

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

Children's Hospital Program of 2018 (Proposition 4)

Amendment and Restatement to Resolution Number CHP-4 2021-02

University of California, San Francisco Medical Center

May 29, 2025

PURPOSE OF THE REQUEST:

University of California, San Francisco Medical Center (UCSF) is requesting the Authority approve an amendment to Resolution Number CHP-4 2021-02 to extend the grant period and resolution expiration date for its Children's Hospital Program of 2018 (Health & Safety Code, §1179.81 et seq.) (CHP) project.

ISSUE:

UCSF will not be able to complete the project funded under Resolution Number CHP-4 2021-02 by the resolution expiration date of June 30, 2025. The project was delayed further because the lowest responsive construction bid for one of project's components came in much higher than originally estimated, and UCSF's leadership must now approve an increase in internal funding for the project to proceed with construction.

UCSF has also experienced delays attributable to a change in sequencing for the proposed construction, which originally was anticipated to be completed all at one time; however, in the middle of the design phase, UCSF's leadership directed the team to stagger construction to maximize business and operational continuity, necessitating separate permitting and bidding timelines and an extension of UCSF's grant period end date from June 30, 2024 to June 30, 2025.

The approved project consisted of three distinct projects all currently in different completion statuses:

- Project (1): 50% complete. Renovation of space to expand and relocate multiple outpatient clinics. Because of staggered construction, the following clinics are open and operational: the Center for Pediatric Digestive Health, Endocrinology, Infectious Diseases, High-risk Infant Follow-up, Dermatology, General Surgery, and Urology. These clinics have expanded by 9,900 square feet, providing 16 new exam rooms and one new treatment room in addition to the clinic support spaces, which have been seeing patients since August 2023. As of the end of March 2025, there have been 31,583 patient visits since the clinics opened.
- Project (2): 75% complete. Relocation of the Pediatric Brain Center. Design is complete, but the relocation is contingent on completion of Project (1).
- Project (3): 100% complete. This project consisted of the architectural design of the 4th floor Pediatric Medical Specialties Clinics.

UCSF is requesting an extension of the grant period to June 30, 2027, which will allow sufficient time for UCSF to obtain approval of additional internal funding and complete the remaining portions of project (1) and (2). The requested time extension also takes into consideration construction and/or administrative delays.

BACKGROUND:

UCSF was approved at the January 28, 2021 California Health Facilities Financing Authority's (CHFFA) board meeting for a grant award in the amount of \$3,289,785.40 to fund the first of two phases in a larger renovation project to expand UCSF children's outpatient services. The first phase of UCSF's larger project included three projects:

- (1) the renovation, furnishing and equipping of space on the 4th floor to expand and relocate nine pediatric services from the 5th and 6th floors;
- (2) the renovation, furnishing and equipping of space on the 6th floor to expand and relocate the Pediatric Brain Center located currently on the 5th floor; and
- (3) the funding of the architectural design costs for the eventual relocation and renovation of pediatric services on the 4th floor of the UCSF Ron Conway Gateway Medical Building. Phase two of the project included the renovation of space on the 4th floor, designed during phase one of the project, and the renovation of the Pediatric Primary Care and the Surgical Programs currently located on the 5th floor.

On January 3, 2024, CHFFA made a first disbursement in the amount of \$813,905.67 to UCSF, and on February 24, 2025, a second disbursement in the amount of \$1,147,181.10 for expenses incurred on the project thus far, leaving a balance of \$1,293,333.44 in funds remaining to be disbursed.

On April 16, 2024, UCSF received an extension of the grant period end date from June 30, 2024 to June 30, 2025, the resolution expiration date, because of delays in the renovation project attributable to a change in the sequence of construction.

RECOMMENDATION:

Staff recommends the Authority approve an amendment and restatement to Resolution Number CHP-4 2021-02 to extend the grant period and resolution expiration dates from June 30, 2025 to June 30, 2027 and June 30, 2028, respectively.

All other conditions in the Resolution shall remain the same and in full effect.

AMENDED AND RESTATED RESOLUTION NO. CHP-4 2021-02

**AMENDED AND RESTATED 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, SAN FRANCISCO 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 2018 (Pt. 6.3 (commencing with Section 1179.81), Div. 1, Health and Safety Code; hereafter the "Act") and implementing regulations 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, San Francisco Medical Center ("Grantee") to finance eligible projects; and

WHEREAS, ~~on January 28, 2021 the 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 approval of~~ approved a grant in an amount not to exceed \$3,289,785.40, less bond issuance and administrative costs, to the Grantee for the eligible project (the "Project") described in the application; ~~and~~

WHEREAS, on April 16, 2024, the Executive Director extended the Project's grant period to June 30, 2025; and

WHEREAS, the Grantee requests an additional extension of the grant period and resolution expiration to complete the Project.

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

Section 1. The Authority hereby approves a grant of \$3,289,785.40 less bond issuance and administrative costs, to the Grantee to complete the Project as described in the Children's Hospital Program Application and Exhibit A to this Resolution (Exhibit A is hereby incorporated by reference) within a grant period that ends on ~~June 30, 2024~~ June 30, 2027.

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 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 expiration 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 such 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 draw money from the Act Fund 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 funds that are consistent with the Act and implementing regulations.

Section 4. The Executive Director and 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, which the Executive Director and Deputy Executive Director deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 5. This Resolution expires ~~June 30, 2025~~ June 30, 2028.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by University of California, San Francisco Medical Center (UCSF) to fund phase one of a larger renovation project, split into two phases, at the UCSF Ron Conway Gateway Medical Building (GMB). Phase one includes: (1) the renovation, furnishing and equipping of space on the 4th floor to expand and relocate pediatric services from the 5th and 6th floors; (2) the renovation, furnishing and equipping of space on the 6th floor to expand and relocate the Pediatric Brain Center located currently on the 5th floor; and (3) the funding of the architectural design costs for the eventual relocation and renovation of pediatric services on the 4th floor of the GMB.