

**California Health Facilities Financing Authority**

**Community Clinic Grant Program of 2005 (CCGP)**

**Documentation Deadline Extension and Change in Use Requests**

**Staff Summary  
Resolution No. 2008-32  
September 25, 2008**

**PURPOSE OF REQUEST:**

Southwest Community Health Center (“Southwest”) is an awardee of the CCGP, as more particularly described below, and had an obligation to submit grant documentation to the Authority as a condition for the funding of its grant by June 15, 2008. Southwest respectfully requests the Authority: (1) to extend the June 15, 2008 documentation deadline to October 31, 2008 and (2) to authorize use of the \$250,000 grant, initially approved for Southwest’s Fulton Center for Healthy Families, to a new but substantially similar project located at Southwest’s Chanate Health Center.

**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. Southwest is an approved grantee and was officially approved on June 2, 2006 for the sum of \$250,000 to assist with Southwest’s acquisition of information technology equipment and software for the planned development of its Fulton Center for Healthy Families.

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 Southwest of its award via an award letter addressed to Southwest on June 2, 2006, a documentation deadline date of June 4, 2007 was then established. Subsequently, Southwest requested of and was granted by the Authority an additional extension of time to the documentation deadline of June 15, 2008. With each extension of time, Southwest explained it was having difficulty coordinating the relevant financing and working with the city to get their overall development project moving.

Pursuant to Section 7093 (b) of the regulations, in 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 Authority’s satisfaction, the change is consistent with the community clinic grant program pursuant to Section 7091 of the regulations.

## **ISSUE:**

The two issues before the board are: (1) whether Southwest has sufficiently demonstrated extraordinary circumstances meriting the extension of the documentation deadline and (2) whether Southwest 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 Southwest on both points and has concluded Southwest has indeed met these burdens.

The below paragraphs illustrate the facts upon which staff bases its conclusions:

1. Southwest experienced several unexpected delays related to their planned construction of the Fulton Center for Healthy Families, including extended time needed for the preparation of building plans, delays in the application process for obtaining building permits, and unanticipated and additional approval requirements for traffic reports, soil assessments and lot-line adjustments all of which resulted in an initial extension granted by the Authority from June 4, 2007 to June 15, 2008.
2. Southwest experienced unanticipated losses of the two major funding sources for the initial contemplated project for the Fulton Center for Healthy Families.
3. The initial Fulton Center for Healthy Families project requires major funding sources that will unlikely be available for completion before 2011, far beyond the current project completion extension date of December 8, 2008 and far beyond the overall anticipated programmatic duration of the CCGP.
4. Southwest operates another facility, known as the Chanate Health Center and is able to implement a nearly identical project which will serve a nearly identical population of patients as originally contemplated for the Fulton Center for Healthy Families and within the established deadline of December 8, 2008.

**STAFF RECOMMENDATION:** Staff recommends the Authority approve Southwest's requests for an extension of the documentation deadline to October 31, 2008, as well as for the change in the use of the grant award for the new Chanate Health Center project.