

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (the “Authority”)

Children’s Hospital Bond Act of 2018

**Resolution Approving the Adoption of Regulations and
Authorizing Rulemaking Proceedings**

Resolution No. 2019-01

PURPOSE OF REQUEST:

Staff seeks approval from the Authority to adopt regulations and submit the attached regulations for the Children’s Hospital Program of 2018 (the “Program”) to the Office of Administrative Law (“OAL”) for approval including the two applications referenced therein.

SUMMARY:

On November 6, 2018, California voters passed Proposition 4, the Children’s Hospital Bond Act of 2018 (the “2018 Act”), to issue \$1.5 billion in General Obligation bonds for capital improvement projects at 13 children’s hospitals (referred to as “Children’s Hospitals”) as well as approximately 160 other public or private nonprofit hospitals that provide pediatric services for children eligible for the California Children’s Services (“CCS”) program (referred to as “Eligible Hospitals”). The purpose of the Children’s Hospital Program is to improve the health and welfare of California’s critically ill children.

Authority staff have consulted with various stakeholders (California Children’s Hospital Association, Children’s Hospital Association, Rural Hospital Association, University of California Office of the President, Department of Health Care Services, Legislators offices, and hospital representatives) for input and feedback on the proposed regulations. Additionally, Authority staff held a Stakeholder Webinar on February 5, 2019 where it was able to receive input from and answered questions for 50-60 stakeholders. The Authority receive input from a number of stakeholders (via emails and phone calls) following the webinar that Authority staff considered as part of finalizing the regulations.

PROGRAM FEATURES:

Program Funding: Please see Exhibit 1.

Eligible Applicants: A Children’s Hospital, Children’s Hospital Applying Jointly, and an Eligible Hospital (Granted Full Approval as a CCS hospital by Department of Health Care Services).

Eligible Project Costs: Children’s Hospitals or Children’s Hospitals Applying Jointly:

- Constructing, expanding, remodeling, renovating, furnishing, equipping, financing, or refinancing capital assets of a Children’s Hospital facility.

- Reimbursement for the costs of constructing, expanding, remodeling, renovating, furnishing, equipping, financing, or refinancing of a children's hospital when the costs were incurred after January 1, 2018.

Eligible Hospitals:

- Constructing, expanding, remodeling, renovating, furnishing, or equipping the pediatric program of the Eligible Hospital.
- Eligible costs include only those incurred during the Grant Period.

Evaluation Criteria: Please see Exhibit 2.

Application Process: Children's Hospitals and Children's Hospitals Applying Jointly:

- Applications will be accepted on an on-going basis for the first funding round, which is set to end June 30, 2033.
- For Children's Hospitals Applying Jointly, applicant will designate one Children's Hospital as the lead grantee. The lead grantee shall have primary responsibility for the fiscal management of the grant funds, implementation of project, records retention, reporting and all other aspects of compliance.

Eligible Hospitals:

- All applications for the first funding round must be submitted by March 31, 2020.

Scoring Process for Eligible Hospitals:

At least two Authority staff members will evaluate and score applications on completeness, responsiveness, and clarity in addressing the evaluation criteria in Exhibit 2. The average scores will be calculated and will be the final score assigned to an application. Staff will make funding recommendations (Initial Allocations) to the Authority board for final approvals (Final Allocations). Applications need to score a minimum of 60 points for evaluation Criteria #1 and #2 and a minimum of 15 points for Criteria #3 under the Evaluation Criteria in Exhibit 2 to be considered for an Initial Allocation. However, the Authority has the discretion to approve a grant that has received less than 60 points for evaluation Criteria #1 and #2 if necessary.

Appeals: The regulations allow applicants to appeal Initial Allocations to the Authority’s Executive Director and to appeal the decision of the Executive Director to the Authority. The Authority will make the final decision on an appeal of the Executive Director’s decision at a public meeting.

Lower scoring applications may be affected by appeals, including a reduction or elimination of an Initial Allocation (only applicable to Eligible Hospitals).

Final Awards: The Authority will make decisions on Final Allocations at a public meeting. Grant award notification will be sent to applicants approved for a Final Allocation shortly after the Authority meeting.

Grant Agreements: All grantees will be required to execute grant agreements that will set the terms and conditions of the grant, including the grant amount, the project, grant period, disbursement procedures, unused grant funds, interest earnings on unused grant funds, indemnification requirements, prohibitions against discrimination, appropriate uses of funds, remedies for default, etc.

Release of Funds: Funds can be released on an advance or reimbursement basis after meeting certain requirements, including but not limited to executing a grant agreement, readiness and feasibility requirements, evidence that all funds to complete project are secured, and supporting documentation.

Completion of Project: Grantees will submit a certification along with supporting documentation that certify the project is complete.

Estimated Timelines: Please see Exhibit 3.

RECOMMENDATION:

Staff recommends the Authority approve Resolution No. 2019-01 approving the adoption of regulations and authorizing rulemaking proceedings and any other actions as set forth in the resolution.

Attachments:

Attachment I – Text of the proposed emergency regulations for the Children’s Hospital Program of 2018.

Attachment II – Grant Application for the Children’s Hospitals.

Attachment III – Grant Application for the Eligible Hospitals.

Attachment IV – Completion Certificate and Final Report

EXHIBIT 1

Children’s Hospital Bond Act of 2018 Funding per Hospital Type

Hospital Type	Eligible Applicants	Percentage of Funds	2018 Act	
UC Children’s Hospitals	5	18%	Total Amount Available	Maximum Per Hospital Amount
			\$270,000,000	\$54,000,000
Nonprofit Children’s Hospitals	8	72%	\$1,080,000,000	\$135,000,000
Eligible Hospitals (CCS)	160 (estimated)	10%	\$150,000,000	\$15,000,000
			Less Administrative Costs	\$10 per \$1,000 (1%) of authorized grant award
			Less Costs of Issuance	\$0.75 per \$1,000 (0.075%) of authorized grant award

Maximum Grant Amount for Children’s Hospitals

- Children’s Hospitals Applying Jointly may, at their discretion, apply for up to the sum of their respective maximum Grant amounts.
- If funds are available for a Subsequent Funding Round, the process for determining maximum Grant amounts, the Grant Application for Children’s Hospitals, and regulations shall be developed no later than July 1, 2033.

Maximum Grant Amount for Eligible Hospitals

- Eligible Hospitals are limited to a single Grant award.
- If funds are available for a Subsequent Funding Round, the Authority may award Grants of those remaining funds to Eligible Hospitals in a manner consistent with the purposes and requirements of the Program.
- Funds not encumbered by June 30, 2033, are no longer available to Eligible Hospitals and shall become available to any Children’s Hospital.

EXHIBIT 2

EVALUATION CRITERIA

Children's Hospital – Non-Competitive Basis

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 children or public pediatric patients.
 - b. Provides services to Vulnerable Pediatric Populations.
 - c. Promotes Pediatric Teaching Programs or Pediatric Research Programs.
3. How well the Children's Hospital demonstrates Project readiness and feasibility.

Eligible Hospital – Competitive Basis

(For More Details, See Grant Application for Eligible Hospitals)

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. (Maximum 30 points)
 - b. Improvement of Child Health Care or Improvement of Pediatric Patient Outcomes. (Maximum 30 points)
2. How well the Eligible Hospital does any or all of the following:
 - a. Provides Uncompensated Care or Undercompensated Care to Indigent children or public pediatric patients. (Maximum 20 points)
 - b. Provides services to Vulnerable Pediatric Populations. (Maximum 15 points)
 - c. Promotes Pediatric Teaching Programs or Pediatric Research Programs. (Maximum 5 points)
3. How well the Children's Hospital demonstrates Project readiness and feasibility within twelve (12) months of Final Allocation. (Maximum 30 points)

In addition to the points attainable from criteria above, an Eligible Hospital meeting the definition of a Small and Rural Hospital as defined in Health and Safety Code Section 124840 shall receive five (5) additional points.

EXHIBIT 3
ESTIMATED TIMELINE

Action Item for Board Approval of Regulations	February 2019
Submit Emergency Regulations to OAL	March/April 2019
OAL Approves Emergency Regulations	April 2019
Open First Funding Round Application Submission Period	April/May 2019
Close First Funding Round Application Submission Period for Eligible Hospitals	March 31, 2020

CALIFORNIA CODE OF REGULATIONS

Title 4, Division 10, Chapter 1

Children's Hospital Program of 2018

Add Section 7000 to read:

Section 7000. Definitions.

The following words and phrases, as used in this chapter are defined as follows:

(a) "Act" means the Children's Hospital Bond Act of 2018 (Part 6.3 (commencing with Section 1179.81), Division 1, Health and Safety Code).

(b) "Administrative Costs" means actual costs incurred by the Authority and other state agencies as permitted by law for administering the Children's Hospital Program of 2018.

(c) "Applicant" means an entity that meets the eligibility requirements as further described in Section 7001 for submission of an Application and submits an Application.

(d) "Application" means for Children's Hospitals, the written request for a Grant under the Children's Hospital Program of 2018 in the form and format of the Grant Application for Children's Hospitals, Form No. CHFFA 10 CHP18-CH (2/2019), hereby incorporated by reference, including all supporting information and documents, as further described in Section 7005. "Application" means for Eligible Hospitals, the written request for a Grant under the Children's Hospital Program of 2018, in the form and format of the Grant Application for Eligible Hospitals, Form No. CHFFA 10 CHP18-EH (2/2019), hereby incorporated by reference, including all supporting information and documents, as further described in Section 7005.

(e) "Audited Financial Statements" means an examination and report of the financial activities of the Applicant or the California nonprofit corporation of which the Applicant is an operating entity, for its fiscal year, performed by an independent accounting firm under generally accepted accounting principles.

In the case of the University of California Children's Hospitals, "Audited Financial Statements" means an examination and report of the financial activities of each individual University of California medical center that includes a University of California Children's Hospital, for its fiscal year, performed by an independent accounting firm under generally accepted accounting principles.

(f) "Authority" means the California Health Facilities Financing Authority.

(g) “California Children’s Services” or “CCS” means California Children’s Services as defined in the California Code of Regulations, title 22, Section 41410.

(h) “Children’s Hospital” means either:

(1) A University of California general acute care hospital described as any one of the following:

(A) University of California, Davis Children’s Hospital.

(B) Mattel Children’s Hospital at University of California, Los Angeles.

(C) University Children’s Hospital at University of California, Irvine.

(D) University of California, San Francisco Children’s Hospital.

(E) University of California, San Diego Children’s Hospital.

(2) 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.

(i) “Children’s Hospital Program of 2018” means the program resulting from the Act.

(j) “Costs of Issuance” mean the expenses incurred in connection with the sale and issuance of bonds, other short-term debt instruments, or loans approved by the Pooled Money Investment Board, established pursuant to Government Code Section 16480.1, that are used to finance or refinance Grants and accrued interest on any short-term debt instruments or loans which are not paid from another source.

(k) “Children’s Hospitals Applying Jointly” means two or more Children’s Hospitals that submit a single Application for a Project.

(l) “Eligible Hospital” means a hospital that provides pediatric services to children eligible for the California Children’s Services program that is either (1) a public hospital as defined in Welfare and Institutions Code Section 14105.98(a)(25), or (2) a general acute care hospital licensed pursuant to Health and Safety Code Section 1250 that is, or is an operating entity of, a California nonprofit corporation.

(m) “Executive Director” means the Executive Director of the Authority.

(n) “Expansion of Health Care Access” means providing same services to additional pediatric patients or net additional or new Pediatric Services to existing or new pediatric patients.

(o) “Final Allocation” means a Grant allocation approved by the Authority.

(p) “Funding Round” means the period of time during which an Application may be submitted for consideration of funding by the Authority.

(q) “Going Concern Qualification” means a modification by an independent auditor of the audit opinion on an entity’s financial statements prepared under going concern basis of accounting when it has been determined that the liquidation of the entity’s assets and liabilities is imminent.

(r) “Government Health Insurance Programs” mean governmental assistance programs that include, but are not limited to, Medicaid (Medi-Cal), Optional Targeted Low Income Children (OTLIC), California Children's Services (CCS), Child Health and Disability Prevention (CHDP) and county indigent programs.

(s) “Grant” means an award of funds to an Applicant for a Project pursuant to the Children’s Hospital Program of 2018.

(t) “Grant Agreement” means a written agreement for a Grant entered into between a Grantee and the Authority.

(u) “Grant Period” means the time period from the date of Final Allocation to the date set by the Authority for the implementation of the Project and the Grant to end.

(v) “Grantee” means an Applicant that has received Grant approval by the Authority.

(w) “Improvement of Child Health Care” means an improvement in the timeliness, effectiveness, or quality of care provided to the pediatric population.

(x) “Improvement of Health Care Access” means an increase in the quantity and scope of Pediatric Services provided.

(y) “Improvement of Pediatric Patient Outcomes” means an improvement in the overall health of the pediatric patients receiving treatment or care.

(z) “Indigent” means those children who do not have health insurance that covers their healthcare needs and who are not eligible for other health insurance coverage such as Medicaid (Medi-Cal), Optional Targeted Low Income Children (OTLIC), California Children’s Services (CCS), Child Health and Disability Prevention (CHDP) and county indigent programs.

(aa) “Initial Allocation” means the Grant amount the Authority staff recommends the Authority approve for Final Allocation as further described in Sections 7008 and 7008.1.

(bb) “Lead Grantee” means the Children’s Hospital designated on the Application to have the primary responsibility for the fiscal management of Grant funds, implementation of Project, records retention, reporting and all of the other aspects of compliance with this Chapter and the Grant Agreement.

(cc) “Most Recent Audited Financial Statements” means the Audited Financial Statements for the most recent fiscal year for which such financial statements are available.

(dd) “Non University of California Children's Hospital” means a Children's Hospital described in paragraph (2) of subdivision (h).

(ee) “Office of Statewide Health Planning and Development” or “OSHDP” means the State agency responsible for the collecting of data and disseminating information about California’s healthcare infrastructure.

(ff) “Pediatric Research Program” means scientific research focused on the pediatric population to improve and/or better understand this population's health.

(gg) “Pediatric Services” means services provided for children from birth to age 18. Exceptions to the age limit are allowed up to age 21 for children receiving treatment for a California Children's Services (CCS) eligible condition as described in the California Code of Regulations, title 22, Sections 41811 through 41876.

(hh) “Pediatric Teaching Program” means a program that annually trains at least eight (rounded to the nearest integer) full-time equivalent pediatric or pediatric subspecialty residents.

(ii) “Project” means the activities for which an Application has been submitted and Grant funds have been allocated.

(ij) “Special Care Center(s)” means a center that is approved by the California Department of Health Care Services, California Children’s Services (CCS) program to provide comprehensive, multi-disciplinary, and multi-specialty care, including surgical procedures, to children, adolescents, and young adults with CCS eligible conditions.

(kk) “Subsequent Funding Round” means any specified time period after the first Funding Round during which an Application may be submitted to be considered for funding by the Authority, subject to the availability of funds.

(ll) “Uncompensated Care” means care provided without a patient-specific source of funding available to pay for the Pediatric Services rendered.

(mm) “Undercompensated Care” means care provided where a financial shortfall exists between gross expenses and the revenues (or payment) in treating a pediatric patient.

(nn) “Underserved” means those children who are Indigent, or if insured, their insurance coverage is not sufficient to cover their healthcare needs.

(oo) “Uninsured” means those children who do not have health insurance.

(pp) “University of California Children's Hospital” means a Children's Hospital described in paragraph (1) of subdivision (h).

(qq) “Vulnerable Pediatric Populations” means pediatric patients served by Government Health Insurance Programs that include, but are not limited to, Medicaid (Medi-Cal), Optional Targeted Low Income Children (OTLIC), California Children's Services (CCS), Child Health and Disability Prevention (CHDP) and county indigent programs and pediatric patients with special health care needs, irrespective of insurance or housing status.

Reference: Sections 1179.81, 1179.82, 1179.84, 1179.85, 1179.86 and 1179.87, and 1179.89, 1179.97, and 1179.98, Health and Safety Code.

Authority: Sections 1179.85, 1179.87, and 1179.91, Health and Safety Code.

Add Section 7001 to read:

Section 7001. Eligibility.

(a) The following entities are eligible to apply for a Grant under the Children's Hospital Program of 2018:

- (1) A Children's Hospital
- (2) Children's Hospitals Applying Jointly
- (3) An Eligible Hospital

(A) Eligible Hospitals shall have been granted full approval as a California Children's Services (CCS) hospital by the California Department of Health Care Services.

(b) The entities specified in subdivision (a) shall be eligible to apply if all of the following conditions are met:

- (1) The Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, has a current, valid general acute care hospital license from the California Department of Public Health.

(2) The Most Recent Audited Financial Statements of the Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, does not contain any Going Concern Qualifications.

(3) The Applicant has submitted to the Authority a completed Application as specified in Section 7004 or Section 7004.1, as applicable.

(4) If the Applicant proposes to use Grant funds for a Project other than equipment acquisition, the Applicant shall provide evidence that either:

(A) The Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, owns the property.

(B) The Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, is a lessee under a lease agreement that satisfies Section 7014.

(5) The Applicant provides the Authority documentation that confirms 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.

(6) If the Children's Hospital(s) proposes to use Grant funds for the acquisition of real property, the Children's Hospital shall provide a valid, current and enforceable contingent purchase and sale agreement or 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, through the Final Allocation including any executed extensions to the agreements, if applicable.

(c) If an Applicant does not meet all the conditions described in (b) above, the Applicant shall be deemed ineligible, but may reapply at a time when the Applicant is able to meet the conditions.

(d) Children's Hospitals shall not be eligible for Grant funds allocated to Eligible Hospitals, except as provided for in Health and Safety Code Section 1179.86, subdivision (c).

Add Section 7002 to read:

Section 7002. Eligible Project Costs.

(a) Eligible Project costs for a Children's Hospital or Children's Hospitals Applying Jointly are:

(1) 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.

(2) Reimbursement for the costs of constructing, expanding, remodeling, renovating, furnishing, equipping, financing, or refinancing of a children's hospital when the costs were incurred after January 1, 2018.

(b) Eligible Project costs for an Eligible Hospital are limited to:

(1) Constructing, expanding, remodeling, renovating, furnishing, or equipping the pediatric program of the Eligible Hospital.

(2) Eligible costs include only those incurred during the Grant Period.

(c) Costs of Issuance for any financing or refinancing of a Project are not eligible Project costs.

Add Section 7003 to read:

Section 7003. Maximum Grant Amount for Children's Hospitals.

(a) In the first Funding Round ending June 30, 2033, no Grant or combination of Grants to any Children's Hospital may exceed the following maximums:

(1) A maximum of \$54 million less Costs of Issuance and Administrative Costs on the total amount of Grants that may be made to any one Children's Hospital that is described in Section 7000, subdivision (h)(1).

(2) A maximum of \$135 million less Costs of Issuance and Administrative Costs on the total amount of Grants that may be made to any one Children's Hospital that is described in Section 7000, subdivision (h)(2).

(3) Children's Hospitals Applying Jointly may, at their discretion, apply for up to the sum of their respective maximum Grants amounts.

(4) If funds are available for a Subsequent Funding Round, the process for determining maximum Grant amounts, the Grant Application for Children's Hospitals, and regulations shall be developed no later than July 1, 2033.

Add Section 7003.1 to read:

Section 7003.1. Maximum Grant Amount for Eligible Hospitals.

(a) No Grant to any Eligible Hospital may exceed the maximum of \$15 million less Costs of Issuance and Administrative Costs.

(b) Eligible Hospitals are limited to a single Grant award.

(c) If funds are available for a Subsequent Funding Round, the Authority may award Grants of those remaining funds to Eligible Hospitals in a manner consistent with the purposes and requirements of the Children's Hospital Program of 2018.

(1) The deadline for any Subsequent Funding Round shall be posted on the Authority's website at <https://www.treasurer.ca.gov/chffa/>.

(d) Funds not encumbered by June 30, 2033, are no longer available to Eligible Hospitals and shall become available to any Children's Hospital as defined in Section 7000, subdivisions (h)(1) and (h)(2).

Add Section 7004 to read:

Section 7004. Grant Applications for Children's Hospitals.

(a) The Application for Children's Hospitals shall be available on the Authority's website at <https://www.treasurer.ca.gov/chffa/>.

(b) Applicants shall submit an original and one copy of the Application either by mail or delivery to:

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, California 95814

(c) The Authority shall accept Applications for the first Funding Round on an on-going basis until the funding for Children's Hospitals is exhausted.

(d) Applications are due the first business day of each month, with the following exceptions:

(1) For October, Applications are due on October 7.

(2) Applications are not accepted in November.

(e) Each Applicant may apply for more than one Grant for different Projects until its maximum Grant for the first Funding Round is reached.

(f) After all funds available to Children's Hospitals have been awarded, notification will be posted on the Authority's website at <https://www.treasurer.ca.gov/chffa/>.

Add Section 7004.1. to read:

Section 7004.1. Grant Application for Eligible Hospitals.

(a) The Application for Eligible Hospital shall be available on the Authority's website at <https://www.treasurer.ca.gov/chffa/>.

(b) Applicants shall submit an original and one copy of the Application either by mail or delivery to:

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, California 95814

(c) The Authority shall accept Applications until 5:00 p.m. (Pacific Time) on March 30, 2020, the deadline date for the first Funding Round.

(d) After all funds available to Eligible Hospitals have been awarded, notification will be posted on the Authority's website at <https://www.treasurer.ca.gov/chffa/>.

(e) Incomplete Applications and Applications received by the Authority after the deadline date and time of the Funding Round shall not be accepted for review in that Funding Round.

(f) Applications shall be considered final as of the deadline date and time. No additional information or documents shall be accepted by the Authority after that date, except as specifically requested by the Authority.

Add Section 7005 to read:

Section 7005. Contents of Application.

(a) In addition to the applicable Application, Applicants for Grant funds shall provide the following:

(1) Financial Information. The Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, shall submit its Most Recent Audited Financial Statements.

(2) Organization Information.

(A) The following documents are required for Eligible Hospitals and Non University of California Children's Hospital Applicants, including those that are a party to Children's Hospitals Applying Jointly:

(i) A copy of the 501(c)(3) determination letter from the Internal Revenue Service and a copy of either the tax-exemption letter or Letter of

Good Standing from the California Franchise Tax Board. For Applicants that are operating entities of a California nonprofit corporation, both the Internal Revenue Service and Franchise Tax Board letters are required for the parent corporation.

(ii) A copy of the Articles of Incorporation and Bylaws. For Applicants that are operating entities of a California nonprofit corporation, the Articles of Incorporation and Bylaws are required for the parent corporation.

(iii) Public hospitals as defined in Welfare and Institutions Code section 14105.98(a)(25) are exempt from the requirements in (a)(2)(A)(i) and (ii) above.

(B) For all Applicants, a copy of the current general acute care hospital license from 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.

(C) Eligible Hospitals shall submit their CCS Approval Letter by the California Department of Health Care Services as verification of full approval status as required in Section 7001, subdivision (a)(3)(A) or a copy of the CCS Approval Letter of the California nonprofit corporation of which the Eligible Hospital is an operating entity.

(3) Legal Information. Applicant and each additional Children's Hospital(s) if Children's Hospitals Apply Jointly, as applicable, shall complete a Legal Status Questionnaire.

(4) Agreement and Certification(s). The Chief Executive Officer, Chief Financial Officer or other authorized officer of the Applicant(s), on behalf of the Applicant(s), shall agree and certify to the terms and conditions contained in the Application as a condition to receiving a Grant.

Add Section 7006 to read:

Section 7006. Children's Hospitals Application Evaluation.

(a) Applications from Children's Hospital shall be reviewed and evaluated within 60 days from receipt by Authority staff.

(b) Authority staff will evaluate the Application's completeness, responsiveness, and clarity in addressing the criteria described in Section 7007.

(c) A positive response or combination of positive responses to the Legal Status Questionnaire may result in the Children’s Hospital becoming ineligible for a Grant.

Add Section 7006.1 to read:

Section 7006.1. Eligible Hospitals Application Evaluation.

(a) Authority staff will evaluate and score the Application’s completeness, responsiveness, and clarity in addressing the criteria described in Section 7007.1.

(b) The scores from each reviewer of the Authority staff will be added and the average of the scores will be calculated. The average score will be the final score assigned to the Application.

(c) A positive response or combination of positive responses to the Legal Status Questionnaire may result in the Eligible Hospital becoming ineligible for a Grant.

Add Section 7007 to read:

Section 7007. Evaluation Criteria for Children’s Hospitals.

Authority staff shall evaluate each Application based on the following criteria:

(a) How well the Project contributes to both of the following:

(1) 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.

(2) Improvement of Child Health Care or Improvement of Pediatric Patient Outcomes.

(b) How well the Applicant does any or all of the following:

(1) Provides Uncompensated Care or Undercompensated Care to Indigent or public pediatric patients.

(2) Provides services to Vulnerable Pediatric Populations.

(3) Promotes Pediatric Teaching Programs or Pediatric Research Programs.

(c) How well the Applicant demonstrates Project readiness and feasibility based upon the following:

(1) A Project timeline that includes the following:

(A) An expected start date (e.g. construction start date(s) and/or equipment purchase date(s)).

(B) An expected completion date (e.g. construction completion date(s), acquisition completion dates, and/or equipment installation date(s)).

(C) Potential challenges anticipated in implementing the Project and how these challenges will be managed to ensure timely completion.

(2) Whether the Project is ready and feasible after review of all of the following:

(A) For all Projects with the exception of equipment acquisition projects, the Applicant shall submit estimates of Project costs and evidence of property ownership or, if the property is leased to a Children's Hospital, or a 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 Applicant shall also provide building permits and/or executed architect, design, engineering, and construction contracts, if available. When applicable, the Applicant shall also submit evidence that it is in compliance with the California Environmental Quality Act (CEQA) and all other applicable laws.

(i) An Applicant with a Project that does not yet have building permits, executed construction contract, and/or evidence of compliance with the California Environmental Quality Act (CEQA) but is actively in the process of obtaining shall provide a detailed statement that explains the status of obtaining the missing items.

(B) 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 satisfaction of the Authority.

(i) If the Grant will be used to pay for real property acquisition costs as part of a larger project, the Children's Hospital shall provide a timeline that specifies when the entire project will be complete.

(C) For equipment acquisition projects, the Applicant 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.

(D) If funding sources other than the Grant are required to complete the Project, the Applicant shall provide proof of the funding sources, including but not

limited to, commitment letters, board approved capital campaign plans, or any other documentation acceptable to the Authority. Such documentation shall be in accordance with the Project timeline and budget.

(3) The sources and uses of funds:

(A) The Applicant shall detail all sources of funds required to complete the proposed Project. Sources may include, but are not limited to, the total Grant request, borrowed funds, internal assets, and other sources. If the Project, or a portion of the Project, has been or will be submitted to other lenders or grantors for funding, the Applicant shall list them and the status of their consideration.

(B) The Applicant shall detail the uses of all funds required to complete the proposed Project. The total uses shall not exceed the total of all available fund sources. In some instances, funds from sources other than the Grant may be used for portions of a proposed Project that would otherwise be ineligible for this Grant. In those instances, the Applicant shall describe specifically how the Grant funds, as well as other grants, loans, or internal funds, will be used to ensure Grant funds will not subsidize Project elements not eligible for such funds.

(C) If a proposed Project will benefit both pediatric and non-pediatric patients, the total Grant for that Project cannot exceed the proportionate share use of the pediatric population.

(i) The Authority staff shall determine the appropriate methodology in which the proportionate share use will be evaluated and determine the amount of Grant funds to be awarded based on the proportionate share use methodology and any other factors related to improvement of pediatric population care.

(4) Whether implementation of the Project is feasible:

(A) The Applicant shall submit a third-party prepared 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), funding letters or other documentation to demonstrate that the Project will generate sufficient revenues to provide on-going support for new or expanded services and/or research programs. If revenues generated by the Project will be insufficient, the Applicant's revenues shall be sufficient, as determined by Authority staff, to provide on-going support.

(5) The financial capacity of the Children's Hospital based upon a review of the Most Recent Audited Financial Statements provided pursuant to Section 7001, subdivision (b)(2).

Add Section 7007.1 to read:

Section 7007.1. Evaluation Criteria for Eligible Hospital.

Applications shall be scored on the following criteria:

(a) How well the Project contributes to both of the following: (Maximum 60 points)

(1) 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. (Maximum 30 points)

(A) Application includes a narrative description and statistics of how the Project contributes towards Expansion of Health Care Access or Improvement of Health Care Access to children eligible for Governmental Health Insurance Programs and Indigent, Underserved, and Uninsured children. The narrative and statistics shall include:

(i) The hospital's current capacity and/or quantity and scope of Pediatric Services provided, including but not limited to, the number and type/usage of pediatric beds, space (e.g. square feet, rooms, etc.) for outpatient/other services, and/or equipment, as applicable;

(ii) The total number of pediatric patients served as well as those who are eligible for Governmental Health Insurance Programs and Indigent, Underserved, and Uninsured children served in the last fiscal/calendar year;

(iii) How the Project will contribute towards the expansion or improvement and the anticipated capacity and/or quantity and scope of services provided after Project implementation, including but not limited to, the number and type/usage of pediatric beds, space, and/or equipment added, as applicable;

(iv) The total number and percentage of additional pediatric patients served as well as those that are eligible for Governmental Health Insurance Programs and Indigent, Underserved, and Uninsured children served in the last fiscal/calendar year; and

(v) Any cultural, language, geographical or other barriers that the Project addresses to improve accessibility for children.

(2) Improvement of Child Health Care or Improvement of Pediatric Patient Outcomes. (Maximum 30 points)

(A) Application includes a narrative description, specifics, and statistics of the ways the Project contributes towards the Improvement of Child Health Care or Improvement of Pediatric Patient Outcomes.

(i) If the Project improves upon targeted evidence-based measures that focus on quality improvement; including, but not limited to, the Centers for Medicare and Medicaid Services (CMS) Core Set of Children's Health Care Quality Measures, National Committee for Quality Assurance (NCQA) measures, Centers for Disease Control and Prevention (CDC) measures, include the specific quality measure(s), source of measure(s), and how the Project would improve upon the measure(s).

(B) Application provides a narrative description of how the Project improves the reliability and sustainability of the Pediatric Services through the update of equipment or facility(ies).

(b) How well the Applicant does any or all of the following (Maximum 40 points):

(1) Provides Uncompensated Care or Undercompensated Care to Indigent children or public pediatric patients. (Maximum 20 points)

(A) Application includes data and accompanying narrative description on the following:

(i) The Uncompensated Care Costs and the percent of Uncompensated Care Costs to Total Operating Expenses extracted from the most recent Annual Financial Disclosure Report (AFDR) filed with the Office of Statewide Health Planning and Development (OSHPD).

(ii) The Uncompensated Care Costs and the percent of Uncompensated Care Costs to Total Operating Expenses for Indigent children or public pediatric patients receiving health insurance coverage from, including but not limited to Medicaid (Medi-Cal), Optional Targeted Low Income Children (OTLIC), California Children's Services (CCS), and Child Health and Disability Prevention (CHDP) programs.

(B) Application includes a narrative description of the infrastructure that currently exists to assist the families of pediatric patients in finding alternative sources of health care coverage. For example, hospital patient financial workers providing Hospital Presumptive Eligibility for Medi-Cal, county eligibility staff operating onsite to provide assistance to families of pediatric patients, etc.

(2) Provides Services to Vulnerable Pediatric Populations. (Maximum 15 points)

(A) Application provides:

(i) The Gross Patient Revenue (by Payor) extracted from the most recent Annual Financial Disclosure Report (AFDR) filed with the Office of Statewide Health Planning and Development (OSHPD).

(ii) The Gross Pediatric Patient Revenue or Gross Revenue for Pediatric Services (by Payor).

(iii) Number of Pediatric Patients, Pediatric Patient Days or Pediatric Patient Visits (by Payor), as available.

(iv) The number and type(s) of Special Care Center(s).

(v) The percent (%) of the pediatric population the hospital is serving, during the timeframe of the most recent Annual Financial Disclosure Report (AFDR) filed with OSHPD, who have special health care needs.

(vi) The percent (%) of hospital resources allocated to the pediatric population identified in (v) above.

(3) Promotes Pediatric Teaching Programs or Pediatric Research Programs. (Maximum 5 points)

(A) Application includes a description of the following:

(i) The study area(s) of the Pediatric Research Program(s).

(ii) The specific area(s) of the Pediatric Teaching Program(s).

(iii) The number of individuals currently participating in the Pediatric Teaching Program(s) and the maximum capacity of the Pediatric Teaching Program(s).

(iv) How the Applicant promotes or Project improves or sustains the Pediatric Teaching Program(s) or Pediatric Research Program(s).

(c) How well the Applicant demonstrates Project readiness and feasibility based upon the following: (Maximum 30 points)

(1) A Project timeline that includes the following:

(A) An expected start date (e.g. construction start date(s) and/or equipment purchase date(s)).

(B) An expected completion date (e.g. construction completion date(s), and/or equipment installation date(s)).

(C) Potential challenges anticipated in implementing the Project and how these challenges will be managed to ensure timely completion.

(2) Whether the Project is ready and feasible after review of all of the following:

(A) For all Projects with the exception of equipment acquisition projects, the Applicant shall submit estimates of Project costs and evidence of property ownership or, if the property is leased to an Eligible Hospital, or a California nonprofit corporation of which the Eligible Hospital is an operating entity, a copy of a lease agreement that satisfies the requirements of Section 7014.

(B) For all Projects with the exception of equipment acquisition projects, the Applicant shall also provide building permits and/or executed architect, design, engineering, and construction contracts, if available. When applicable, the Applicant shall also submit evidence that it is in compliance with the California Environmental Quality Act (CEQA) and all other applicable laws.

(i) An Applicant with a Project that does not yet have building permits, executed contracts, and/or evidence of compliance with CEQA shall provide a detailed statement that explains the status of obtaining the missing items within twelve (12) months.

(C) For equipment acquisition projects, the Applicant 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.

(D) If funding sources other than the Grant are required to complete the Project, the Applicant shall provide proof of the other funding sources, including but not limited to, commitment letters, board approved capital campaign plans, or any other documentation acceptable to the Authority. Such documentation shall be in accordance with the Project timeline and budget.

(3) The sources and uses of funds:

(A) The Applicant shall detail all sources of funds required to complete the proposed Project. Sources may include, but are not limited to, the total Grant request, borrowed funds, internal assets, and other sources. If the Project, or a portion of the Project, has been or will be submitted to other lenders or grantors for funding, the Applicant shall list them and the status of their consideration.

(B) The Applicant shall detail the uses of all funds required to complete the proposed Project. The total uses shall not exceed the total of all available fund sources. In some instances, funds from sources other than the Grant may be used for portions of a proposed Project that would otherwise be ineligible for this Grant. In those instances, the Applicant shall describe specifically how the Grant funds, as well as other grants, loans, or internal funds, will be used to ensure Grant funds will not subsidize Project elements not eligible for such funds.

(C) If a proposed Project will benefit both pediatric and non-pediatric patients, the total Grant for that Project cannot exceed the proportionate share use of the pediatric population.

(i) The Authority staff shall determine the appropriate methodology in which the proportionate share use will be evaluated and determine the amount of Grant funds to be awarded based on the proportionate share use methodology and any other factors related to improvement of pediatric population care.

(4) Whether on-going operation of the Project is feasible:

(A) The Applicant shall submit a third-party prepared 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), funding letters or other documentation to demonstrate that the Project will generate sufficient revenues to provide on-going operation for new or expanded services and/or research programs. If revenues generated by the Project will be insufficient, the Applicant's revenues shall be sufficient, as determined by Authority staff, to provide on-going support.

(5) The financial capacity of the Eligible Hospital based upon a review of the Most Recent Audited Financial Statements provided pursuant to Section 7001, subdivision (b)(2).

(d) In addition to the points attainable in subdivisions (a), (b), and (c) above, an Eligible Hospital meeting the definition of a Small and Rural Hospital as defined in Health and Safety Code Section 124840 shall receive five (5) additional points.

Add Section 7008 to read:

Section 7008. Notification and Initial Allocation for Children's Hospital.

The Authority staff shall notify each Children's Hospital in writing, stating the amount of each Initial Allocation.

Add Section 7008.1 to read:

Section 7008.1. Notification and Initial Allocation for Eligible Hospital.

(a) The Authority staff will make Initial Allocations based on the final score assigned to each Application, from the highest to the lowest, and present the Initial Allocations to the Authority for Final Allocations.

(b) Notification of Initial Allocations will be sent to Eligible Hospitals before the public meeting at which the Authority will determine Final Allocations.

(c) During any Funding Round, Initial Allocations shall be limited to Applications which receive a minimum of 60 points under Section 7007.1, subdivisions (a) and (b), and a minimum of 15 points under subdivision (c).

(1) Initial Allocations may be considered for Applications scoring fewer than 60 points in Section 7007.1, subdivisions (a) and (b), to achieve the statewide objective of improving the health and welfare of California's critically ill children.

(d) Initial Allocations may be less than the amount requested in the Application to control Project costs and achieve the statewide objective of improving the health and welfare of California's critically ill children.

Add Section 7009 to read:

Section 7009. Appeals.

(a) Availability.

(1) The Applicant may appeal the amount of the Initial Allocation recommended by Authority staff for that Application, including an Authority Staff determination not to recommend a Grant.

(2) No Applicant may appeal an Initial Application made to another Applicant.

(b) Timing.

(1) The appeal shall be submitted to the Executive Director no later than five (5) business days following the date of the notification of Initial Allocation.

(2) Appeals may be submitted to the Executive Director by email, mail or delivery to:

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, California 95814

Email address: chffa@treasurer.ca.gov

(c) Review.

(1) The Executive Director shall review the appeal based on the Application as originally submitted. Any new or revised Application or additional documentation, and/or information that was not submitted in the original Application shall not be considered.

(2) The Executive Director shall make a decision on the merit of the appeal and notify the Applicant of the decision no later than 10 business days after receipt of the appeal.

(3) The decision of the Executive Director may be appealed to the Authority, by written notification to the Executive Director within five (5) business days of the date of the Executive Director's decision.

(4) The Authority shall make a final decision on an appeal of the Executive Director's decision at the public meeting when Final Allocations are determined.

(d) Successful appeal for Eligible Hospitals.

(1) An Initial Allocation to an Eligible Hospital based on the appeal may result in a reduction or elimination of Initial Allocations to other Eligible Hospitals that would have otherwise received an Initial Allocation.

(2) Adjustments to any Initial Allocations following any appeals may not be appealed.

Add Section 7010 to read:

Section 7010. Approval of Grant and Notification of Grantee.

(a) When an Initial Allocation for funding has been determined, Authority staff shall recommend to the Authority at its regularly scheduled meeting, that the Initial Allocation for consideration be approved as a Final Allocation.

(b) Any Final Allocation approved by the Authority shall be awarded as Grants to Grantees.

(c) For Children's Hospitals Applying Jointly, the Grant shall be awarded to the Children's Hospital designated as Lead Grantee.

(d) A Grant Award Letter that includes the following shall be sent to all Applicants approved for a Final Allocation:

(1) Name of the Grantee

(2) Grant amount less Costs of Issuance and Administrative Costs.

(3) A statement that funding of the Grant is conditioned upon the Grantee meeting certain requirements as specified in the regulations implementing the Children's Hospital Program of 2018, including signing a Grant Agreement and submitting disbursement requests for eligible costs.

(4) A statement that funding of the Grant is contingent upon California's ability to issue bonds to support the Children's Hospital Program of 2018. Pursuant to Section 1179.87(g) of the Health and Safety Code, the Grant shall only be available if the Authority determines it has sufficient money available in the Children's Hospital Bond Act Fund of 2018.

Add Section 7011 to read:

Section 7011. Approval of Grant Use Change.

The Authority or the Authority staff may, on a case-by-case basis, consider a change in the use of the Grant if the Grantee demonstrates, to the Authority's or the Authority staff's satisfaction, that the change is consistent with the Act and this chapter.

Add Section 7012 to read:

Section 7012. Grant Agreements.

The terms and conditions of a Grant shall be set forth in a Grant Agreement, which shall include, but not be limited to, all of the following terms and conditions:

(a) A Grant amount (less Cost of Issuance and Administrative Costs).

(b) A Grant Period.

(c) Disbursement procedures pursuant to Sections 7013, 7013.1, or 7013.2, as applicable.

(d) A provision that any unused Grant funds and any unused interest earnings on such Grant funds shall revert to the Authority.

(e) Agreement to comply with the Children's Hospital Bond Act of 2018 and these regulations.

(f) Agreement that the Grantee will defend, indemnify and hold harmless the Authority and the state, and all officers, trustees, agents and employees of the same, from and against any and all claims, losses, costs, damages, or liabilities of any kind or nature, whether direct or indirect, arising from or relating to the Grant, the Project or the Act.

(g) Agreement to comply with state and federal laws outlawing discrimination, including, but not limited to, those prohibiting discrimination because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.

(h) Agreement that continued compliance with Children's Hospital Bond Act of 2018 and these regulations is the Grantee's responsibility.

(i) Agreement that the Grant shall only be used for Projects as described in the Application.

(j) Any audit provisions.

(k) Any provision necessary to ensure that interest on the bonds is tax-exempt.

(l) Agreement that the Grantee will not dispose of any component of the Project before the end of the useful life of that component of the Project.

(m) Any provisions relating to lease agreements pursuant to Section 7014.

(n) Any other provisions required by the Authority.

Add Section 7013 to read:

Section 7013. Release of Funds for Non University of California Children's Hospitals.

(a) No Grant shall be released until the following information has been provided to the satisfaction of Authority staff:

(1) For all Projects with the exception of equipment acquisition or real property acquisition projects, any supporting documentation that was incomplete with the Application shall be finalized and submitted along with a copy of the executed construction contract and the building permit.

(2) For Projects that include architect, design and engineering fees to be paid with Grant proceeds, all applicable executed architect, design and engineering contracts.

(3) For real property acquisition Projects:

(A) A copy of the executed purchase and sale agreement.

(B) A copy of an appraisal, the appraised value of which (when added to the amount of reasonable transaction and closing costs) shall not be less than the sum of the Grant and all other funding sources necessary to acquire the Project.

(i) The appraisal shall be within six months of the date of the executed purchase and sale agreement and shall be completed by a state certified appraiser.

(4) For equipment acquisition Projects:

(A) Any supporting documentation that was incomplete when the Application was submitted, or not provided at that time, shall be finalized and submitted along with a list of items to be purchased and all purchase orders.

(5) Evidence that all other funds, if needed, are in place to complete the Project.

(6) For all construction Projects, evidence of compliance with Section 7001, subdivision (b)(4).

(7) An executed Grant Agreement.

(8) When applicable, evidence that there are no outstanding issues related to the California Environmental Quality Act (CEQA) and any other applicable law, if this information was not provided with the Application.

(9) When applicable, evidence of compliance with prevailing wage law under Labor Code Section 1720 et seq.

(b) Documentation provided for the release of Grant funds shall clearly show that the Grant award does not exceed the cost of the Project.

(c) Grant funds shall be released on a periodic basis upon receipt of a request for disbursement of Grant funds.

(1) A request for disbursement of funds shall be on official letterhead and include the amount of funds requested and copies of applicable supporting documentation justifying funds requested.

(2) Where a Project includes elements required to serve non-pediatric populations, the Grant funds shall be limited to the proportionate cost of providing care to the pediatric population.

(3) The amount of Grant funds disbursed may be less than the amount requested if the disbursement request does not comply with the appropriate proportionate share use methodology as determined by the Authority.

(d) Interest earnings on any previously released portion of Grant shall be paid to the Authority prior to final release of Grant funds to the Grantee.

Add Section 7013.1 to read:

Section 7013.1. Release of Funds for Eligible Hospitals.

(a) No Grant shall be released to an Eligible Hospital until the following information has been provided to the satisfaction of Authority staff:

(1) For all Projects with the exception of equipment acquisition any supporting documentation that was incomplete with the Application shall be finalized and submitted along with a copy of the executed construction contract and the building permit.

(2) For Projects that include architect, design and engineering fees to be paid with Grant proceeds, all applicable executed architect, design and engineering contracts.

(3) For equipment acquisition Projects:

(A) Any supporting documentation that was incomplete when the Application was submitted or not provided at that time shall be finalized and submitted along with a list of items to be purchased and all purchase orders.

(4) Evidence that all other funds, if needed, are in place to complete the Project.

(5) For all construction Projects, evidence of compliance with Section 7001, subdivision (b)(4).

(6) An executed Grant Agreement.

(7) When applicable, evidence that there are no outstanding issues related to the California Environmental Quality Act (CEQA) and any other applicable law, if this information was not provided with the Application.

(8) When applicable, evidence of compliance with prevailing wage law under Labor Code Section 1720 et seq.

(9) The Authority staff has determined the Project is ready and feasible. This determination shall be made by evaluating the Grantee's documentation addressing the evaluation criteria listed in Section 7007.1, subdivision (c).

(A) The determination that the Grantee has met the requirements in Section 7007.1, subdivision (c)(2)(B) may occur at the time of Initial Allocation or within twelve (12) months from the time of Final Allocation as specified in Section 7007.1, subdivision (c)(2)(B)(i).

(B) If the determination is made after Final Allocation, the determination shall be based on updated information provided to the Authority by Grantee in accordance with Section 7007.1, subdivision (c)(2)(B).

(C) Limited extensions beyond the timeframe specified in Section 7007.1, subdivision (c)(2)(B)(i), shall be made on a case-by-case basis at the discretion of the Executive Director for good cause, including but not limited to reasonable delays associated with obtaining building and conditional use permits, or obtaining CEQA compliance documentation.

(i) The Grantee shall submit a written extension request to the Executive Director no later than 30 calendar days prior to the end of the twelve (12) month period as specified in Section 7007.1, subdivision (c)(2)(B)(i) including but not limited to, the additional time needed, reason for the delays, and progress towards meeting the requirements in Section 7007.1, subdivision (c)(2)(B).

(D) Failure to demonstrate readiness and feasibility within the timeframe dictated by the Authority shall cancel the Grant and the Grant funds shall be made available to other Applicants.

(b) Documentation provided for the release of Grant funds shall clearly show that the Grant award does not exceed the cost of the Project.

(c) Grant funds shall be released on a periodic basis upon receipt of a request for disbursement of funds.

(1) A request for disbursement of funds shall be on official letterhead and include the amount of funds requested and copies of applicable supporting documentation justifying funds requested.

(2) Where a Project includes elements required to serve non-pediatric populations, the Grant funds shall be limited to the proportionate cost of providing care to the pediatric population.

(3) The amount of Grant funds disbursed may be less than the amount requested if the disbursement request does not comply with the appropriate proportionate share use methodology as determined by the Authority.

(d) Interest earnings on any previously released portion of Grant shall be paid to the Authority prior to final release of Grant funds to the Grantee.

Add Section 7013.2 to read:

Section 7013.2 Release of Funds for University of California Children's Hospitals

(a) No Grant shall be released to a University of California Children's Hospital until the following has been provided to the satisfaction of Authority staff:

(1) For all Projects (including Projects with architect, design and engineering fees) with the exception of equipment acquisition projects, Project documentation of expenditures, including copies of cancelled checks that represent payment to contractors.

(A) If the Grantee does not provide copies of cancelled checks, the Grantee shall provide wire transfers, electronic fund transfers or other evidence acceptable to the Authority in lieu of copies of cancelled check

(2) For all construction Projects, the Grantee shall provide evidence of compliance with Section 7001, subdivision (b)(4).

(3) For real property acquisition Projects:

(A) A copy of the executed purchase and sale agreement.

(B) A copy of the final closing statement with certification by the title company.

(C) A copy of an appraisal, the appraised value of which (when added to the amount of reasonable transaction and closing costs) shall not be less than the sum of the Grant and all other funding sources necessary to acquire the Project.

(i) The appraisal shall be within six months of the date of the executed purchase and sale agreement and shall be completed by a state certified appraiser.

(4) For equipment acquisition Projects, all contracts, purchase orders, invoices and copies of cancelled checks shall be submitted.

(A) If the Grantee does not provide copies of cancelled checks, the Grantee shall provide wire transfers, electronic fund transfers or other evidence acceptable to the Authority in lieu of copies of cancelled checks.

(5) When applicable, evidence that there are no outstanding issues relating to the California Environmental Quality Act (CEQA) and any other applicable law, if this information was not provided with the Application.

(6) When applicable, evidence of compliance with prevailing wage law under Labor Code Section 1720 et seq.

(7) An executed Grant Agreement.

(b) Documentation provided for the release of Grant funds shall clearly show that the Grant award did not exceed the cost of the Project.

(c) Grant funds shall be released on a periodic basis, upon receipt of a request for disbursement of funds, based on a listing of expenditures made on the Project and not previously reimbursed.

(1) A request for disbursement of funds shall be on official letterhead and include the amount of funds requested, and applicable supporting documentation.

(2) Where a Project includes elements required to serve non-pediatric populations, the Grant funds shall be limited to the proportionate cost of providing care to the pediatric population.

(3) The amount of Grant funds disbursed may be less than the amount requested if the disbursement request does not comply with the appropriate proportionate share use methodology as determined by the Authority.

Add Section 7014 to read:

Section 7014. Requirements for Construction Projects on Leased Property.

(a) If an Applicant proposes to use Grant funds for a Project other than equipment acquisition on property where the Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, is a lessee under a lease agreement, the following requirements shall be satisfied prior to any release of Grant funds pursuant to Sections 7013, 7013.1, or 7013.2, as applicable.

(1) The lease agreement shall provide the Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, as lessee, full access to the site to carry on its healthcare purposes.

(2) The term of the lease agreement shall meet one of the following:

(A) The term of the lease agreement shall be at least as long as the useful life of the Project under the Grant.

(B) If the landlord under the lease agreement is an Affiliate, the term of the lease agreement must be at least 74% of useful life of the Project under the Grant.

(3) A current title report on the site, brought up to date as of the effective date of the lease agreement shall be provided to the Authority. The title report shall show all of the following:

(A) No delinquent taxes or assessments or, if there are delinquent taxes or assessments, these are being contested in good faith and the Applicant has set aside on its books adequate reserves to pay these taxes or assessments.

(B) No easements, exceptions or restrictions on the use of the site that will interfere with or impair the operation of the Project.

(C) No superior liens (deeds of trust or other rights) in the property. If there are any superior liens, they shall be subordinated to the lease agreement. The lease agreement shall provide that any subsequent encumbrance on the property (e.g. deed of trust) or sale of the property shall be subject to the lease agreement.

(4) Any one of the following shall be satisfied:

(A) The lease agreement shall provide for a nominal rent (e.g. \$1 per year).

(B) Full rent under the lease agreement shall be paid in a lump sum up front.

(C) The Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, shall covenant in the Grant Agreement to budget for payment of rent each year.

(5) The lease agreement shall provide that the only remedy for any default, including failure to pay rent, by lessee Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, is suit for rent or specific performance to remedy any specific breach. The landlord's remedies for any default by lessee Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, may not include cancellation of lease agreement, retaking of property or eviction of the lessee.

(6) The lease agreement shall provide for either one of the following:

(A) The lessee Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, is obligated to pay all taxes and assessments on the property.

(B) The landlord will provide the lessee Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, with notice of any failure to pay taxes or assessments on the property and an opportunity for the lessee Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, to cure the failure.

(7) The landlord shall demonstrate that the lease agreement is legally authorized and has been properly approved and executed and enforceable against the landlord. The landlord shall provide a legal opinion of qualified counsel to this effect that is acceptable to the Authority.

(8) The lessee Applicant shall demonstrate that the lease agreement is legally authorized and has been properly approved and executed and enforceable against the lessee Applicant, or the California nonprofit corporation of which the Applicant is an operating entity. Lessee Applicant shall provide a legal opinion of qualified counsel to this effect that is acceptable to the Authority

(9) (A) Except as provided in (9)(B), the Applicant shall provide a legal opinion that either:

(1) The landlord is a special purpose entity which cannot enter bankruptcy proceedings under the federal Bankruptcy Code, or

(2) The lease agreement will not be an executory contract and cannot be rejected by the landlord in the event of bankruptcy. The legal opinion shall be acceptable to the Authority.

(B) For so long as the landlord is an Affiliate of lessee Applicant, or the California nonprofit corporation of which the Applicant is an operating entity, the requirements of (9)(A) do not apply.

(10) The Grant Agreement shall provide that if the lease agreement terminates prior to the end of the useful life of the Project under the Grant and the property that was subject to the lease agreement is not simultaneously re-leased under a new lease agreement that complies with the requirements of this Section 7014 or fee title to the property that was subject to the lease agreement is not simultaneously transferred to the Applicant, the Authority is entitled to recover the Grant funds pursuant to Section 7016.

(11) When a Project on leased property includes improvements to any common areas that are shared with other tenants or areas that are not leased by the lessee Applicant, or the California nonprofit corporation of which the Applicant is an

operating entity, under the lease agreement, the Grant funds shall be limited only to the proportionate costs of the Project which exclude the costs related to such areas.

(12) Prior to approval of the Grant by the Authority, the Applicant shall submit the proposed lease agreement for review and demonstrate compliance with all of the above conditions and any other conditions required by the Authority.

(b) For purposes of this section, "Affiliate" means an entity which, directly or indirectly through one or more intermediaries, is controlled by or is under common control with the lessee Applicant, or the California nonprofit corporation of which the Applicant is an operating entity.

Add Section 7015 to read:

Section 7015. Completion of Grant Funded Project.

(a) The Grantee shall certify to the Authority that the Project is complete by submitting a Completion Certificate and Final Report Form No. CHFFA 10 CHP18-CCFR (2/2019), hereby incorporated by reference and, to the extent not already provided to the Authority, supporting documentation to the satisfaction of the Authority staff as follows:

(1) Construction projects (including Projects with architect, design and engineering fees) require documentation including, but not limited to, copies of the certificate of occupancy and/or notice of completion. Purchase orders, invoices, and cancelled checks shall be submitted. If the Grantee does not provide copies of cancelled checks, the Grantee shall provide wire transfers, electronic fund transfers or other evidence acceptable to the Authority in lieu of copies of cancelled checks.

(2) Real property acquisition Projects require a copy of the final closing statement with certification by the title company.

(3) Equipment acquisition projects require service contracts, purchase orders, invoices and copies of cancelled checks to be submitted.

(A) If the Grantee does not provide copies of cancelled checks, the Grantee shall provide wire transfers, electronic fund transfers or other evidence acceptable to the Authority in lieu of copies of cancelled checks.

(b) If the Grantee fails to complete the Project within the Grant Period, the Authority may require remedies, including forfeiture and return of the Grant to the Authority.

(c) On a case-by-case basis, the Authority or the Executive Director may grant limited extensions of the Grant Period for extraordinary or unavoidable delays where the Grantee can demonstrate that it occurred through no fault of its own.

Add Section 7016 to read:

Section 7016. Recovery of Funds for Non-Performance and Unused Funds.

(a) If the Authority determines that the use of the Grant funds did not comply with the Children's Hospital Program of 2018 requirements and the terms of the Grant Agreement for an approved Project, the Authority may require remedies, including a return of all Grant funds.

(b) In cases where Grant funds paid for a component of a Project that does not specifically benefit pediatric patients, such as architect, design or engineering fees or land acquisition costs, and if the Authority determines that the Grantee did not complete a larger Project as described in the timelines provided with the Application, the Authority may require remedies, including a return of all Grant funds.

(c) If the Project, or any part thereof, funded with Grant funds ceases to be used by the Grantee(s) before the end of the useful life of the Project, the Authority is entitled to recover Grant funds in an amount that bears the same ratio to the value of the Project, or the appropriate part thereof, at the time it ceased to be used by the Grantee(s) as the amount of the Grant bore to the cost of the Project or the appropriate part thereof.

(1) For purposes of this paragraph, the value of the Project, or the appropriate part thereof, is determined by mutual agreement of the Authority and the Grant recipient or through an action brought for that purpose in superior court.

(d) If any portion of the Grant is forfeited to the Authority, the forfeited funds shall be deemed remaining funds for purposes of Section 7003 (a)(4) or 7003.1 (c) and (d).

Add Section 7017 to read:

Section 7017. Records Retention, Inspections and Audits.

(a) The California State Auditor and Authority staff may conduct periodic audits to ensure Grantees are using Grants consistent with the Children's Hospital Program of 2018 requirements and the terms of the Grant Agreement for an approved Project.

(b) Grantees shall retain all Children's Hospital Program of 2018 documentation and financial data necessary to substantiate the purposes for which the Grant funds were spent for a period of three years after the certification of completion of the Project has been submitted or until June 30, 2036, whichever is later.

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 1-8 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 issued by the California Department of Public Health to 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 501(c)(3) determination letter from the Internal Revenue Service (IRS) and either the tax-exemption letter or Letter of Good Standing from the California Franchise Tax Board (FTB). 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))

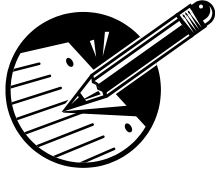
TAB 4 Legal Information

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 Attachment B and C 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 |
|---|--------------------------|--------------------------|
| 5. Is the Project an eligible project? An eligible Project is limited to:

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. | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. If the Children’s Hospital proposes to use Grant funds for the acquisition of real property, does the Children’s Hospital have a valid, current, enforceable contingent purchase and sale agreement or 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 subject property, including evidence that all extensions necessary to keep the agreement current through the Final Allocation have been executed, if applicable? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. If the Children’s Hospital proposes to use Grant funds for a Project other than equipment acquisition on certain property, can the Children’s Hospital provide evidence that either:

<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"/> |
| 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 with reasonable assurance 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? | <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 children 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 program 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. For any requests by the University of California Children's Hospitals to refinance Projects that have already been completed, when were the expenditures incurred for the Project to be refinanced with the Grant?
 - 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 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 of the Children's Hospital Program Regulations. 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 also submit evidence that it is in compliance with the California Environmental Quality Act (CEQA) and all other applicable laws.
 - B. A Children's Hospital with a Project that does not yet have building permits, executed construction contract, and/or evidence of compliance with CEQA but is actively in the process of obtaining 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 satisfaction of 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, board approved capital campaign plans, or any other documentation acceptable to the Authority. 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 (3), 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.
4. Children's Hospitals shall adequately describe their plans for implementing the Project, including:
 - A. The Children's Hospital shall submit a third-party prepared 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), funding letters or other documentation to demonstrate that the Project will generate sufficient revenues to provide on-going support for new or expanded services and/or research programs. If revenues generated by the Project will be insufficient, the Children's Hospital's revenues shall be sufficient, as determined by Authority staff, to provide on-going support.

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 as part of the audit.

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 or the next business day. 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	\$ <u>0</u>

Uses of Funds:

Construct/expand facilities	\$ _____
Acquire facilities	\$ _____
Remodel/renovate	\$ _____
Purchase equipment/furnishings	\$ _____
Other (list):	
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Uses	\$ <u>0</u>

*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 B 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 C.

CALIFORNIA HEALTH FACILITIES
FINANCING AUTHORITY

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

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

915 Capitol Mall, Room 435
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Phone: (916) 653-2799
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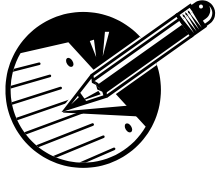
**The Children’s Hospital Program of 2018
Application Submission Instructions**

Eligible Hospitals shall submit Applications for Grant funds to the California Health Facilities Financing Authority. The narrative portion of the Application is limited to 30 pages in 12 point font such as Arial or Times New Roman with one inch margins. 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 1-9 of the Application
 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 issued by the California Department of Public Health to the California nonprofit corporation of which the Applicant is an operating entity. (CCR, Title 4, Section 7005, subdivision (a)(2)(B))
 2. A copy of the 501(c)(3) determination letter from the Internal Revenue Service (IRS) and either the tax-exemption letter or Letter of Good Standing from the California Franchise Tax Board (FTB). 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))*
 3. A copy of the Applicants Articles of Incorporation and Bylaws. Applicants that are operating entities of a California nonprofit corporation, both the Articles of Incorporation and Bylaws are required for the parent corporation. (CCR, Title 4, Section 7005, subdivision (a)(2)(A)(ii))*
 4. A copy of the Eligible Hospital’s California Children’s Services (CCS) Approval Letter by the California Department of Health Care Services as verification of full approval status as required in Section 7001, subdivision (a)(3)(A) or a copy of the CCS Approval Letter of the California nonprofit corporation of which the Eligible Hospital is an operating entity.
- TAB 4 Legal Information
- Legal Status Questionnaire - Attachment A of the Application
- TAB 5 Certification
- The Agreement and Certification - Attachment B of the Application

*NOTE: Public hospitals as defined in Welfare and Institutions Code section 14105.98(a)(25) are exempt from items number 2 and 3 above under organizational information.

**The Children's Hospital Program of 2018
Application for Eligible Hospitals**



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

A. Summary Information

Date of Application: _____

Total CHFFA Grant Amount Requested: _____

Eligible Hospital Legal Name:

Type of Eligible Hospital

- A public hospital as defined in Welfare and Institution Code 14105.98(a)(25)

- A general acute care hospital licensed pursuant to Health and Safety Code Section 1250 that is, or is an operating entity of, a California nonprofit corporation

- Indicate if Eligible Hospital qualifies as a Small and Rural Hospital as defined in Health and Safety Code Section 124840.

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: _____

NOTE: Eligible Hospitals are limited to \$15 million in grant funding less cost of issuance and administrative costs.

<Authority Use Only>

Date Received: (stamp below)

Allocation Meeting Date: _____

Resolution Number: _____

B. Eligible Hospital and Project Eligibility

	Yes	No
1. Is your facility a hospital that provides pediatric services to children eligible for the California Children’s Services program that is either (1) a public hospital as defined in Welfare and Institutions Code Section 14105.98(a)(25), or (2) a general acute care hospital licensed pursuant to Health and Safety Code Section 1250 that is, or is an operating entity of, a California nonprofit corporation?	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the Eligible Hospital, or the California nonprofit corporation of which the Eligible Hospital is an operating entity been granted, by the California Department of Health Care Services, full approval as a California Children’s Services hospital?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the Eligible Hospital, or the California nonprofit corporation of which the Eligible 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 Eligible Hospital or the California nonprofit corporation of which the Eligible Hospital is an operating entity, free of Going Concern Qualification language?	<input type="checkbox"/>	<input type="checkbox"/>
5. Is the Project an eligible project? An eligible Project is limited to: Constructing, expanding, remodeling, renovating, furnishing, or equipping a pediatric program of the Eligible Hospital where such costs are incurred only during the Grant Period.	<input type="checkbox"/>	<input type="checkbox"/>
6. If the Eligible Hospital proposes to use Grant funds for a Project other than equipment acquisition on certain property, can the Eligible Hospital provide evidence that either:	<input type="checkbox"/>	<input type="checkbox"/>
A. The Eligible Hospital or the California nonprofit corporation of which the Eligible Hospital is an operating entity owns the property, OR		
B. The Eligible Hospital or the California nonprofit corporation of which the Eligible Hospital is an operating entity is a lessee under a lease agreement that satisfies Section 7014 of the regulations.		

Yes No

7. If the Eligible Hospital or the California nonprofit corporation of which the Eligible Hospital is an operating entity, proposes to use Grant funds for a Project that includes architect, design, and/or engineering fees, can the Eligible Hospital provide the Authority with reasonable assurance 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?

If the Eligible Hospital answered "No" to any question above, the Eligible Hospital is not eligible to apply nor receive a grant.

C. Project Description

❖ 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. (Maximum 30 points)
 - i. Include a narrative description and statistics of how the Project contributes towards Expansion of Health Care Access or Improvement of Health Care Access to children eligible for Governmental Health Insurance Programs and Indigent, Underserved, and Uninsured children. As part of the narrative and statistics include:
 - a. The hospital’s current capacity and/or quantity and scope of Pediatric Services provided, including but not limited to, the number and type/usage of pediatric beds, space (e.g. square feet, rooms, etc.) for outpatient/other services, and/or equipment, as applicable.
 - b. The total number of pediatric patients served as well as those who are eligible for Governmental Health Insurance Programs and Indigent, Underserved, and Uninsured children served in the last fiscal/calendar year in the format of Chart Number 1, below.
 - c. How the Project will contribute towards the expansion or improvement and the anticipated capacity and/or quantity and scope of services provided after Project implementation, including but not limited to, the number and type/usage of pediatric beds, space, and/or equipment added, as applicable.
 - d. The total number and percentage of additional pediatric patients served as well as those that are eligible for Governmental Health Insurance Programs and Indigent, Underserved, and Uninsured children served in the last fiscal/ calendar year in the format of Chart Number 1, below.
 - e. Any cultural, language, geographical or other barriers that the Project addresses to improve accessibility for children.

Chart Number 1 - Utilization Statistics			
Pediatric Patients	Number Served in the Last calendar or fiscal year	Percent Increase With Project	
Total Pediatric Patients	__	__	__%
Governmental Health Insurance Programs	__	__	__%
Indigent	__	__	__%
Underserved	__	__	__%
Uninsured	__	__	__%

B. Improvement of Child Health Care or Improvement of Pediatric Patient Outcomes. (Maximum 30 points)

- i. Include a narrative description, specifics, and statistics of the ways the Project contributes towards the Improvement of Child Health Care or Improvement of Pediatric Patient Outcomes.
 - a. If the Project improves upon targeted evidence-based measures that focus on quality improvement; including but not limited to, the Centers for Medicare and Medicaid Services (CMS) Core Set of Children’s Health Care Quality Measures, National Committee for Quality Assurance (NCQA) measures, Centers for Disease Control and Prevention (CDC) measures, include the specific quality measure(s), source of measure(s), and how the Project would improve upon the measure(s).
- ii. Provide a narrative description of how the Project improves the reliability and sustainability of the Pediatric Services through the update of equipment or facility(ies).

2. How well the Applicant does any or all of the following:

A. Provides Uncompensated Care or Undercompensated Care to Indigent children or public pediatric patients. (Maximum 20 points)

- i. Include data and accompanying narrative description on the following:
 - a. The Uncompensated Care Costs and the percent of Uncompensated Care Costs to Total Operating Expenses extracted from the most recent Annual Financial Disclosure Report (AFDR) filed with the Office of Statewide Health Planning and Development (OSHPD) in the format below.

<u>Uncompensated Care Costs (UCC)</u>	<u>Year</u>
Charity-Other	\$X
Charity-Other + Bad Debt	\$X
Charity-Other + Bad Debt + County Indigent Program Contractual Adjustments (CIP Cont. Adj.)	\$X

<u>UCC % of Operating Expenses</u>	
Charity-Other % of Operating Expenses	X%
Charity-Other + Bad Debt % of Operating Expenses	X%
Charity-Other + Bad Debt + CIP Cont. Adj. % of Operating Expenses	X%

- b. The Uncompensated Care Costs and the percent of Uncompensated Care Costs to Total Operating Expenses for Indigent children or public pediatric patients receiving health insurance coverage from, including but not limited to Medicaid (Medi-Cal), Optional Targeted Low Income Children (OTLIC), California Children’s Services (CCS), and Children Health and Disability Prevention (CHDP) programs.

<u>Indigent or Public Pediatric Patients UCC</u>	<u>Year</u>
Charity-Other	\$X
Charity-Other + Bad Debt	\$X
Charity-Other + Bad Debt + CIP Cont. Adj.	\$X

Indigent or Public Pediatric Patients UCC % of Operating Expenses

Charity-Other % of Operating Expenses	X%
Charity-Other + Bad Debt % of Operating Expenses	X%
Charity-Other + Bad Debt + CIP Cont. Adj. % of Operating Expenses	X%

- c. A narrative description of the infrastructure that currently exists to assist the families of pediatric patients in finding alternative sources of health care coverage. For example, the hospital patient financial workers providing Hospital Presumptive Eligibility for Medi-Cal, county eligibility staff operating onsite to provide assistance to families of pediatric patients, etc.

B. Provides Services to Vulnerable Pediatric Populations. (Maximum 15 points)

i. Provide:

- a. The Gross Patient Revenue (by Payor) extracted from the most recent AFDR filed with OSHPD.

<u>Gross Patient Revenue (by Payor)</u>	<u>Year</u>	<u>Year</u>
Medi-Cal less CCS (Traditional and Managed Care)	\$X	X%
CCS (Traditional and Managed Care)	\$X	X%
County Indigent Programs	\$X	X%
Other Third Parties (Traditional and Managed Care)	\$X	X%
Other Payors (Indigent)	\$X	X%
Other Payors (All Other Payors)	\$X	X%
Total	\$X	100%

- b. The Gross Pediatric Patient Revenue or Gross Revenue for Pediatric Services (by Payor).

<u>Gross Pediatric Patient Revenue (by Payor)</u>	<u>Year</u>	<u>Year</u>
Medi-Cal less CCS (Traditional and Managed Care)	\$X	X%
CCS (Traditional and Managed Care)	\$X	X%
County Indigent Programs	\$X	X%
Other Third Parties (Traditional and Managed Care)	\$X	X%
Other Payors (Indigent)	\$X	X%
Other Payors (All Other Payors)	\$X	X%
Total	\$X	100%

- c. Number of Pediatric Patients, Pediatric Patient Days, or Pediatric Patient Visits (by Payor), as available.

<u>Pediatric Patients/ Pediatric Patient Days/ Pediatric Patient Visits (by Payor)</u>	<u>Year (#)</u>
Medi-Cal less CCS (Traditional and Managed Care)	X
CCS (Traditional and Managed Care)	X
County Indigent Programs	X
Other Third Parties (Traditional and Managed Care)	X
Other Payors (Indigent)	X
Other Payors (All Other Payors)	X
Total	X

- d. The number and type(s) of Special Care Center(s).
 - e. The percent (%) of the pediatric population the hospital is serving, during the timeframe of the most recent AFDR filed with OSHPD, who have special health care needs.
 - f. The percent (%) of hospital resources allocated to the pediatric population identified in (c) above.
- C. Promotes Pediatric Teaching Programs or Pediatric Research Programs. (Maximum 5 points)
- i. Include a description of the following:
 - a. The study area(s) of the Pediatric Research Program(s).
 - b. The specific area(s) of the Pediatric Teaching Program(s).
 - c. The number of individuals currently participating in the Pediatric Teaching Program(s) and the maximum capacity of the Pediatric Teaching Program(s).
 - d. How the Applicant promotes or Project improves or sustains the Pediatric Teaching Program(s) or Pediatric Research Program(s).
- ❖ To ensure that the tax-exempt status of the General Obligation bonds funding this program 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.

D. Project Readiness and Feasibility (Maximum 30 Points)

1. All Eligible Hospitals shall provide a project timeline, which:
 - A. Describes expected project start and completion dates.
 - B. Describes any challenges anticipated in implementing the Project and how these challenges will be managed to ensure timely completion.
2. All Eligible 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, submit estimates of Project costs and evidence of property ownership or, if the property is leased to an Eligible Hospital, or a California nonprofit corporation of which the Eligible Hospital is an operating entity, a copy of a lease agreement that satisfies the requirements of Section 7014. The Eligible Hospital shall also provide building permits and/or executed architect, design, engineering, and construction contracts, if available. When applicable, the Eligible Hospital shall also submit evidence that it is in compliance with the California Environmental Quality Act (CEQA) and all other applicable laws.
 - i. An Eligible Hospital with a Project that does not yet have building permits, executed contracts, and/or evidence of compliance with CEQA shall provide a detailed statement that explains the status of obtaining the missing items within 12 months as specified in Section 7007.1, subdivision (c)(2)(B) of the regulations.
 - B. For equipment acquisition projects, the Eligible 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.
 - C. If funding sources other than the Grant are required to complete the Project, the Eligible Hospital shall provide proof of the other funding sources, including but not limited to, commitment letters, board approved capital campaign plans, or any other documentation acceptable to the Authority. Such documentation shall be in accordance with the Project timeline and budget.
3. All Eligible Hospitals shall adequately describe plans for on-going operation of the Project, including:
 - A. A third-party prepared 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), funding letters or other documentation to demonstrate that the Project will generate sufficient revenues to provide on-going support for new or expanded services and/or research programs. If revenues generated by the Project will be insufficient, the Eligible Hospital's revenues shall be sufficient as determined by Authority staff, to provide on-going support.

4. 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 (3), 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 a 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.

E. Financial Capacity

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

F. Application Submission

An original and one copy of the Application shall be submitted to the Authority no later than 5:00 p.m. (Pacific Time) on March 30, 2020. 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 CHFPA Grant Amount Requested	\$ _____
Eligible Hospital Internal Funds	\$ _____
Other (bank loans, grants, etc.):	
_____	\$ _____
_____	\$ _____
_____	\$ _____
 Total Sources	 \$ <u><u>0</u></u>

Uses of Funds:

Construct/expand facilities	\$ _____
Remodel/renovate	\$ _____
Purchase equipment/furnishings	\$ _____
 Other (list):	
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
 Total Uses	 \$ <u><u>0</u></u>

*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.

AGREEMENT AND CERTIFICATION

The Chief Executive Officer, Chief Financial Officer or other authorized officer of the Eligible Hospital on behalf of the Eligible 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. Eligible Hospital may be required to return all or a portion of the Grant including any unused interest earnings if the Eligible Hospital fails to complete the Project as approved. In cases where the Grant will fund architect, design, or engineering fees as part of an approved Project, the Eligible 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 Eligible Hospital's Project are subject to audit and inspection by the Authority and the California State Auditor.
5. Eligible Hospital has disclosed all information requested by the Legal Status Questionnaire
6. Eligible Hospital will notify the Authority in writing at the time of Project completion with evidence of completion included.
7. Eligible Hospital will provide all documents and information required by law and will meet all necessary requirements prior to the release of the Grant.

Name of Eligible Hospital

By (Print Name)

Signature

Title

Date

**COMPLETION CERTIFICATE AND FINAL REPORT
California Health Facilities Financing Authority (CHFFA)
CHILDREN’S HOSPITAL PROGRAM OF 2018**

Grantee:	
Grant Award #:	Grant Amount:
CHFFA Approval Date:	Project Period End Date:
Project Description:	

PART I: NARRATIVE QUESTIONS

Please attach a narrative in response to the following questions.

1) Results of the Project

Provide descriptions, stories, and/or data that demonstrate how well the project contributed to each 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) Key Milestones

- c) When did the project start?
- d) When was it (and any associated larger project) completed?
- e) What were some additional key milestones or notable events including, but not limited to, date of license (if applicable) and start of services?
- f) A timeline with key dates for licensing and/or other approvals/ actions that may have not yet been implemented.

3) Supporting Documentation

- g) For construction Projects, copies of the Certificate of Occupancy and/or Notice of Completion.
- h) For real property acquisition projects, a copy of the final closing statement with certification by the title company? (If not already provided at time of release of Grant funds.)

All contracts, service contracts, purchase orders, invoices, and cancelled checks/wire transfers/electronic fund transfers/ or other evidence acceptable to the Authority shall have been submitted and verified by the Authority staff prior to completion and submission of this form.

PART II: ACTUAL PROJECT SOURCES & USES

Provide a summary of actual sources and uses of funds in the format provided below. Provide an "as of" date. Children's Hospital Program Grants cannot exceed the total cost of the project. Total sources must equal total uses.

Sources of Funds – as of _____:

Total CHFFA Grant(s)	\$ _____
Grantee Internal Funds	\$ _____
Other (bank loans, grants, etc.):	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Sources	\$ _____

Uses of Funds (from all sources) – as of _____:

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

PART III: CERTIFICATION

I hereby certify that, to the best of my knowledge, all Grant funds were expended on the above named project, the project is complete, the Grant did not exceed the total Project costs, all interest earnings have been reported to CHFFA, and this report and all accompanying documents are true and correct. I understand that the Grant Agreement includes valid and binding obligations that extend beyond the term of the Grant.

Signature:

Date

Name: _____

Title: _____

Additional Contact:

Name: _____

Title: _____

Email: _____

Phone: _____

RESOLUTION NO. 2019-01

**RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING
AUTHORITY APPROVING THE ADOPTION OF REGULATIONS AND
AUTHORIZING RULEMAKING PROCEEDINGS FOR
THE CHILDREN’S HOSPITAL BOND ACT OF 2018**

WHEREAS, 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”), established by Proposition 4, which was approved by the voters on November 6, 2018, authorizes the California Health Facilities Financing Authority (the “Authority”) to award grants to any eligible children’s hospital, any eligible children’s hospitals applying jointly, and any eligible hospital that provides pediatric services to children eligible for the California Children’s Services program for capital improvement projects pursuant to the Children’s Hospital Program of 2018 (hereafter the “Program”); and

WHEREAS, the Act requires the Authority to award grants to eligible children’s hospitals and eligible hospitals, subject to the limitations of the Act and to further the purpose of the Act to improve the health and welfare of California’s critically ill children;

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

Section 1. The proposed regulations for Program are hereby approved in substantially the form submitted to the Authority by Authority staff. The Chair, any Deputy to the Chair, Executive Director and Deputy Executive Director are each hereby authorized, for and on behalf of the Authority, to submit such regulations, with the supporting documentation required by law, to the Office of Administrative Law and proceed as required by the Administrative Procedures Act.

Section 2. The Chair, any Deputy to the Chair, Executive Director and Deputy Executive Director of the Authority are each hereby authorized and directed to take such actions, including making or causing to be made such changes to the regulations as may be required for approval thereof by the Office of Administrative Law, and to execute and deliver any and all documents that he or she may deem necessary or advisable in order to effectuate the purposes of this resolution.

Section 3. This resolution shall take effect immediately upon its approval.

Date Approved: _____