNC – Carrillo was awarded \$176,800 for various equipment, computer hardware and software purchases. SBNC Carrillo purchased \$158,710 in equipment and forfeited \$18,090. CHFFA contacted the facility and the applicant has applied for the balances of its forfeited funds. The applicant will be using the funds for the same general use as approved, equipment and computer related purchases.

Current Status:

SBNC proposes to purchase a pharmacy inventory tracking system, personal digital assistants patient care software, upgrade HealthPro Legacy Medical Management Software, and purchase miscellaneous computer equipment.

Proposed Reallocation Grant Award:	\$18,090
Equipment/computer costs	\$18,090

Legal Review:

The Staff has reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

Contingencies of Funding:

- 2003 Audited Financials.
- Copy of current license from Department of Health Services.
- Copies of vendor invoices supporting requested funding by applicant

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CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
Cedillo-Alarcón Community Clinic Investment Act of 2000
STAFF SUMMARY

Name: Santa Barbara Neighborhood Clinics (SBNC)
D.B.A. Isla Vista Health Project
Address: 970 Embarcadero del Mar
Isla Vista, CA 93117
County: Santa Barbara

Original Project Description:

SBNC – Isla Vista was awarded \$250,000 for equipment, computer hardware and software, plus miscellaneous minor renovations to the facility. SBNC – Isla Vista purchased \$149,430 in equipment and forfeited, \$100,570. CHFFA contacted the facility and the applicant has applied for a portion of its forfeited funds in the amount of \$70,819. The applicant will be using these funds for the same general use as approved.

Current Status:

SBNC proposes to purchase a pharmacy inventory tracking system, Electronic Medical Records System, upgrade of HealthPro Legacy Medical Management Software, and purchase miscellaneous computer equipment.

Proposed Reallocation Grant Award:	\$70,819
Equipment/computer costs	\$70,819

Legal Review:

The Staff has reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

Contingencies of Funding:

- 2003 Audited Financials.
- Copy of current license from Department of Health Services.
- Copies of vendor invoices supporting requested funding by applicant

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**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
Cedillo-Alarcón Community Clinic Investment Act of 2000
STAFF SUMMARY**

Name: Santa Barbara Neighborhood Clinics (SBNC)
D.B.A. Westside Neighborhood Medical Clinic of Santa Barbara
Address: 628 West Micheltorena
 Santa Barbara, CA 93101
County: Santa Barbara

Original Project Description:

SBNC - Westside was awarded \$245,000 for equipment, computer hardware and software, plus miscellaneous minor renovations to the facility. SBNC – Westside purchased \$207,930 in equipment and forfeited \$37,070. CHFFA contacted the facility and the applicant has applied for a portion of its forfeited funds in the amount of \$13,570. The applicant will be using the funds for the same general use as approved.

Current Status:

SBNC proposes to purchase a pharmacy inventory tracking system, Electronic Medical Records System, upgrade of HealthPro Legacy Medical Management Software, and purchase miscellaneous computer equipment.

Proposed Reallocation Grant Award:	\$13,570
Equipment/computer costs	\$13,570

Legal Review:

The Staff has reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

Contingencies of Funding:

- 2003 Audited Financials.
- Copy of current license from Department of Health Services.
- Copies of vendor invoices supporting requested funding by applicant

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**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
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STAFF SUMMARY**

Name: Tarzana Treatment Centers (TTC)
D.B.A. Tarzana Treatment Center Family Medical Clinic Lancaster
Address: 907 Lancaster Blvd.
Lancaster, CA 93534
County: Los Angeles, CA

Original Project Description:

The original grant award for TTC – Lancaster site was for \$100,000. Per the facility’s request \$35,000 was transferred to TTC’s Tarzana site and the remaining \$65,000 was forfeited. CHFFA contacted the facility and the remaining \$65,000 once forfeited is now being proposed for TCC’s Lancaster site. The original project to remodel the existing facility remains the same, but has been scaled down from the original amount.

Current Status:

TTC – Lancaster plans to use the \$65,000 for remodeling, painting, electrical installation and re-wiring, and installation and remodeling floors for the Lancaster site. TCC - Lancaster submitted a new Sources & Uses of Funds statement, an estimated cost statement from the contractor and a new floor plan.

Proposed Relocation Grant Award:	\$65,000
Remodel building	\$166,990
Internal Funds	<u>(101,990)</u>
	\$ 65,000

Legal Review:

The Staff has reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

Contingencies of Funding:

- 2003 Audited Financials.
- Copy of current license from Department of Health Services.
- Executed construction contract including building permit(s).
- Latest bank statement

* *The Authority may require additional information for your specific project prior to fund disbursement. In addition, the Authority will require certain additional information once funds have been appropriated.*