

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

Children's Hospital Program of 2008 (Proposition 3)

Children's Hospital Program of 2018 (Proposition 4)

Resolution Number CHP-3 2022-02

Resolution Number CHP-4 2022-01

October 27, 2022

Applicants: **Lead Applicant:** University of California Irvine Medical Center
101 The City Drive South
Orange, California 92868

Joint Applicant: Children's Hospital of Orange County
(Proposition 4 only) 1201 West La Veta Avenue
Orange, California 92868

Project Site: 19200 Jamboree Road, Irvine, California 92612 (Orange County)

Amount Requested: **Prop 3:** \$12,216,949.50¹ **Grant #** UCI-04-03
 Prop 4: \$30,212,071.50 **Grant #** UCI_CHOC-01-04

Project:

University of California Irvine Medical Center (UCI) is seeking Proposition 3 and Proposition 4 grant moneys to fund the pediatric portion of constructing and equipping the Center for Advanced Care (CAC), a new five-story mixed-use medical office building owned by UCI. The pediatric portion of CAC will be located on the first and second floors and will include the relocation and expansion of some of UCI's and Children's Hospital of Orange County's (CHOC) existing pediatric services. CHOC is applying jointly with UCI only for the Proposition 4 money².

Proposition 3 Project

Proposition 3 grant money will be used to relocate, expand, construct, and equip the Center for Autism and Neurodevelopmental Disorders (CAND), located on the first floor of the CAC. CAND will be operated by UCI and will include indoor and outdoor therapy space.

Proposition 4 Project

Proposition 4 grant money will be used to relocate, expand, and construct the Center for Children's Health (CCH)³ located on the second floor of the CAC. CCH will provide pediatric services, which include, but are not limited to, primary care, multispecialty care, and rehabilitation care. UCI will be the lead grantee, receive the grant money and have the primary responsibility for the fiscal management of grant moneys, the implementation of the project, records retention, reporting, and all other aspects of compliance with the grant as described in California Code of Regulations, title 4, section 7000(bb). CHOC will be the joint grantee, lease the space from UCI, and provide pediatric services at the CCH.

¹ As of July 19, 2022, forfeited funds in the amount of \$27,397,793.41 from the Children's Hospital Program of 2008 became available for a third funding round on a first-come, first-served basis for applications received from any eligible University of California children's hospital.

² Proposition 3 does not permit joint applications, while Proposition 4 permits joint applications for eligible children's hospitals per Health and Safety Code section 1179.82(g).

³ The Center for Children's Health is comprised of all of UCI's and CHOC's pediatric services provided at the CAC, which includes CAND located on the first floor of the CAC (Proposition 3 Project) and the CCH pediatric services located on the second floor of the CAC (Proposition 4 Project). In this report CAND and CCH are referred to separately only to distinguish between Proposition 3 and Proposition 4 funded portions of the project.

Benefits of the Project

UCI and CHOC are aiming to create what is considered by the American Academy of Pediatrics as a medical home model: the unification of primary care and specialty services provided under a single roof. The goal of this model is to improve patient care quality, particularly for those with chronic diseases, and reduce emergency room visits and hospitalizations. The rest of the CAC building will provide adult services and contain shelled space for future growth.

UCI and CHOC's collaborative relationship builds upon the strengths of each entity to achieve a higher level of patient outcomes without the costly competitive duplication of pediatric services that would increase health care costs and inefficiencies.

Sources of Funding:

Prop 3 Request	\$ 12,216,949.50
Prop 4 Request	30,212,071.50
External Financing	171,000,000.00
Internal Funds	395,027.23
Hospital Reserves	<u>7,815,979.00</u>
Total	<u>\$221,640,027.23</u>

Uses of Funding:

Construction	\$200,613,000.00
Equipment	10,888,000.00
Construction Interest	9,744,000.00
Prop 3 Admin and COI ⁴	70,247.46
Prop 4 Admin and COI	<u>324,779.77</u>
Total	<u>\$221,640,027.23</u>

Staff Recommendation:

Staff recommends the Authority approve Resolution Number CHP-3 2022-02 for the University of California Irvine Medical Center to receive a grant not to exceed \$12,216,949.50 (less costs of issuance and administrative costs), subject to all requirements of the Children's Hospital Bond Act of 2008, and Resolution Number CHP-4 2022-01 for the University of California Irvine Medical Center and the Children's Hospital of Orange County to receive a grant not to exceed \$30,212,071.50 (less costs of issuance and administrative costs), subject to all requirements of the Children's Hospital Bond Act of 2018.

⁴ Admin and COI are administrative costs and costs of issuance.

Proposition 3 and Proposition 4 Evaluation Factors:

Staff reviewed the provided application and other submitted materials in determining whether the applicant satisfactorily met the six factors identified in both Proposition 3 and Proposition 4. Below is a summary of how the applicant met these specific factors.

Factor 1: The grant will contribute towards expansion or improvement of health care access by children eligible for governmental health insurance programs and indigent, underserved, and uninsured children.

Proposition 3 Project - Center for Autism and Neurodevelopmental Disorders (CAND):

The relocated CAND will be operated by UCI and will include an indoor-outdoor clinical space for the diagnoses and treatment of pediatric patients with autism spectrum and other neurodevelopmental disorders. The existing CAND will be relocated to the first floor of the CAC and will provide: pediatric medicine and comprehensive evaluation, clinical and educational psychology assessment, speech language pathology, applied behavioral analysis, and social work to ensure that patients receive complete care by accessing multiple services and programs. Through this model, UCI is not just providing diagnostic and direct treatment but rather a multifaceted treatment plan, ensuring better health care outcomes. Although the existing CAND has 27 clinical rooms, it is not close to other medical providers and rehabilitation services. The CAND will be able to provide more patients with this comprehensive treatment approach with the newly designed space and increased services, including telehealth.

The relocated CAND will include 16 indoor clinical rooms as well as three outdoor therapy spaces because some CAND patients respond negatively to the clinical indoor treatment space by either being too nervous or overwhelmed by sensory stimulation. Having the outdoor therapy space will provide more therapy options. The outdoor treatment space design includes, but is not limited to, a decompression hut, talking tubes, and large plant barriers that create private open-air treatment rooms (see Exhibit A for reference). The design of the outdoor treatment space ensures that patients with sensory sensitivities, who may have a hard time receiving care, have access to treatment.

In fiscal year 2021, the existing CAND had 14,523 patient visits and served 2,798 pediatric patients of which 1,446 were underinsured and uninsured. UCI anticipates 17,582 patient visits and 3,208 pediatric patients served annually at the new CAND by fiscal year 2030.

Proposition 4 Project: Joint Project with CHOC - Center for Children's Health (CCH):

The CCH encompasses pediatric services provided by CHOC and is located on the second floor of the CAC. CCH will include primary pediatric care, multispecialty pediatric care, and rehabilitation pediatric care. The CCH will consist of 33 exam rooms and six medical procedure rooms⁵. Most services will share exam rooms rather than the rooms being assigned to a specific service at any given time, except for one procedure room, which will be dedicated to otolaryngological video endoscopy procedures.

⁵ A procedure room is larger than an exam room to be able to accommodate additional medical staff and equipment for diagnostic procedures, such as echocardiogram.

Primary Care:

A primary care clinic will be incorporated into the CCH. CHOC intends for the primary care services provided at the CCH to act as the patient treatment coordinator for the pediatric patients' treatment by the other specialty care clinics; the primary care services will assess the patients and refer them to the specialties as needed. Additionally, the primary care clinic will have same day appointments for urgent medical treatments, blood draws, and other supportive services.

Rehabilitation Care:

A large number of CHOC's existing rehabilitation care services will be relocated to and expanded at the CCH. The pediatric rehabilitation services are devoted to pediatric developmental and recovery treatments and will provide occupational, physical, and speech-language therapy. The designated space for rehabilitation services includes: two sensory integrative gyms, two feeding therapy rooms, one fine motor skills and techniques room, and two speech language pathology and swallowing study services rooms. Having physical therapy, occupational therapy, and speech and language pathology services under one centralized location recognizes the fact that conditions that require rehabilitative care often require more than one type of service at a time and will enable efficient service referrals. For example, a patient who needs gross motor treatment at the gym may also need fine motor therapy for the same condition and could receive both types of treatment at the same location, streamlining patient treatment and care.

Multispecialty Care:

A large number of CHOC's existing multispecialty care services will be relocated to and most of them expanded at the CCH. CHOC will provide the following multispecialty services at CCH: cardiology, endocrinology, gastroenterology, gender, neurology, otolaryngology, and pulmonology. CHOC plans to annually evaluate the community care needs and determine if an additional specialty service needs to be added to the CCH. By engaging and evaluating the community being served, CHOC will directly address medical access issues by identifying which services are inaccessible and aiming to fill that treatment gap.

UCI and CHOC anticipate a 29% increase in patient visits from 97,232 in fiscal year 2021, of which 60.2%⁶ were underinsured and uninsured, to 125,746 annually by fiscal year 2027 for the CCH services.

⁶ 60.2% is the average percentage of the underinsured or uninsured pediatric patients of CHOC's (66.1%) and UCI's (54.2%) pediatric outpatient payer mix.

Factor 2: The grant will contribute towards the improvement of child health care or pediatric patient outcomes.

Prop 3 Project - Center for Autism and Neurodevelopmental Disorders (CAND):

The relocated CAND will have both an indoor-outdoor clinical space; therefore, providers will be able to tailor the therapeutic environment to fit each patient's needs. The outdoor treatment space will provide an alternative clinical space to those who get nervous or stressed in a medical office setting and are not as receptive to treatment. Additionally, the outdoor treatment space provides different therapy options that may be limited in a clinical room. For example, social and speech therapy can be modified to incorporate outdoor play structures like the talk tubes to encourage social interaction, active communication skills, and volume control, and to expose patients to different types of sensory experiences, such as textures through rocks, grass, and bark. Thus, by providing different therapeutic options in a variety of settings, pediatric patient outcomes will be improved through a personalized approach to treatment.

Prop 4 Project – Joint Project with CHOC - Center for Child Health (CCH):

Consolidating pediatric services under one roof will be beneficial to pediatric patients due to the timeliness of medical treatment.

Primary Care:

The pediatric patients will have quicker and more efficient access to multispecialty services, which are considered outpatient hospital services, because the primary care services will be coordinated with the other services at the CCH and facilitate same-day access for different urgent medical needs. Patient outcomes are directly related to timely care; thus, by having faster access to treatment, the patients will have better outcomes.

Rehabilitation Care:

The rehabilitation services will provide multiple types of rehabilitative therapies under one single location, which will enable efficient treatment. Complex pediatric rehabilitation cases that require varying types of care can be addressed at the same location, removing treatment wait times and possibly the worsening of the condition. Care that is provided efficiently inherently induces better patient outcomes.

Multispecialty Care:

UCI and CHOC intend for the multispecialty services to change over time to meet community needs based on an annual community needs assessment. By purposely incorporating the concept that medical care demand changes, this allows better and more targeted care to the community-at-large; thus, if the community-at-large is missing a specific medical specialty in the continuum of care, that specific specialty care service can be added to the CCH to meet that demand. Through assessing the community needs, the health of the pediatric patients in the community-at-large will improve because its healthcare needs will be better met. Additionally, by having more medical providers to serve a targeted need, wait times for the in-demand medical services will lessen. Timely access to medical care results in better patient outcomes because it prevents the injury or illness from progressing. The patient's treatment can begin sooner, thereby limiting the possibility of complications, too.

Factor 3: The children's hospital provides uncompensated or undercompensated care to indigent or public pediatric patients.

In fiscal year 2021, UCI incurred about \$114 million in unreimbursed costs of care provided to pediatric patients with government-sponsored health care coverage (largely Medi-Cal) and provided almost \$2 million in uncompensated charity care to pediatric patients. UCI operates two community-based Federally Qualified Health Centers (FQHC), in Anaheim and Santa Ana, serving patients from newborns to adults. In calendar year 2020, the two FQHCs served a total of 23,733 patients, of which 6,511 were pediatric patients (0-17 years of age) who were either underinsured or uninsured.

In fiscal year 2021, CHOC provided a cumulative amount of \$157.5 million in reduced- or no-cost vital and preventative health care services for pediatric patients. This amount is comprised of almost \$149.3 million in uncompensated charity care and discounted care, \$1.5 million in discounted and charity care for pediatric behavioral health care, and \$6.7 million in discounted and charity care for disease prevention (e.g., immunizations and vaccinations).

Factor 4: The children's hospital provides services to vulnerable pediatric populations.

In fiscal year 2021, 77.6% of the inpatient pediatric patients (1,228 discharges), 52.9% of outpatient pediatric patients (7,598 unique patients), and 57.1% of the outpatient pediatric visits (25,059 visits) at UCI were Medi-Cal insured.

UCI has transfer agreements with 24 hospitals and other clinical practices in adjacent counties, such as Los Angeles County, San Bernardino County, and Riverside County, to improve access for children eligible for governmental insurance programs. The transfer agreements ensure the acceptance of babies who require acute care at UCI from hospitals that cannot adequately meet the pediatric patients' medical needs.

UCI also provides services for pediatric patients through programs such as the Pediatric Gender Diversity Program, which provides care for gender-expansive children through young adulthood with support services, such as counseling, puberty suppression, and gender-affirming hormone therapy; and the Van School Clinic, which provides van-based mobile family medicine services at local schools.

In addition, UCI provides various services to vulnerable pediatric patients through the FQHCs, such as Vaccines for Children, which is a federally funded program that provides vaccinations to children who cannot otherwise afford the costs of the vaccination and Child Health and Disability Prevention Program, which coordinates transportation, scheduling services, and diagnostic and treatment services for pediatric patients who are uninsured or are Medi-Cal insured.

In fiscal year 2021, CHOC served 1,149,611 pediatric patients through its community education services program. CHOC has one community-based clinic aimed to provide healthcare needs of high-risk/disadvantaged populations after traditional business hours, such as evenings and weekends.

CHOC also has a mobile van program, a collaborative effort between CHOC and Orange County schools to provide medical treatment and management to underprivileged pediatric patients with asthma. Additionally, CHOC has a support group program for adolescents with cancer to help them gain social skills and learn coping strategies for grief, loss, and survivor guilt. Further, CHOC operates in-school programs for preschool and school-age children that teach personal safety (stranger awareness) and health lessons (hygiene skills, infection prevention, and proper nutrition).

Factor 5: The children's hospital promotes pediatric teaching programs or pediatric research programs.

UCI's Department of Pediatrics trains more than 150 medical students annually. UCI has a joint pediatric residency program with CHOC and Miller Children's and Women's Hospital that trains over 80 categorical Pediatric residents annually as well as combined Pediatric-Genetics residents. Over a third of the graduates to date have received further training in pediatric subspecialties. Moreover, since 2014, over 80% of all pediatric residency graduates stayed in California to practice medicine. Additionally, UCI's Department of Pediatrics offers postdoctoral training programs, including, but not limited to, pediatric fellowships in Neonatology, Critical Care Medicine, Pulmonology, Infectious Disease, Child Neurology, Urology, Hospital Medicine, and Endocrinology. Another teaching program through UCI is its neonatal-perinatal fellowship, and since 2003, a total of 58 fellows have completed the program, of which 80% remained in California and are practicing as neonatologists. This program trains seven neonatal-perinatal fellows annually with the intent to expand the program to allow up to 12 fellows by 2023. UCI also promotes pediatric research through various programs, such as the Epilepsy Research Center and the Center for Autism Research and Treatment.

CHOC partnered with UCI to offer 15 fellowships in different medical and surgical specialties: Child Neurology, Child Psychiatry, Epilepsy, Neonatal Intensive Care, Neurophysiology, Neurosurgery, Pediatric Emergency Medicine, Pediatric Endocrinology, Pediatric Hospital Medicine, Pediatric Infectious Disease, Pediatric Intensive Care, Pediatric Oncology, Pediatric Surgery, and Urology. Also, CHOC partners with the University of California Los Angeles to offer one fellowship in metabolic diseases and genetics with the possibility to extend to two fellowships in the future. CHOC is also researching if high-stress events affect the brain placing pediatric patients at increased risk of developing physical and mental illness. Further, CHOC's research institute has over 500 research studies that focus on more than 30 specialties, which aim to improve pediatric patient access to improved and advanced treatments.

Factor 6: Demonstration of project readiness and project feasibility.

The construction of the CAC commenced on January 13, 2021, and UCI expects the construction to be completed by March 31, 2024.

The total cost of the CAC is approximately \$221 million. Since the CAC will provide medical services to both pediatric and adult patients, Proposition 3 and Proposition 4 grant money can only cover the pediatric proportionate share of the entire cost. The CAC building has approximately 167,600 gross square footage (gsf), of which approximately 45,415 gsf is dedicated to pediatric services, including public and support spaces (12,481 gsf for CAND and approximately 32,934 gsf for CCH). Authority staff has determined that a proportionate share of 27.1% (7.45% for CAND and 19.65% for CCH) of the total cost of the project, excluding site development and parking structure costs, is eligible for reimbursement from grant money. The total amount of the eligible proportionate pediatric share cost is \$12,216,949.50 for the CAND and \$30,212,071.50 for the CCH, which is equal to the total amount of grant money requested.

Legal Review:

Although disclosures were made by both applicants, the information disclosed does not appear to detrimentally affect its financial viability or legal integrity.

Description of Applicants:

UCI, established in 1965 and located in Orange County, is a general acute care hospital with 417 beds licensed by the State Department of Public Health. UCI is part of the University of California system, which is governed by the Board of Regents of the University of California. UCI has the county's only combined quaternary-level perinatal-neonatal program⁷. UCI has submitted its most recent financial audit for fiscal year 2020-2021, and it is free of "going concern" language.⁸

CHOC, established in 1964 as a California nonprofit benefit corporation, is a general acute care hospital with 334 beds in the city of Orange and 54 beds in Mission Viejo licensed by the State Department of Public Health. CHOC's hospital facility is a regional tertiary/quaternary referral center and is the largest single provider of pediatric hospital services in Orange County. CHOC provides more than 30 specialty areas and operates one of the nation's dedicated teen and young adult cancer programs. CHOC's financial audit for fiscal year 2021 was submitted, and it is free of "going concern" language.

⁷ Tertiary and quaternary care represent the most advanced form of health care and may include complex surgery, such as neurosurgery, cardiac surgery, plastic surgery, and transplantation as well as neonatology, psychiatry, cancer care, intensive care, palliative care, and many other complex medical and surgical interventions. Quaternary care may even involve experimental treatments and procedures. Quaternary-level care is an extension of tertiary-level care, which is the highest-level designation. The quaternary-level designation for perinatal-neonatal programs is only given to units that meet highly rigorous standards set by the state and is staffed and equipped to care for high-risk pregnancies and for newborns who are critically ill/extremely sick, premature or may require surgical intervention. It is considered an extension to tertiary care due to the advanced and specialized care that is provided by the hospital in the designated area of expertise.

⁸ The absence of "going concern" language tends to suggest the organization is in good operational health for that fiscal year. The Authority's regulations define "Going Concern Qualification" in California Code of Regulations, title 4, section 7000(q) of the program regulations.

EXHIBIT A

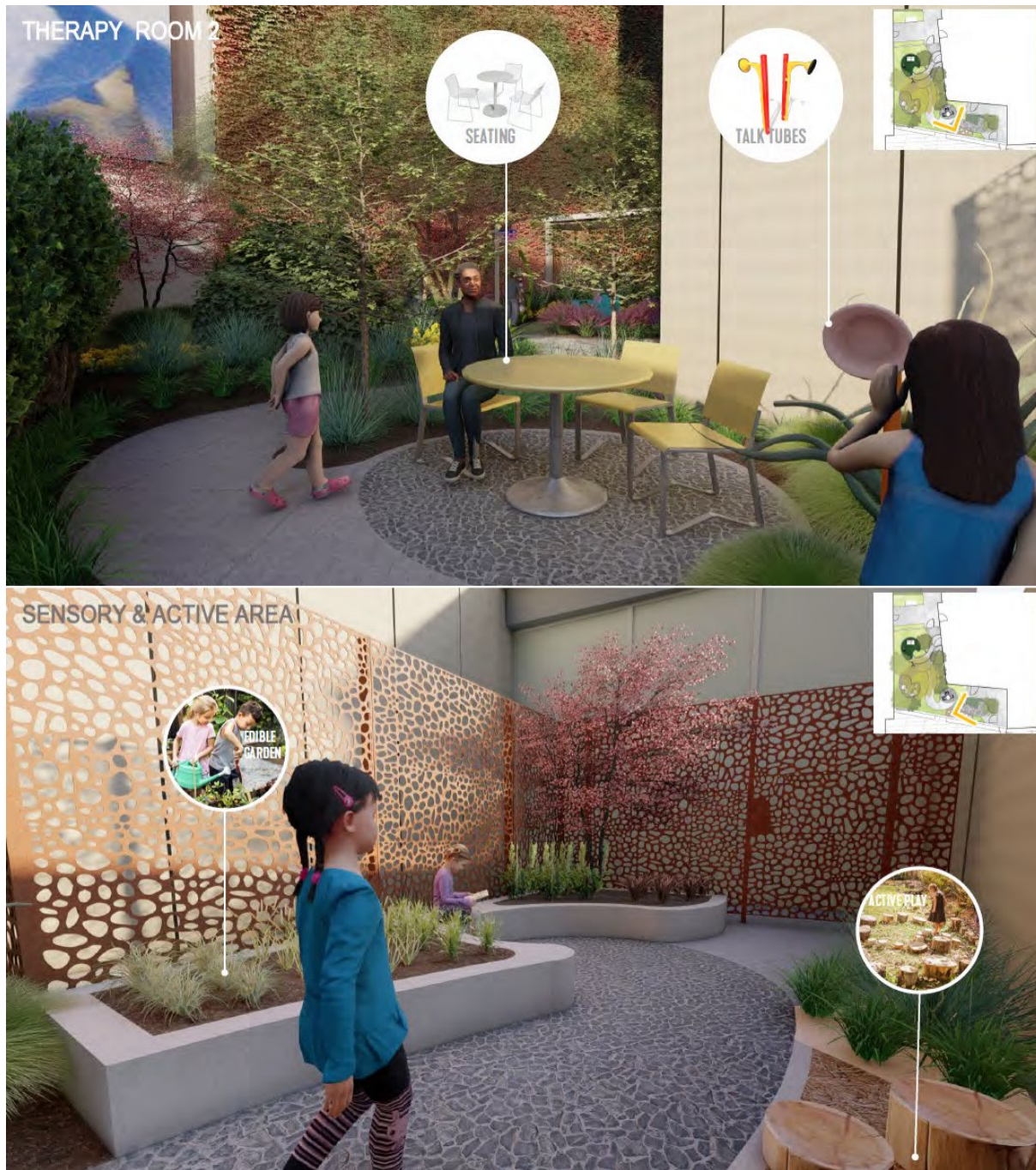
CONCEPT DESIGN OF CAND

AUTISM OUTDOOR TREATMENT SPACE

SITE PLAN







RESOLUTION NO. CHP-3 2022-02

RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY APPROVING EXECUTION AND DELIVERY OF GRANT FUNDING UNDER THE CHILDREN'S HOSPITAL PROGRAM OF 2008 TO UNIVERSITY OF CALIFORNIA IRVINE MEDICAL CENTER

WHEREAS, the California Health Facilities Financing Authority (the "Authority"), a public instrumentality of the State of California, is authorized by the Children's Hospital Bond Act of 2008 (Health & Safety Code, §1179.50 et seq; the "Act"), and implementing regulations (Cal. Code Regs, § 7051 et seq.) to award grants from the proceeds of general obligation bonds in an amount not to exceed \$39,200,000.00, less the bond issuance and administrative costs, to University of California Irvine Medical Center ("Grantee") to finance eligible projects proposed by the Grantee in the application;

WHEREAS, the Grantee qualifies as an eligible entity under the Health and Safety Code, section 1179.51(b); and

WHEREAS, Authority staff reviewed the Grantee's application against the eligibility requirements of the Act and implementing regulations and, pursuant to the Act and implementing regulations, recommends the approval of a grant in an amount not to exceed \$12,216,949.50, less bond issuance and administrative costs, to the Grantee for the eligible project (the "Project") described in the application;

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

Section 1. The Authority hereby approves a grant of \$12,216,949.50, less bond issuance and administrative costs, to the Grantee to complete the Project as described in the Children's Hospital Program of 2008 application and Exhibit A to this Resolution (Exhibit A is hereby incorporated by reference) by September 30, 2025, the end of the project period, pursuant to Health and Safety Code, section 1179.55.

Section 2. The Executive Director and the Deputy Executive Director are hereby authorized, for and on behalf of the Authority, to approve any minor, non-material changes in the Project described in the application submitted to the Authority and extend the project period completion date identified in Section 1 as authorized under the Act and implementing regulations. However, any extension approved by the Executive Director and the Deputy Executive Director shall not surpass the grant resolution repeal date. Nothing in this Resolution shall be construed to require the Authority to provide any additional funding. Any notice to the Grantee shall indicate that the Authority shall not be liable to the Grantee in any manner whatsoever should funding not be completed for any reason whatsoever.

Section 3. The Executive Director and the Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to allocate money from the Children's Hospital Bond Act Fund (Health & Saf. Code, §1179.53) not to exceed those amounts approved by the Authority for the Grantee. The Executive Director and the

Deputy Executive Director are further authorized and directed, for and on behalf of the Authority, to execute and deliver to the Grantee any and all documents necessary to complete the transfer of moneys that are consistent with the Act and implementing regulations.

Section 4. The Executive Director and the Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to do any and all things and to execute and deliver any and all documents that the Executive Director and the Deputy Executive Director deem necessary or advisable to effectuate the purposes of this Resolution and the transactions contemplated herein.

Section 5. This Resolution is repealed on September 30, 2026.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by University of California Irvine Medical Center to reimburse and fund the eligible pediatric portion of constructing and equipping a new mixed-use building called the Center for Advanced Care. The eligible pediatric portion of the project is the Center for Autism and Neurodevelopmental Disorders located on the first floor of the Center for Advanced Care.

RESOLUTION NO. CHP-4 2022-01

**RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
EXECUTION AND DELIVERY OF GRANT FUNDING
UNDER THE CHILDREN'S HOSPITAL PROGRAM OF 2018
TO UNIVERSITY OF CALIFORNIA IRVINE MEDICAL CENTER
AND CHILDREN'S HOSPITAL OF ORANGE COUNTY**

WHEREAS, the California Health Facilities Financing Authority (the "Authority"), a public instrumentality of the State of California, is authorized by the Children's Hospital Bond Act of 2018 (Health & Safety Code, §1179.81 et seq; the "Act") and implementing regulations (Cal. Code Regs, §7000 et seq.) to award grants from the proceeds of general obligation bonds in an amount not to exceed \$54,000,000.00, less the bond issuance and administrative costs, to University of California Irvine Medical Center (the "Lead Grantee"), and in an amount not to exceed \$135,000,000.00, less the bond issuance and administrative costs, to Children's Hospital of Orange County (the "Joint Grantee") to finance eligible projects proposed by the Lead Grantee and the Joint Grantee (collectively the "Grantees") in the joint application;

WHEREAS, the Grantees qualify as eligible entities under Health and Safety Code, section 1179.82(b) and are applying jointly for grant moneys for an eligible project pursuant to Health and Safety Code, section 1179.82(g); and

WHEREAS, Authority staff reviewed the Grantees' joint application against the eligibility requirements of the Act and implementing regulations and, pursuant to the Act and implementing regulations, recommends the approval of a grant in an amount not to exceed \$30,212,071.50, less bond issuance and administrative costs, to the Lead Grantee for the eligible project (the "Project") described in the joint application;

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

Section 1. The Authority hereby approves a grant of \$30,212,071.50, less bond issuance and administrative costs, to the Lead Grantee to complete the Project as described in the Children's Hospital Program of 2018 joint application and Exhibit A to this Resolution (Exhibit A is hereby incorporated by reference) by September 30, 2025, the end of the grant period, pursuant to Health and Safety Code, section 1179.85.

Section 2. University of California Irvine Medical Center will be the Lead Grantee and Children's Hospital of Orange County will be the Joint Grantee for the approved grant.

Section 3. The Lead Grantee will receive the grant moneys and will have the primary responsibility for the fiscal management of the grant moneys; implementation of the Project, records retention, reporting, and all the other aspects of compliance with the grant, as described in California Code of Regulations, title 4, section 7000(bb).

Section 4. The Joint Grantee will provide pediatric services at the space it will lease at the Project site from the Lead Grantee.

Section 5. The Executive Director and the Deputy Executive Director are hereby authorized, for and on behalf of the Authority, to approve any minor, non-material changes in the Project described in the joint application submitted to the Authority and extend the grant period completion date identified in Section 1 as authorized under the Act and implementing regulations. However, any extension approved by the Executive Director and the Deputy Executive Director shall not surpass the grant resolution repeal date. Nothing in this Resolution shall be construed to require the Authority to provide any additional funding. Any notice to the Grantees shall indicate that the Authority shall not be liable to the Grantees in any manner whatsoever should the funding not be completed for any reason whatsoever.

Section 6. The Executive Director and the Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to allocate money from the Children's Hospital Bond Act Fund of 2018 (Health & Saf. Code, §1179.83) not to exceed those amounts approved by the Authority for the Lead Grantee. The Executive Director and the Deputy Executive Director are further authorized and directed, for and on behalf of the Authority, to execute and deliver to the Lead Grantee any and all documents necessary to complete the transfer of moneys that are consistent with the Act and implementing regulations.

Section 7. The Executive Director and the Deputy Executive Director are hereby authorized and directed, for and on behalf of the Authority, to do any and all things and to execute and deliver any and all documents that the Executive Director and the Deputy Executive Director deem necessary or advisable to effectuate the purposes of this Resolution and the transactions contemplated herein.

Section 8. This Resolution is repealed on September 30, 2026.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by University of California Irvine Medical Center to reimburse and fund the eligible pediatric portion of constructing a new mixed-use building called the Center for Advanced Care. The eligible pediatric portion of the project is located on the second floor of the Center for Advanced Care. Children's Hospital of Orange County will lease space from University of California Irvine Medical Center to provide pediatric services at the Center for Advanced Care, including, but not limited to, the following: primary care services, multispecialty care services, and rehabilitation services.