

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

Specialty Dental Clinic Grant Program

First Amendment and Restatement to Resolution No. SDC 2025-06

(First Funding Round)

Elmer Hilo II DMD Inc.

June 25, 2026

PURPOSE OF THE REQUEST:

Elmer Hilo II DMD Inc. (Grantee) is requesting the Authority approve a first amendment and restatement to Resolution Number SDC 2025-06 to amend the milestone conditions and extend the grant period and resolution expiration dates for its Specialty Dental Clinic Grant Program (SDC) project.

ISSUE:

The Grantee will not be able to meet the milestone condition deadlines of being open and operational by July 31, 2026 and of submitting all disbursement documentation by December 31, 2026 due to prolonged coordination processes with the city, architects, and contractors, which exceeded the initial estimated timeline.

The Grantee experienced delays at the beginning of the project due to additional time being needed for coordination between two architecture firms and in obtaining architectural and permit approvals from the City of Pomona. The Grantee has confirmed that the architectural designs were finalized in June 2025, and permits were obtained on February 11, 2026. Construction of the facility is now underway and is anticipated to be completed by September 2026, after which the Grantee will obtain required licensing and complete the purchase and installation of furnishings and equipment.

The Grantee requests an extension to amend the milestone condition deadlines of being open and operational to from July 31, 2026 to February 28, 2027 and of submitting all disbursement documentation from December 31, 2026 to June 30, 2027 as well as an extension of the grant period and resolution expiration dates to from June 30, 2027 to October 31, 2027. These extensions will give the Grantee the time needed to complete construction, obtain equipment, and to become open and operational.

BACKGROUND:

On February 27, 2025, the Authority approved Resolution Number SDC 2025-06, awarding a final allocation in the amount of \$3,186,889.00 in grant funds to develop a new ambulatory surgical center with eight new dental operatories by renovating a facility in the Los Angeles Region. Special health care needs patients will constitute 50 percent or more of the total number of patient visits. Resolution Number SDC 2025-06 was approved with a grant period expiration date of June 30, 2027, and the following milestone conditions: (1) the Grantee shall provide evidence acceptable to Authority staff demonstrating that the project shall be operational on or before July 31, 2026, and funds shall not be disbursed if the Grantee is unable to provide

evidence acceptable to Authority staff and (2) the Grantee shall submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than December 31, 2026.

As of June 2026, \$2,868,200.10 has been disbursed in grant funds for construction/renovation and furnishing/equipment costs, and there is \$318,688.90 remaining to be disbursed.

RECOMMENDATION:

Staff recommends the Authority approve a first amendment and restatement to Resolution Number SDC 2025-06 to amend the milestone conditions and extend the grant period and resolution expiration dates to October 31, 2027, subject to the following amended milestone conditions:

- 1) The Grantee shall provide evidence acceptable to Authority staff demonstrating that the project shall be operational on or before February 28, 2027, and funding shall not be disbursed if the Grantee is unable to provide evidence acceptable to Authority staff.
- 2) The Grantee shall submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than June 30, 2027.

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

FIRST AMENDED AND RESTATED RESOLUTION NO. SDC 2025-06

**A RESOLUTION OF THE
THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
APPROVING EXECUTION AND DELIVERY OF GRANT FUNDING UNDER
THE SPECIALTY DENTAL CLINIC GRANT PROGRAM
TO ELMER HILO II DMD INC.**

WHEREAS, The California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the provisions of the Specialty Dental Clinic Grant Program (“Program”) (Section 2.00, Chapter 43, Statutes of 2022 (SB 154); Section 47, Chapter 45 Budget Act of 2022 (AB 178); and Section 2.00, Chapter 12, Statutes of 2023 (SB 101)) and implementing guidelines (“Guidelines”) to award grants to support the construction, expansion, modification, or adaptation of specialty dental clinics in California to increase access to oral health care for the special health care needs populations; and

~~WHEREAS, Elmer Hilo II DMD Inc. (“Grantee”) qualifies as an eligible applicant under the Program Guidelines.~~

WHEREAS, on February 27, 2025, the Authority ~~staff reviewed the application submitted by the Grantee against the eligibility requirements pursuant to the Program in accordance with all relevant authority and recommends the approval of a grant~~ adopted Resolution No. SDC 2025-06 approving a grant for Elmer Hilo II DMD Inc. (“Grantee”) in an amount not to exceed \$3,186,889.00 for the eligible project (the “Project”), which consists of specialty dental clinic capital costs, as described in the Grantee’s application and as particularly described in Exhibit A to this Resolution (Exhibit A is hereby incorporated by reference); and

WHEREAS, the Grantee requests an amendment of the milestone conditions and an extension of the grant period and resolution expiration dates 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 not to exceed the amount of \$3,186,889.00 to the Grantee to complete the Project within a grant period that ends on ~~June 30, 2027~~ October 31, 2027. Within this grant period, Grantee shall provide evidence acceptable to Authority staff demonstrating that the Project shall be operational on or before ~~July 31, 2026~~ February 28, 2027, and funding shall not be disbursed if the Grantee is unable to provide evidence acceptable to Authority staff. Grantee must submit all disbursement requests, including required supporting documentation, to the Authority no later than ~~December 31, 2026~~ June 30, 2027.

Section 2. For and on behalf of the Authority, the Executive Director and the Deputy Executive Director, in the absence of the Executive Director, are hereby authorized and directed to do all of the following:

(a) Approve any non-material changes in the Project described in the application submitted to the Authority. Nothing in this Resolution shall be construed to require the Authority to provide additional funding, even if more grants are approved, exceeding available funding. Any notice to the Grantee shall indicate that the Authority shall not be liable to the Grantee in any manner whatsoever should that funding not be available for any reason whatsoever.

(b) Allocate funding not to exceed those amounts approved by the Authority for the Grantee.

(c) Execute and deliver to the Grantee any and all documents necessary to complete the transfer of moneys that are consistent with the Program.

(d) Do any and all things and to execute and deliver any and all documents that the Executive Director, or the Deputy Executive Director, in the absence of the Executive Director, deems necessary or advisable to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 3. All funding from this grant shall be used in support of the Grantee's Project, as described in the Program application and Exhibit A to this Resolution.

Section 4. This resolution shall repeal on ~~June 30, 2027~~ October 31, 2027, unless extended by action of the Authority prior to that date.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by Elmer Hilo II DMD Inc. (“Grantee”) as follows:

The Grantee must add at least eight (8) new dental operatories, in the Los Angeles Region, to provide dental services to the Special Health Care Needs Populations as defined in the Program Guidelines Section 1(z) which include “*children and adults who have disabilities that prevent them from receiving routine or specialty care due to their physical, developmental, or cognitive condition*” and as further detailed in its application or as mutually agreed upon by the Grantee and the Authority under applicable authority. Upon completion of the Project, Special Health Care Needs Populations patients must constitute at least 50 percent of the Facility’s Caseload, with the requirement applicable only to Facilities financed with Grant funds. The Grantee may use grant funds to finance eligible costs in support of the Grantee’s Project as stated in Section 3 of the Program Guidelines¹.

Summary of Amount:

Project	Approved Grant Amount
Elmer Hilo II DMD Inc.	\$ 3,186,889.00
Total	<u>\$ 3,186,889.00</u>

¹ All capitalized terms used in the Resolution are defined in Section 1 of the Program Guidelines.