

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Cedillo-Alarcón Community Clinic Investment Act of 2000

Executive Summary

Background:

Effective January 1, 2001, the California Health Facilities Financing Authority was authorized to administer the Cedillo-Alarcón Community Clinic Investment Act of 2001 (Act). The Act provided \$50 million in available grant funds to community clinics for purposes of capital projects. For the first funding round, the Authority approved funding 225 grant requests in an amount totaling \$42,244,065.

For the second funding round, the Authority received a total of 168 applications for grants totaling \$25,828,871. Of the applications received, staff recommended funding 105 grant requests in an amount totaling \$8,580,217. Since the second funding round was oversubscribed, grants were awarded based on score, at one of the three funding levels: 100% of grant request, 60% of grant request or 40% of grant request. All eligible grant applicants that did not receive a grant allocation were placed on a waiting list, in order of score, in the event any of the awarded grant allocations were returned or forfeited.

Funds Available for Allocation:

As of September 6, 2002, approximately \$1.154 million in grant funds were returned or forfeited from the first and second funding rounds. Staff contacted the top sixteen scored applicants and requested a project update. Based on responses received from fourteen of the sixteen clinics contacted, staff recommended funding in the amount of \$1,004,824. The Board approved staff's recommendation at October 31, 2002 Board meeting.

Approximately \$428,000 in additional funds have been either forfeited or unused and are now available to allocate as grant funding to applicants on the waiting list. Staff contacted the remaining eleven waiting list applicants. Of the eleven clinics contacted, six responded with current project information that met the program's regulations. Staff has reviewed these updated projects and recommends that the Authority fund the six clinics on the waiting list in an amount totaling \$525,900. Based on score, each clinic will receive 40% of the original, eligible request.

Current Status of Grant Program:

Assuming that the Board approves this staff recommendation, a total of \$50,772,416 has been allocated as 341 grants to 301 community clinics throughout the state. The staff will continue to monitor for financial and project compliance. In addition, staff is currently performing site visits to various clinic projects to verify project status and completion.

Should the Authority approve this proposed allocation of grant funds, all projects on the waiting list that meet the program eligibility requirements will have been funded.

With this final allocation, the Authority has met all statutory and regulatory requirements of the Cedillo-Alarcón Community Clinic Investment Act of 2000 with one exception. The statute requires a report to the Joint Legislative Budget Committee once all funds have been allocated and released. Clinics that are receiving an allocation at this meeting will have six months to provide sufficient documentation for fund release. Once that has occurred, the staff will be able to complete the report to the Joint Legislative Budget Committee.

Staff Recommendation:

Staff recommends the Authority approve grant allocations to the waiting list applicants detailed as Exhibit A

List of Proposed Grant Awards

<u>Applicant/Facility Name</u>	<u>Project City</u>	<u>Requested Amount</u>	<u>Proposed Grant Award</u>	<u>Page</u>
Community Medical Centers, Inc. - Woodbridge Medical Group	Lodi	\$85,659	\$34,264	A-2
El Proyecto del Barrio, Inc. El Proyecto del Barrio, Inc. [Canoga Park Site]	Canoga Park	\$250,000	\$91,636	A-4
Planned Parenthood Mar Monte				
Planned Parenthood – Capitol Plaza	Sacramento	\$250,000	\$100,000	A-6
Planned Parenthood [Fresno Clinic]	Fresno	\$250,000	\$100,000	A-7
Planned Parenthood [North Highlands]	North Highlands	\$250,000	\$100,000	A-9
Planned Parenthood [Salinas Clinic]	Salinas	\$250,000	\$100,000	A-10
			<u>\$400,000</u>	
	Total:	\$1,335,659	\$525,900	

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
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STAFF SUMMARY

Name: Community Medical Centers, Inc.
D.B.A. Woodbridge Medical Group
Address: 701 E. Channel Street
Stockton, CA 95202
County: San Joaquin

Original Project Description:

The proposed project included minor renovations with the majority of grant funds to be used to purchase various medical and office equipment.

Current Status:

Based on the third tier reduction in grant funding, Community Medical Centers, Inc. intends to purchase the Medical Records Bar Code System as proposed in its original request for grant funds. Due to continuous growth in patient load and resulting health records, the present system can not keep up with the volume of health records. A new system will reduce staff time locating records and improve the flow of medical information charted for each patient.

Proposed Grant Award:	\$34,264
Purchase Equipment	\$37,615
Internal Funds	<u>(3,351)</u>
	\$34,264

Proposed Grant Award Calculation:

Based on the score derived for the Community Medical Centers, Inc. (Woodbridge Medical Group clinic), the application falls in Funding Category, Tier 3. The requested grant award of \$85,659 has been reduced to 40%, which results in a proposed grant award of \$34,264.

Legal Review:

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

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

Contingencies of Funding:

- Updated proposal from vendor with details of project.
- Executed contract to perform services.
- Updated lease renewal through 2007.
- Invoices for equipment purchases.

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CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
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STAFF SUMMARY

Name: El Proyecto del Barrio, Inc.
D.B.A. El Proyecto del Barrio, Inc. [Canoga Park Site]
Address: 20800 Sherman Way
Canoga Park, CA 91306
County: Los Angeles, CA

Original Project Description:

In its original proposal, El Proyecto del Barrio, Inc. intended to expand the Canoga Park Clinic by converting four existing rooms into three exam rooms and a nurse's station to create a pediatric wing. The expansion would allow the clinic to accommodate 6,000 additional patient visits annually. El Proyecto also planned to purchase a van to address transportation barriers, and various medical equipment including a mammography machine to provide mammography services, which are currently provided by other agencies.

Current Status:

El Proyecto del Barrio, Inc. plans to use grant funds to add three exam rooms and a nurse's station. An architect has already been hired and the program has been designed. The clinic intends to begin the construction bid process in December 2002, award the contract in January 2003, and complete the project in February 2003. In addition, due to the reduced grant funding, El Proyecto has scaled down the original equipment list. The clinic intends to purchase some medical equipment and a telephone system. However, they will be unable to purchase the van and mammography machine as originally proposed.

Proposed Grant Award:	\$91,636
Remodel	\$73,000
Equipment	28,636
Internal Funds	<u>(10,000)</u>
	\$91,636

Reduction to Grant Request Based on Ineligible Use:

The applicant originally requested \$250,000, but estimates for Uses of Funds support \$229,090.

Proposed Grant Award Calculation:

Based on the score derived for El Proyecto del Barrio, Inc., the application falls in Funding Category, Tier 3. The recommended grant award of \$229,090 has been reduced to 40%, which results in a proposed grant award of \$91,636.

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Legal Review:

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

Contingencies of Funding:

- 2001 Audited Financials.
- Copy of current license from Department of Health Services.
- Executed Architectural contract.
- Updated construction proposal from Jim Becker Construction and two additional construction bids.
- Updated equipment list and estimates.
- Executed construction contract including building permit(s).
- Invoices for equipment purchases.

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**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
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STAFF SUMMARY**

Name: Planned Parenthood Mar Monte
D.B.A. Planned Parenthood – Capitol Plaza
Address: 310 29th St.
 Sacramento, CA 95816
County: Sacramento

Original Project Description:

The proposed project is to construct/build-out approximately 7,500 square feet of clinic in an already built facility. The new facility will house nine exam rooms, six interview/consultant rooms, two laboratories, four restrooms, a waiting room, staff offices and supply storage space, in addition to the front desk check-in, chart room and appointment phone line areas.

Current Status:

The proposed project has not changed. Planned Parenthood has already begun the process to get the project started and the internal funds have already been allocated for this project. Internal funds have been verified by reviewing the most recent audited financials.

Proposed Grant Award:	\$100,000
Construction/Remodel	\$1,635,000
Internal Funds	<u>(1,535,000)</u>
	\$100,000

Proposed Grant Award Calculation:

Based on the score derived for Planned Parenthood Mar Monte – Capitol Plaza, the application falls in Funding Category, Tier 3. The requested grant award of \$250,000 has been reduced to 40%, which results in a proposed grant award of \$100,000.

Legal Review:

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

Contingencies of Funding:

- Copy of current license from the Department of Health Services.
- Executed construction contracts, including three bids for any construction contracts in excess of \$50,000.
- Building permits.
- Updated Articles of Incorporation. (Name to match DHS License)

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CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
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STAFF SUMMARY

Name: Planned Parenthood Mar Monte
D.B.A. Planned Parenthood Mar Monte
Address: 633 N. Van Ness
Fresno, CA 93728
County: Fresno

Original Project Description:

Grant proceeds will be used to partially fund improvements in a recently acquired building. The improvements will create six to seven exam rooms, five interview/consultant rooms, four restrooms, a waiting room, staff offices and supply storage areas. Office space will also be dedicated to regional health educators, fund raising and public affairs staff, a conference room and a copy/work room.

Current Status:

The proposed project has changed only slightly. Originally Planned Parenthood was going to move the administrative staff to the new location. Now the administrative staff will stay in the current location and the new location will be used for the clinical services. Planned Parenthood has already begun the process to get the project started and the internal funds have already been allocated for this project. Internal funds have been verified by reviewing the most recent audited financials.

Proposed Grant Award:	\$100,000
Construction/Remodel	\$1,390,000
Internal Funds	<u>(1,290,000)</u>
	\$100,000

Proposed Grant Award Calculation:

Based on the score derived for Planned Parenthood Mar Monte – Fresno, the application falls in Funding Category, Tier 3. The requested grant award of \$250,000 has been reduced to 40%, which results in a proposed grant award of \$100,000.

Legal Review:

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

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

Contingencies of Funding:

- Copy of current license from the Department of Health Services.
- Executed construction contracts, including three bids for any construction contracts in excess of \$50,000.
- Building permits.
- Updated Articles of Incorporation. (Name to match DHS License)

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STAFF SUMMARY

Name: Planned Parenthood Mar Monte
D.B.A. Planned Parenthood North Highlands
Address: 5702 Watt Ave.
North Highlands, CA 95660
County: Sacramento

Original Project Description:

The proposed project is to complete tenant improvements on recently leased office space adjoining Planned Parenthood's current facility. Improvements will enable the clinic to add three exam rooms, a second lab, and expand the patient waiting area.

Current Status:

The proposed project has not changed. Planned Parenthood has already begun the process to get the project started and the internal funds have already been allocated for this project. Internal funds have been verified by reviewing the most recent audited financials.

Proposed Grant Award:	\$100,000
Construction/Remodel	\$270,000
Internal Funds	<u>(170,000)</u>
	\$100,000

Proposed Grant Award Calculation:

Based on the score derived for Planned Parenthood Mar Monte – North Highlands, the application falls in Funding Category, Tier 3. The requested grant award of \$250,000 has been reduced to 40%, which results in a proposed grant award of \$100,000.

Legal Review:

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

Contingencies of Funding:

- Copy of current license from the Department of Health Services.
- Executed construction contracts, including three bids for any construction contracts in excess of \$50,000.
- Building permits.
- Updated Articles of Incorporation. (Name to match DHS License)

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STAFF SUMMARY

Name: Planned Parenthood Mar Monte
D.B.A. Planned Parenthood Mar Monte
Address: 316 North Main St.
Salinas, CA 93901
County: Monterey

Original Project Description:

The proposed project is to construct a new facility of approximately 6,025 square feet. This will double the size of the current facility and will include five exam rooms, five interview/consult rooms, three restrooms, a laboratory, a waiting room, staff office, storage space, chart room, front desk and an appointment phone area. The lower level will accommodate regional health education staff, as well as administrative staff.

Current Status:

The proposed project has not changed. Planned Parenthood has already begun the project and the internal funds have already been allocated for this project. Internal funds have been verified by reviewing the most recent audited financials.

Proposed Grant Award:	\$100,000
Construction/Remodel	\$1,639,000
Internal Funds	<u>(1,539,000)</u>
	\$100,000

Proposed Grant Award Calculation:

Based on the score derived for Planned Parenthood Mar Monte – Salinas, the application falls in Funding Category, Tier 3. The requested grant award of \$250,000 has been reduced to 40%, which results in a proposed grant award of \$100,000.

Legal Review:

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

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

Contingencies of Funding:

- Copy of current license from the Department of Health Services.
- Executed construction contracts, including three bids for any construction contracts in excess of \$50,000.
- Building permits.
- Updated Articles of Incorporation (Name to match DHS License)

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