CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Community Clinic Grant Program of 2005
Reinstatement of Resolution Number 2006-13
May 30, 2013
Executive Summary

PURPOSE OF THE REQUEST:

Staff requests the Authority reinstate Resolution No. 2006-13 to allow staff to disburse grant funds from the Community Clinic Grant Program of 2005 ("CCGP") to Planned Parenthood of Santa Barbara, Ventura & San Luis Obispo Counties, Inc. ("Planned Parenthood").

BACKGROUND:

WellPoint and the California State Department of Insurance entered into an agreement to create the CCGP as a result of the Anthem-WellPoint merger. The following is a timeline of events for the CCGP.

- October 15, 2005 – Senate Bill 190 became law, statutorily charging the Authority with implementing the CCGP.

- January 26, 2006 – The Authority approved the permanent CCGP Regulations ("Regulations").

- May 25, 2006 – The Authority approved Resolution No. 2006-06, awarding a total of $40.1 million in grants to 146 California community clinics.

- December 7, 2006 – The Authority passed Resolution No. 2006-13, approving a wait list of ten grantees, listed in Exhibit A of the Resolution, eligible for grant funding in the event additional funds became available. Eight of the ten grant applicants were subsequently fully funded.

- November 2007 – Resolution No. 2006-13 expired prior to the Authority having a sufficient fund balance to provide grant funds to the final two grantees: Alta Family Health Clinic, Inc., and Planned Parenthood, the ninth and tenth applicants on the waiting list, respectively.

- June 24, 2010 – The Authority approved the Amendment and Extension of Resolution No. 2006-13, authorizing the funding of the remaining two applicants on the waiting list as funds became available to fully fund the projects. The Authority expected the CCGP fund would accumulate a balance sufficient to fully fund both grantees within the time afforded by the resolution. A balance remained in the CCGP fund after disbursements were made to the ninth applicant; however, the fund did not attain a sufficient balance to fully fund Planned Parenthood before the expiration of the resolution.

- May 2012 – The CCGP fund reached a balance allowing the Authority to provide grant funds to Planned Parenthood. Staff then engaged in extensive discussions with the grantee and with legal counsel to identify eligible costs for reimbursement.

Planned Parenthood applied for grant funding from the CCGP, in an amount not to exceed $250,000, as part of a $2 million project to remodel and expand their existing facility, which was built in 1978. Please see Exhibit B to the attached Resolution for a more particular description. At the time of application, Planned Parenthood expected the project would allow them to achieve an increase of 7,000 patient visits annually. After completing the project, Planned Parenthood has experienced an increase of approximately 6,200 patient visits annually.

ISSUE:

Sufficient monies now exist within the Authority's CCGP fund balance (because of interest accumulations, repayments of funds not used by previous projects, and the recovery of funds not used in a manner consistent with the CCGP requirements for an approved project) to disburse the grant to Planned Parenthood. Sections 7085(b) and 7090 of the Regulations permit applicants on the waiting list to receive grant funding in the event additional grant funds become available.

Although grant funds became available May 2012, disbursements were delayed as staff and in-house counsel researched relevant regulations to determine if reimbursement of expenditures was permitted. Staff and legal counsel initially determined grant funds could not be used to reimburse expenditures. After reviewing the previous Resolutions, legal counsel concluded Planned Parenthood is in fact eligible to receive grant funds because expenditures were made after the Authority approved the Final Allocation, which includes Planned Parenthood, on December 7, 2006.

Since Resolution No. 2006-13 and the Amendment and Extension have expired, staff requests reinstatement of the resolution to permit the Authority to disburse funds to the final grantee on the CCGP waiting list.

STAFF RECOMMENDATION:

Staff recommends the Authority approve the reinstatement of Resolution No. 2006-13 to allow the final disbursement of Community Clinic Grant Program of 2005 grant funds to Planned Parenthood of Santa Barbara, Ventura & San Luis Obispo Counties, Inc.

REINSTATEMENT OF RESOLUTION NO. 2006-13
A RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
THE EXECUTION AND DELIVERY OF GRANT FUNDING TO
APPLICANTS ON THE WAITING LIST AS GRANT FUNDS BECOME AVAILABLE
UNDER THE COMMUNITY CLINIC GRANT PROGRAM OF 2005

WHEREAS, the California Health Facilities Financing Authority (the "Authority"), a public instrumentality of the State of California, is authorized by Title 4, Division 10, Chapter 3 of the California Code of Regulations published to implement and make specific the statutory provisions of the Community Clinic Grant Program of 2005 (Section 15438.6 of the Government Code); and

WHEREAS, on December 7, 2006, the Authority approved Resolution No. 2006-13, which approved a waiting list of ten grant applicants attached as Exhibit A ("Waiting List").

WHEREAS, on June 24, 2010, the Authority approved the Amendment and Extension of Resolution No. 2006-13 to extend the expiration to June 24, 2011;

WHEREAS, reinstatement of Resolution No. 2006-13 to extend the expiration to May 30, 2014 by the Authority is now sought;

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

Section 1. Pursuant to the Regulations, the **Authority approves the execution and delivery of grant funding to the remaining applicant (Planned Parenthood of Santa Barbara, Ventura & San Luis Obispo Counties, Inc.) on the Waiting List in the order they appear on the Waiting List as and to the extent funding becomes available** up to the amount specified to complete the Applicant's eligible project as described in Exhibit B ("Project").

Section 2. The Executive Director or Deputy Executive Director, when the Executive Director is absent or otherwise unavailable, is hereby authorized for and on behalf of the Authority, to determine the final amount of the grant, and to approve any changes to the Project as said officers shall deem appropriate and as authorized under the Regulations (provided that the amount of the grant may not exceed the amount approved by this Resolution). Nothing in this resolution shall be construed to require the Authority to obtain any additional funding, even if more grants are approved than there is available funding, or than the Executive Director or Deputy Executive Director determines shall be funded by the Community Clinic Grant Program of 2005. Any notice to an applicant approved hereunder shall indicate that the Authority shall not be liable to the applicant in any manner whatsoever should such funding not be completed for any reason whatsoever.

Section 3. The Executive Director or Deputy Executive Director, when the Executive Director is absent or otherwise unavailable, is hereby authorized and directed, for and on behalf of the Authority, to draw money from the Community Clinic Grant Program of 2005 not to exceed the amount approved by this Resolution. The Executive Director or Deputy Executive Director, when the Executive Director is absent or otherwise unavailable, is further authorized and directed, for and on behalf of the Authority, to execute and deliver any and all documents necessary to complete the transfer of funds.

Section 4. The Authority hereby finds that each Applicant and each Project is eligible for financing pursuant to provisions in the Regulations.

Section 5. The Executive Director or the Deputy Executive Director, when the Executive Director is absent or otherwise unavailable, are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver a grant agreement in substantially the form on file with the Authority, and with particular information inserted therein in substantial conformance with Exhibit A of this Resolution, with such insertions, deletions or changes therein as the officer executing the same, may require or approve, such approval to be conclusively evidenced by execution and delivery thereof.

Section 6. The Executive Director or the Deputy Executive Director, when the Executive Director is absent or otherwise unavailable, of the Authority is hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which the officer may deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby, and which have heretofore been approved as to form by the Authority.

Section 7. The Authority hereby approves and ratifies each and every action taken by its officers, agents and employees prior to the date hereof in furtherance of the purposes of Resolution No. 2006-13, as originally approved by the Authority and as amended by this Resolution.

Section 8. This resolution expires one year from the date approved.

Date Approved: _____

EXHIBIT A

WAITING LIST

***Applicant* / Facility Name**	**Score**	**Project City**	**Requested Amount**	**Proposed Grant Award**
El Proyecto Del Barrio				
El Proyecto Del Barrio	106.5	Winnetka	415,000.00	415,000.00
Neighborhood Healthcare				
Neighborhood Healthcare - El Cajon	97.5	El Cajon	500,300.00	472,652.00
Round Valley Indian Health Center, Inc.				
Yuki Trails Human Services Department	97	Covelo	250,000.00	250,000.00
Lifelong Medical Care, Inc.				
East Oakland Clinic	97	Oakland	247,955.00	247,955.00
Clinicas del Camino Real, Inc.				
Clinicas del Camino Real, Inc. - Santa Paula	96.5	Santa Paula	30,964.00	30,964.00
Petaluma Health Center				
Petaluma Health Center	96	Petaluma	166,720.00	166,720.00
San Benito Health Foundation				
San Benito Health Foundation	96	Hollister	250,000.00	250,000.00
Western Sierra Medical Clinic				
Western Sierra Medical Clinic	96	Downieville	250,000.00	250,000.00
Alta Family Health Clinic, Inc.				
Alta Family Health Clinic, Inc.	96	Dinuba	224,085.00	224,085.00
Planned Parenthood of Santa Barbara, Ventura & San Luis Obispo Counties				
Planned Parenthood Santa Barbara Center	96	Santa Barbara	250,000.00	250,000.00
		Totals	$2,585,024.00	$2,557,376.00

EXHIBIT B

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
Community Clinic Grant Program of 2005
Executive Summary

Name: Planned Parenthood of Santa Barbara, Ventura & San Luis Obispo Counties
D.B.A. Planned Parenthood Santa Barbara Center
Address: 518 Garden Street
Santa Barbara, CA 93101
County: Santa Barbara

Project Description:

Grant funds will be used to remodel and expand the existing outdated facility, which was built in 1978. This project is expected to increase patient visits by 7,000 annually (representing a 35% increase).

Requested Amount:	$250,000.00
Remodel	$2,098,681.00
Internal funds	(1,298,681.00)
Tides Foundation	(250,000.00)
Individual donation	(300,000.00)
TOTAL:	$250,000.00

Proposed Grant Award:	$250,000.00

Legal Review:

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

Condition(s) of Funding

- Executed Grant Agreement.
- Completed Grant Disbursement Request form
- Provide unpaid/paid invoices
- Three bids for construction contracts in excess of $25,000
- Copy of fully executed construction contract
- Copy of building permits
- Copy of tax bill to support proof of ownership
- Proof of other funding sources including internal, Tides Foundation and individual donation

* *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.*