

SPECIALTY DENTAL CLINIC GRANT PROGRAM GUIDELINES

(Authority and Reference: Items of Appropriation 0977-101-0001, Section 47,
Chapter 45, Statutes of 2022)

Section 1. Definitions

The following definitions shall apply wherever the terms are used throughout this Chapter.

- (a) “Applicant” means an entity that meets the eligibility requirements as further described in Section 2 and submits an Application.
- (b) “Application” means an emailed request for a Grant using Specialty Dental Clinic Grant Program Application Form No. CHFFA 14 SDCGP-01 (08/2023) and all other supporting documents, as further described in Section 6.
- (c) “Authority” means the California Health Facilities Financing Authority.
- (d) “Authority Staff” means employees of the Authority.
- (e) “Bay Area/Central Coast Region” means the counties of Alameda, Contra Costa, Marin, Monterey, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, and Ventura.
- (f) “Caseload” means the entity’s total number of patient visits in a calendar year.
- (g) “Deputy Executive Director” means the deputy executive director of the Authority.
- (h) “Equipment and/or Furnishings” means a capitalized asset used for the benefit of Special Health Care Needs Populations patients.
- (i) “Executive Director” means the executive director of the Authority.
- (j) “Facility” means a place, amenity, or piece of Equipment and/or Furnishings that is specifically funded in part or in full by a Grant from the Specialty Dental Clinic Grant Program.
- (k) “Feasible” means the Project has secured all the necessary funding and developed a detailed plan with the steps necessary to complete the Project and begin providing services.
- (l) “Final Allocation” means the Grant amount approved by the Authority as further described in Section 10.
- (m) “Funding Round” means the time period during which Applications may be submitted for consideration of funding by the Authority.
- (n) “Grant” means an award of funds to an Applicant.
- (o) “Grant Agreement” means a written agreement between the Authority and a Grantee that specifies the terms and conditions of the Grant.

- (p) “Grant Award Letter” means the official notification that a Grant has been approved by the Authority.
- (q) “Grant Committee” means a committee consisting of a minimum of two Authority Staff, one of who shall be in a managerial position, and an additional third individual acting as the technical advisor to the Specialty Dental Clinic Grant Program.
- (r) “Grant Period” means the time period from the date of Final Allocation to the date set by the Authority for the Grant to end.
- (s) “Grantee” means an Applicant that has been awarded a Grant.
- (t) “Initial Allocation” means the Grant amount the Authority Staff recommends the Authority approve for Final Allocation as further described in Section 8.
- (u) “Los Angeles Region” means the county of Los Angeles.
- (v) “Mobile Dental Unit” means a self-contained unit, which may include, but is not limited to, a trailer or van, in which dentistry is practiced that may be moved, towed, or transported from one location to another.
- (w) “Project” means the construction, expansion, modification, or adaptation of Specialty Dental Clinics in California.
- (x) “Ready” means the Project has all applicable approvals and/or documents for the Project to begin.
- (y) “San Joaquin Region” means the counties of Alpine, Amador, Calaveras, Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, San Joaquin, Stanislaus, Tulare, and Tuolumne.
- (z) “Special Health Care Needs Populations” includes children and adults who have disabilities that prevent them from receiving routine or specialty care due to their physical, developmental, or cognitive condition.
- (aa) “Specialty Dental Clinic” means an entity, as described in Section 2, that provides services to the Special Health Care Needs Populations patients.
- (bb) “Specialty Dental Clinic Grant Program” means the program defined in Section 47, Chapter 45, Statutes of 2022.
- (cc) “Southern Region” means the counties of Imperial, Orange, Riverside, San Bernardino, and San Diego.
- (dd) “Superior Region” means the counties of Butte, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra, Siskiyou, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba.
- (ee) “Sustainable” means the Project has projected revenues that are sufficient to operate on a continuous basis for a minimum of ten years.

Section 2. Eligibility

(a) The following Applicants are eligible to apply for a Grant under the Specialty Dental Clinic Grant Program:

(1) Entities licensed under Chapter 1 (commencing with Section 1200) of Division 2 of the Health and Safety Code that provide, or intend to provide, dental services.

(2) Entities licensed under Section 1250 of the Health and Safety Code that provide, or intend to provide, dental services.

(3) Providers licensed with the Medical or Dental Board of California that provide, or intend to provide, dental services.

(4) A dental college located in the state, approved by the Dental Board of California or the Commission on Dental Accreditation of the American Dental Association.

(b) The Applicant shall be enrolled and certified as a provider with the Medi-Cal program.

Section 3. Eligible Project Costs

(a) The use of Grant funds shall be limited to:

(1) Construction of real property, including the following costs: Project planning, Project management, appraisals, inspections, or pre-construction costs such as permit fees, surveying, architectural, and engineering fees, as applicable.

(2) Expansion, to increase capacity to serve the Special Health Care Needs Populations patients, including:

(A) Purchase of real property.

(B) Purchase of Mobile Dental Unit(s).

(3) Modification of real property, such as renovation or remodeling to improve or increase the provision of dental care to the Special Health Care Needs Populations patients.

(4) Adaptation, such as the purchase of Equipment and/or Furnishings to provide services to Special Health Care Needs Populations patients.

(b) Grant funds shall only be used for reasonable costs directly related to and essential for the completion of the Project.

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

Section 4. Funding Rounds

- (a) The deadline for the first Funding Round shall be posted on the Authority's website.
- (b) If funds are available after the first Funding Round, the deadline for any subsequent Funding Round(s) shall be posted on the Authority's website at www.treasurer.ca.gov/chffa and sent to the Authority's Listserv, to which anyone may subscribe to at www.treasurer.ca.gov/chffa.

Section 5. Maximum Grant Amounts and Regional Distribution

- (a) In the first Funding Round, the Authority shall award funding totaling no more than the following maximum amounts per region:

	<u>Region</u>	<u>Total Maximum</u>
(1)	San Joaquin Region.....	\$7,300,000
(2)	Superior Region	\$7,650,000
(3)	Bay Area/Central Coast Region	\$9,350,000
(4)	Southern Region	\$12,410,000
(5)	Los Angeles Region	\$10,790,000

- (b) If the total eligible Application funding requests for any region is less than the total maximum allocated in subdivision (a) above, the Authority, without regard to regional maximum amounts, may award those funds to eligible Applicants meeting the minimum scoring requirements, as described in Section 8(f), beginning with the highest scoring Applicant(s) that did not receive an Initial Allocation of their entire eligible funding request.
- (c) No Grant may exceed five million dollars (\$5,000,000) per individual Grantee.
- (d) If funds remain available after the first Funding Round, a subsequent Funding Round shall be opened without regard to previous regional maximum amounts.

Section 6. Grant Application

- (a) The Application shall be available on the Authority's website at www.treasurer.ca.gov/chffa and shall be referred to as the Specialty Dental Clinic Grant Program Application Form No. CHFFA 14 SDCGP-01 (08/2023).
- (b) The Application shall include the following:
 - (1) Certification of the Applicant's commitment to provide services to Special Health Care Needs Populations patients, regardless of payer or health insurance provider, for a minimum of ten years upon final completion of the Project. Special Health Care Needs Populations patients shall constitute at least 50 percent of the Caseload, with the requirement applicable only to Facilities financed with Grant funds.

(2) Copies of documentation, verifying the Applicant's enrollment in the Medi-Cal program. If applicable, provide copies of valid contracts with local Medi-Cal managed care plans.

(3) Certification that the Applicant's licenses, permits, and professional status are all current and operable with all applicable boards, commissions, or governing bodies.

(4) Copies of appropriate licensure(s), as applicable, of the dental clinic and/or provider(s).

(A) Applicants operating a dental practice(s) that is exempt from state facility licensure, shall provide proof of a valid dentist license.

(B) Applicants owning multiple dental clinic locations, shall provide facility permits for each additional location.

(C) Applicants operating a Mobile Dental Unit, shall provide the appropriate permit(s) and/or licensure.

(D) Applicants practicing in outpatient surgery settings or ambulatory surgery centers, shall provide facility licensing or accreditation, as applicable:

(i) Certification by the Center for Medicare and Medicaid Services that states participation in the Medicare program (include certification number).

(ii) Accreditation by an accreditation agency approved by the Medical Board of California. Include disclosure of accreditation agency and number, if applicable.

(iii) License as issued by the California Department of Public Health. Include license type and number, if applicable.

(c) The Application shall be submitted to the Authority by email to chffa@treasurer.ca.gov no later than 5:00 p.m. (Pacific Time) on the deadline date posted on the Authority's website at www.treasurer.ca.gov/chffa.

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

(2) 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.

(3) The Authority is not responsible for transmittal delays or failures of any kind.

Section 7. Evaluation Criteria

(a) Applications shall be scored on the following criteria:

(1) Project supports or improves timely access to patient care and reduces geographic shortages of specialty dental care. (Maximum 20 points)

- (A) Define your Project's geographic service area.
- (B) Describe the current Special Health Care Needs Populations' patients' wait times for a **routine** dental appointment in your Project's geographic service area.
- (C) Describe the current Special Health Care Needs Populations' patients' wait times for an appointment for **specialty dental care** in your Project's geographic service area.
- (D) Describe how the Project will decrease these wait times for the Special Health Care Needs Populations patients, including examples.
- (E) Describe how the Project is addressing the shortage of services in the geographic service area, including but not limited to, differences in obtaining care for pediatric versus adult populations with special health care needs.
- (F) Describe the need for a Specialty Dental Clinic in the Project's geographic service area and any current collaborations with regional centers, government entities, community organizations, or other local dental providers, as applicable. Include any letters of support from these entities.

(2) Project increases equity. (Maximum 20 points)

- (A) Describe the Special Health Care Needs Populations that the Project will serve, including type of disability and payer source.
 - (i) Provide the current and a projection of the number and percentage of patients with Medi-Cal, commercial plan, or out of pocket payment, and provide the methodology of how these estimates were projected.
 - (ii) Provide the current and a projection of the number and percentage of pediatric patients, adult patients, and senior patients to be served by the Project and provide the methodology of how these estimates were projected.
- (B) Describe how the service provider will provide culturally and linguistically inclusive care to Special Health Care Needs Populations and access to transportation services. Examples include: the Applicant's access to or the use of trained interpreters or material translation services. Additionally, list any languages, other than English, that are spoken by the dental provider and/or staff.

(3) Project supports quality of care for the Special Health Care Needs Populations. (Maximum 20 points)

- (A) Describe experience working with Special Health Care Needs Populations and explain the commitment and interest in serving these populations.
- (B) List each part of the Project (construction, renovation, remodeling, or purchase of real property, and Equipment and/or Furnishings to be installed) and describe how each part assists in increasing the quality of patient care or expands access to care.

(C) Provide the percentage and number of annual patient visits that the Special Health Care Needs Populations makes up of your current Caseload, and the projected percentage and number of annual patient visits one year after Project completion.

(4) Project includes plans to reduce the need for dental care using sedation or general anesthesia, including, but not limited to, prevention, early intervention, behavior support services and intervention, provider education, and community outreach activities that bring care to community sites. (Maximum 5 points)

(A) Describe the percentage of patients with special health care needs that are provided dental treatment under general anesthesia/deep sedation, moderate, conscious, or oral conscious sedation, minimal sedation, nitrous oxide, and no anesthesia. Describe how the level of sedation required is determined for patients with special health care needs.

(B) Describe any techniques or treatment methods used to reduce the need for anesthesia or sedation. For example, describe the use of behavior modification or desensitization techniques.

(5) Project is, or will be, Ready, Feasible, and Sustainable. (Maximum 35 points)

(A) Provide a detailed plan and a timeline with steps needed to complete the Project and demonstrate the ability to meet the timeframes as set forth in subdivision (D). Provide supporting documentation, if available. (Maximum 10 points)

(i) Provide physical address, renderings, and/or floor plans of Project site, if available. If a Project site has not been identified, provide a description of the process, criteria, and timeline for identification and selection of Project site that will be utilized.

(ii) Describe and provide the necessary approvals and processes to complete the Project, and the names and roles of all responsible entities. This may include, but is not limited to, request for proposals, architectural and construction contracts, California Environmental Quality Act (CEQA) compliance, building permits, and conditional use permits, as applicable.

(iii) Provide the key milestones, in both the future and those completed to date, including projected or actual Project start date (i.e., date of purchase, construction, or lease), Project end date, and projected start date of providing services to the Special Health Care Needs Populations.

(iv) Provide the plan for staffing the Project(s), if applicable.

(v) Describe the potential challenges that may affect the timeline for providing services and how those challenges will be mitigated, including but not limited to, site identification and acquisition, contracting, local use permit process, CEQA process, building code compliance, licensure, certification, possible loss of a site, delays in approvals, community opposition issues, loss or reduction in leveraged funding, and increased Project costs, as applicable.

(B) Identify the total cost of the Project and provide the detail of sufficient Project funding sources or a plan for acquiring them. (Maximum 13 points)

(i) A line item of all costs, totaling the cost of the Project, including for what the Grant funds will be used.

(ii) Describe if Project leverages public and/or private funding sources sufficient to complete the Project. Include the amounts and current status of funding.

(iii) Total uses of funds shall equal the total sources of funds.

(iv) A description of the Applicant's internal processes to ensure that the Grant funds shall only be used for eligible costs, as described in Section 3.

(C) Application demonstrates that the Project is Sustainable and includes the following: (Maximum 12 points)

(i) A budget that details annual projected operating costs.

(ii) A description of new Project funding sources with amounts and cash flow projections and/or how existing funding will be directed to provide ongoing support for a minimum of ten years from the date of Project completion.

(iii) Appropriate documentation indicating the Applicant's satisfactory financial capacity, as applicable, including, but not limited to: audited financial statements, IRS Form 990, and/or other financial documentation to show financial status.

(iv) Proof of additional operating funding sources, if applicable.

(D) Application shall further demonstrate that the Project will be Ready, Feasible, and Sustainable as follows (required, but not scored):

(i) Projects that include construction or expansion within 18 months of the approval of the Final Allocation.

(ii) Projects that include acquisition of a building and/or renovation within 12 months of the approval of the Final Allocation.

(iii) Projects that include only the purchase of Equipment and/or Furnishings, within nine months of the approval of the Final Allocation.

Section 8. Initial Allocation

- (a) Authority Staff shall evaluate the Application's completeness, responsiveness, and clarity in addressing the criteria described in Section 7.
- (b) An Authority Staff shall review the Application and assign a score, subject to validation by the Grant Committee.
- (c) Authority Staff shall 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 board for Final Allocations.
- (d) In the event that two or more Applicants score the same points, ranking shall be based on higher points scored in the following order: timely access and geographic shortages of care (Section 7(a)(1)), reductions in sedation or anesthesia (Section 7(a)(4)), and Project Readiness, Feasibility, and Sustainability (Section 7(a)(5)).
- (e) Notification of Initial Allocations shall be sent to the Applicant before the public meeting at which the Authority will determine Final Allocations.
- (f) During any funding round, Initial Allocations shall be limited to Applications that receive a minimum of 60 points under Section 7.
 - (1) Applications shall score a minimum of 28 points under Section 7, subdivision (a)(5).
 - (2) Applications receiving a score of zero points in any criteria in Section 7, subdivisions (a)(1), (a)(2), or (a)(3), shall not be considered for an Initial Allocation.
- (g) Initial Allocations may be considered for Applications scoring fewer than 60 points to achieve the statewide objective of increasing access to dental care for the Special Health Care Needs Populations.
- (h) Initial Allocations may be less than the amount requested in the Application to control Project costs or fund more Grants to achieve the statewide objective of increasing access to dental care for Special Health Care Needs Populations.

Section 9. Appeals

- (a) An Applicant may appeal the amount of the Initial Allocation recommended by Authority Staff for its Application, including an Authority Staff determination not to recommend a Grant.
- (b) No Applicant may appeal an Initial Allocation made to another Applicant.
- (c) The appeal shall be submitted in writing and shall be received by the Authority no later than five (5) calendar days following the date of the notification of Initial Allocation.
- (d) Appeals may be submitted to the Executive Director or the Deputy Executive Director by email to:

chffa@treasurer.ca.gov

(e) Review of appeals.

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

(2) The Executive Director or Deputy Executive Director shall make a decision on the merit of the appeal and notify the Applicant of the decision no later than 20 calendar days after receipt of the appeal.

(3) The decision of the Executive Director or Deputy Executive Director may be appealed to the Authority by written notification via email to the Executive Director or Deputy Executive Director within five calendar days of the date of the Executive Director's or Deputy Executive Director's decision.

(4) The Authority shall make a final decision on an appeal of the Executive Director's or Deputy Executive Director's decision at a public meeting.

(f) Successful appeals.

(1) An Initial Allocation to an Applicant based on an appeal may result in the change or elimination of Initial Allocations to other Applicants that would have otherwise received an Initial Allocation.

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

Section 10. Final Allocation

(a) Final Allocations shall be determined by the Authority at a public meeting.

(b) 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.

(3) Grant Period.

(4) A description of the costs to be funded by the Grant.

(5) Notification that funding of a Grant is contingent upon the availability of funds under the Specialty Dental Clinic Grant Program.

(6) A statement that the Authority reserves the right to modify or cancel the commitment upon failure of the Applicant to execute a Grant Agreement or otherwise fail to comply with the conditions outlined in the Grant Agreement or if the Authority becomes aware of any matter which, if known at the time of Application review and approval, would have resulted in the rejection of the Application or the Grant not being approved.

Section 11. Use of the Grant

- (a) Grant funds shall only be used for the purposes described in the Grant Agreement.
- (b) Grantee may request a change in the use of Grant funds or request an extension of the Grant Period by submitting a written request to the Authority that documents the reason(s) the change is needed and demonstrates that it is consistent with the Specialty Dental Clinic Grant Program guidelines.
- (c) Grantee shall not make changes to the uses of Grant funds until receipt of written approval from the Authority.
- (d) Grantee shall not dispose of any capital assets acquired by Grant funds before the end of the ten-year requirement, as set forth by Section 6(b)(1). If a capital asset is inoperable at any time during the ten-year requirement, the Grantee shall continue to provide services to the Special Health Care Needs Populations at the same capacity for the duration of the ten-year requirement.

Section 12. Grant Agreement

- (a) The terms and conditions of a Grant shall be set forth in a Grant Agreement, which shall include the following:
 - (1) The Grant amount.
 - (2) A description of the Project.
 - (3) Release of Grant Funds in accordance with Section 13, as applicable.
 - (4) Agreement that the Grantee shall comply with the Specialty Dental Clinic Grant Program requirements, and these guidelines.
 - (5) The Grantee shall defend, indemnify, and hold harmless the Authority and the State of California, 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 or Project.
 - (6) A commitment to provide services to Special Health Care Needs Populations, regardless of payer or health insurance, for a minimum of ten years upon final completion of the Project.
 - (7) The Grantee shall comply with state and federal laws prohibiting discrimination, including 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.
 - (8) Grantee shall comply with California's prevailing wage law under Labor Code Section 1720 et seq. for public works projects, as applicable.

- (9) Grantee shall cooperate in inspections and audits.
- (10) Notification that subject to the availability of funds, the Grant may be rescinded or reduced.
- (11) Provisions relating to lease agreements, if applicable, pursuant to Section 14.
- (12) Resolution of the Authority authorizing the Grant.
- (13) Resolution of the Grantee's governing board accepting the Grant and delegating authority to an officer to act on its behalf, if applicable.
- (14) Provision regarding default and its remedies, including forfeiture and return of the Grant funds to the Authority.
- (15) Provision requiring Grantee to provide updated information upon request from Authority Staff to determine the Project's Readiness, Feasibility, and Sustainability.
- (16) Other terms and conditions that may be required by the Authority related to the Grant or Project.

Section 13. Release of Grant Funds

- (a) Grant funds shall not be released until the following requirements have been met:
 - (1) A Grant Agreement has been executed by the Authority and Grantee.
 - (2) The Grantee has submitted to the Authority the following documentation, if available. If not available, Grantee has submitted a detailed statement concerning the status of obtaining any or all documentation to enable Authority Staff to determine Readiness, Feasibility and Sustainability.
 - (A) For construction or renovation.
 - (i) Detail of building plans, costs, and timelines.
 - (ii) Executed construction contract.
 - (iii) Architect, design, and engineering contracts, if applicable.
 - (iv) Building permits and conditional use permits, if applicable.
 - (v) Evidence of compliance with the California Environmental Quality Act.
 - (vi) Evidence of compliance with prevailing wage law under Labor Code Section 1720 et. seq., as applicable.
 - (vii) Evidence of property ownership, such as a grant deed or lease agreement and title report as required under Section 14.

(B) For real property purchases:

(i) An appraisal completed within the previous six months by a state certified appraiser that substantiates the purchase price.

(ii) An executed purchase contract.

(iii) If funding sources other than Grant funds are being utilized to purchase real property, verification of Grantee funds to close escrow will be required.

(C) For purchase of Equipment and/or Furnishings, and/or a Mobile Dental Unit(s): A list of items to be purchased and a copy of related purchase orders.

(D) For other eligible costs: contracts and/or purchase orders.

(3) The Authority Staff has determined the Project is Ready, Feasible, and Sustainable. This determination shall be made by evaluating the Grantee's documentation addressing the evaluation criteria listed in Section 7, subdivision (a)(5).

(A) The determination that the Project is Ready, Feasible, and Sustainable may occur at the time of Initial Allocation or within the timeframes specified in Section 7, subdivision (a)(5)(D).

(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 12, subdivision (a)(15).

(C) Limited extensions beyond the timeframes specified in Section 7, subdivision (a)(5)(D) shall be made on a case-by-case basis at the discretion of the Executive Director or Deputy 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.

(D) Failure to demonstrate Readiness, Feasibility, and Sustainability within the timeframes dictated by the Authority shall cancel the Grant and the Grant funds shall be made available to other Applicants.

(4) The Grantee has submitted to the Authority a completed Request for Disbursement Form No. CHFFA 14 SDCGP-02 (08/2023). Except for the initial submission of the Request for Disbursement Form No. CHFFA 14 SDCGP-02 (08/2023), an Actual Expenditures Report Form No. CHFFA 14 SDCGP-03 (08/2023), as required by Section 16(a), shall accompany all Requests for Disbursement Forms No. CHFFA 14 SDCGP-02 (08/2023).

(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) For disbursements to be made on an advance basis, the Authority may make an initial disbursement of up to 90% of the Final Allocation, subject to the following conditions:

(1) The Grantee has submitted all requested Project documents, as set forth in Section 13.

(2) Funds may only be advanced up to the total contracted or invoiced amount of costs associated with the Project.

(3) The Grantee shall be eligible for no more than one disbursement every 90 days until the total amount of the awarded Grant is disbursed.

(4) Subsequent disbursements shall be made once a Grantee provides proof of expenses covering the total amount of the previously advanced funds.

(A) For each submission of expenses, the Authority shall require copies of bank statements showing the account in which Grant funds were deposited.

(d) The Authority shall retain ten (10) percent of the Final Allocation amount for each Applicant until all actual expenditures report for the advanced grant funds have been verified by Authority Staff.

Section 14. Requirements for Construction Projects on Leased Property

(a) A Grantee may use Grant funds for construction or renovation on property that is leased to the Grantee. The following requirements shall be satisfied prior to release of Grant funds:

(1) The lease agreement shall provide the Grantee, as lessee, full access to the site to carry out the Project.

(2) The term of the lease agreement shall be ten years to comply with the requirement set forth in Section 6(b)(1). If the term of the lease agreement is less than ten years, an option shall be included for the Grantee to renew or extend the agreement for the amount of time in order to meet the ten-year requirement.

(3) The lease agreement shall provide that any existing or subsequent encumbrance on the property (e.g., deed of trust) or sale of the property shall be subject to the lease agreement.

(4) The lease agreement shall provide that the only remedy for any default by Grantee, including failure to pay rent, is suit for rent or specific performance to remedy specific breach. The landlord's remedies for any default by Grantee may not include cancellation of lease agreement, retaking of property, or eviction of Grantee.

(5) 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.

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

(C) A restrictive covenant recorded in the chain of title that the property shall be used only for a Specialty Dental Clinic during the ten-year requirement of the leasehold improvements funded by the Grant.

(D) Fee title is subject to the lease agreement and recorded in the chain of title.

(b) If the lease agreement terminates prior to the end of the ten-year requirement, as set forth in Section 6(b)(1), and the property that was subject to the lease agreement is not simultaneously released under a new lease agreement that complies with the requirements of this Section or fee title to the property that was subject to the lease agreement is not simultaneously transferred to the Grantee, the Authority is entitled to recover the Grant funds.

(c) 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 Grantee, the Grant funds shall be limited only to the proportionate costs of the Project, which exclude the costs related to such areas.

Section 15. Recovery of Funds for Non-Performance and Unused Grant Funds; Remedies

(a) If the Authority determines that Grant funds were not used consistent with the Specialty Dental Clinic Grant Program requirements, these guidelines, or the terms of the Grant Agreement, the Authority may require remedies, including the forfeiture and return of the Grant funds to the Authority.

(b) Grantees who fail to maintain a minimum of 50 percent Caseload of Special Health Care Needs Populations for the Facilities financed with grant funds for a minimum of ten years shall repay the amount of the grant back to the Authority within five years at an interest rate of one percent (1%).

(1) The Authority shall determine the amount of the Grant that shall be repaid, which shall be prorated based on the amount of time that the Grantee was in compliance.

(2) The Authority shall structure and amortize the repayment amount as a loan, requiring interest and principal payments on a monthly basis for up to five years, or until the amount as determined by the Authority, has been paid off. There shall be no prepayment penalty.

Section 16. Reporting Requirements

(a) The Grantee shall submit a completed Actual Expenditures Report Form No. CHFFA 14 SDCGP-03 (08/2023) before subsequent disbursements are made during the Grant Period and upon the Authority's request.

(1) The Actual Expenditures Report Form No. CHFFA 14 SDCGP-03 (08/2023) shall be accompanied by evidence of payment and documentation acceptable to the Authority sufficient to establish eligibility of costs incurred and expenditure of Grant funds, such as an executed purchase and sale agreement, proof of title, cancelled checks, proof of wire transfers, and receipts.

(b) Grantee shall submit a completed Certificate of Completion & Final Report Form No. CHFFA 14 SDCGP-04 (08/2023) and the following documentation, as applicable, within 60 days of Project completion:

(1) For all Projects:

(A) License and certification of Project, as applicable.

(2) For Projects that include real property acquisition: Final closing statement with certification by the title company.

(3) For Projects that include construction or renovation: Certificate of occupancy, final payment certification by the architect, final payment request from the contractor, and corresponding copies of cancelled checks or other documentation supporting payment.

(4) For Projects that include Equipment and/or Furnishings purchases (including the purchase of Mobile Dental Units): Complete packages of service orders, invoices, and copies of cancelled checks or other documentation supporting payment.

(c) For a ten-year period, beginning with the date that services started being provided within the Grantee's Certificate of Completion & Final Report, the Grantee shall annually submit to the Authority, an Annual Caseload Certification Form No. CHFFA 14 SDCGP-05 (08/2023), which shall demonstrate that Special Health Care Needs Populations patients constitutes at least 50 percent of the Facility's Caseload, with the requirement applicable only to Facilities financed with Grant funds. (EXAMPLE: If only a single operatory room was constructed with a Grant Award, then only the operatory room is considered the Facility. Special Health Care Needs Populations patients must make up at least 50 percent of the operatory room's Caseload, and not the entire clinic or hospital.)

(1) To calculate the Facility's Caseload, a Grantee shall use one of the two following formulas:

(A) Divide total annual number of patient visits of the Special Health Care Needs Populations patients by the total annual number of all patient visits; or

(B) Divide total annual number of hours spent with Special Health Care Needs Populations patients by the total annual number of hours spent with all patients.

(2) The Grantee shall have one full year from the date that services start being provided on the Certificate of Completion & Final Report to meet the 50 percent requirement, as set forth in Section 6(b)(1).

(3) The Grantee's method of calculating its Caseload shall remain consistent over the ten-year period.

(4) Authority Staff reserves the right to audit any records deemed necessary to verify the accuracy of the Annual Caseload Certification Form during the Grant Period.

Section 17. Record Retention, Inspections and Audits

(a) Grantees shall retain all Project and financial records necessary to substantiate the purposes for which the Grant funds were spent for a period of ten years after the certification of Project completion has been submitted.

(b) Authority Staff may perform site visits to inspect the Project during the Grant Period and may inspect and/or audit Project records during the Grant Period and for ten years after the certification of Project completion has been submitted.