

**State of California
Office of Administrative Law**

In re:
**California Health Facilities Financing
Authority**

Regulatory Action:

Title 04, California Code of Regulations

Adopt sections:

Amend sections: 7051, 7054, 7055, 7056,
7063, 7071

Repeal sections:

**NOTICE OF APPROVAL OF EMERGENCY
REGULATORY ACTION**

**Government Code Sections 11346.1 and
11349.6**

OAL Matter Number: 2018-0320-02


OAL Matter Type: Emergency (E)

The California Health Facilities Financing Authority submitted this emergency action to establish a new timeframe and application form for a second round of funding to be awarded to eligible children's hospitals for capital improvements and special medical equipment under the Children's Hospital Program.

OAL approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code.

This emergency regulatory action is effective on 3/29/2018 and will expire on 9/26/2018. The Certificate of Compliance for this action is due no later than 9/25/2018.

Date: March 29, 2018



**Richard L. Smith
Senior Attorney**

For: Debra M. Cornez
Director

Original: Diane Stanton, Executive
Director

Copy: Carolyn Aboubechara

EMERGENCY

See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER	EMERGENCY NUMBER 2018-0320-02E
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For use by Office of Administrative Law (OAL) only

2018 MAR 20 A 9:35**OFFICE OF
ADMINISTRATIVE LAW****ENDORSED - FILED**In the office of the Secretary of State
of the State of California**MAR 29 2018****4:13 pm**

NOTICE

REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY

CA Health Facilities Financing Authority

AGENCY FILE NUMBER (if any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) The Children's Hospital Program of 2008	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND 7051, 7054, 7055, 7056, 7063, 7071
	REPEAL
TITLE(S) 4	

3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §11349.3, 11349.4)		<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input checked="" type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> Other (Specify)	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)**5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)**

<input type="checkbox"/> Effective January 1, April 1, July 1; or October 1 (Gov. Code §11343.4(a))	<input checked="" type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> §100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify)
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6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify)		

7. CONTACT PERSON

Carolyn Aboubechara	TELEPHONE NUMBER 1/9166533213	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE

DATE

3/19/18

TYPED NAME AND TITLE OF SIGNATORY

Ronald L. Washington, Executive Director, CA Health Facilities Financing Authority

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED**MAR 29 2018**

Office of Administrative Law

CALIFORNIA CODE OF REGULATIONS
Title 4, Division 10
Chapter 2.5 The Children's Hospital Program of 2008

Amend Section 7051. Definitions to read:

The following words and phrases, as used in this chapter are defined as follows:

- (a) No change
- (b) No change
- (c) No change
- (d) "Application Form" means, for the purposes of the First Funding Round, the written request by an Applicant to the Authority for a Grant under the Children's Hospital Program of 2008, which includes pages 1-9, Attachments A-B and all materials submitted with Form #CHFFA 6, Rev. 10-2016-4, for the First Funding Round. "Application Form" means, for purposes of the Second Funding Round, the written request by an Applicant to the Authority for a Grant under the Children's Hospital Program of 2008, which includes pages 1-9, Attachments A-B and all materials submitted with Form #CHFFA 6, Rev. 01-2018-3. If necessary, the an Application Form for the Second a Third Funding Round and requisite regulations shall be developed no later than June 1, 2018.
- (e) – (l) No change
- (m) "First Funding Round" means the period of time prior to July 1, 2018~~June 30, 2018.~~
- (n) – (ff) No change
- (gg) "Second Funding Round" means the period of time after June 30, 2018, and before July 1, 2022, when Grants may be awarded from ~~unexhausted~~unawarded funds made available pursuant to the Program.
- (hh) – (ll) No change
- (mm) "Third Funding Round" means the period of time after June 30, 2022 when additional Grants may be awarded from unawarded Grant funds pursuant to the Program.

Note: Authority cited: Sections 1179.55, 1179.57 and 1179.61, Health and Safety Code.
Reference: Sections 1179.50, 1179.51, 1179.54, 1179.55, 1179.56, 1179.57, 1179.59, 1179.67 and 1179.68, Health and Safety Code.

Amend Section 7054. Maximum Grant, Second Funding Round to read:

~~If funds are available pursuant to Section 7065, the process for determining Maximum Grants for the Second Funding Round shall be adopted no later than June 1, 2018.~~

- (a) Funds remaining after June 30, 2018 shall be available to any Children's Hospital as defined in Section 7051, subdivision (g)(1) or (g)(2), without regard to a maximum Grant amount. Complete and timely Application Forms shall be accepted on a first-come, first-served basis, and subject to funding availability.
- (b) Complete Application Forms received during the same business day and time (Monday through Friday, 8:00 a.m. (PT) to 5:00 p.m. (PT), excluding state observed holidays) may receive Initial Allocations in equal amounts subject to availability of funds and Project readiness and feasibility as specified in Section 7059, subdivision (c).

Note: Authority cited: Sections 1179.55, 1179.57 and 1179.61, Health and Safety Code.
Reference: Sections 1179.55, 1179.56 and 1179.57, Health and Safety Code.

Amend Section 7055. Application Form to read:

- (a) A blank Application Form for the First Funding Round shall be available from the Authority and the Authority's website and may be referred to as the Children's Hospital Program of 2008 Grant Application Form #CHFFA 6, Rev.10-2016-4, which is hereby incorporated by reference. The Applicant shall submit a completed Application Form in the manner set forth in Sections 7056 and 7057. The Children's Hospital Overview and Instructions for Grant Application, Form #CHFFA 6A, Rev.10-2016-4, which is only applicable to the First Funding Round, is hereby incorporated by reference.
- (b) A blank Application Form for the Second Funding Round shall be available on the Authority's website at www.treasurer.ca.gov/chffa and will be referred to as the Children's Hospital Program of 2008 Grant Application Form #CHFFA 6, Rev. 01-2018-3, which is hereby incorporated by reference.

Note: Authority cited: Sections 1179.55, 1179.57 and 1179.61, Health and Safety Code.
Reference: Sections 1179.55, 1179.57 and 1179.58, Health and Safety Code.

Amend Section 7056. Application Form Submission to read:

- (a) For the First Funding Round, Application Forms shall be submitted in duplicate to the Authority. The Authority shall accept Application Forms for the First Funding Round on an on-going basis until June 30, 2018~~the funding for the Children's Hospital Program of 2008 is exhausted.~~ Each Applicant may apply for more than one Grant for different Projects until its Maximum Grant for the First Funding Round is reached. ~~If necessary, blank application forms for the Second Funding Round shall be available no later than June 1, 2018.~~

- (b) For the Second Funding Round, Application Forms shall be submitted in duplicate to the Authority. Subject to availability of funds, Application Forms may be submitted to the Authority for the Second Funding Round from July 1, 2018 until June 30, 2022. Each Applicant may apply for more than one Grant for different Projects.

Note: Authority cited: Sections 1179.55, 1179.57 and 1179.61, Health and Safety Code.
Reference: Sections 1179.55 and 1179.57, Health and Safety Code.

Amend Section 7063. Any Remaining Funds to read:

- (a) If there are any remaining funds after the First Funding Round, the Authority may, in its sole discretion, award Grants of those remaining funds to Applicants in the Second Funding Round in a manner that is consistent with the purpose and requirements of the Children's Hospital Program of 2008.
- (b) If there are any remaining funds after the Second Funding Round, the Authority may, in its sole discretion, award Grants of those remaining funds to Applicants in a Third Funding Round in a manner that is consistent with the statutory requirements and regulations of the Children's Hospital Program of 2008.

Note: Authority cited: Sections 1179.55, 1179.57 and 1179.61, Health and Safety Code.
Reference: Sections 1179.55, 1179.57 and 1179.58, Health and Safety Code.

Amend Section 7071. Audits to read:

- (a) The Bureau of State Audits and Authority staff may conduct periodic audits to ensure Grantees are using Grants consistent with the Children's Hospital Program of 2008 requirements and the terms of the Grant Agreement for an approved Project. Grantees shall retain all Children's Hospital Program of 2008 documentation and financial data necessary to substantiate the purposes for which the Grant funds were spent ~~for a period of three years after the certification of completion of the Project has been submitted or until June 30, 2021, whichever is later.~~ as follows:
- (1) First Funding Round: A period of three years after the certification of completion of the Project has been submitted or until June 30, 2021, whichever is later.
- (2) Second Funding Round: A period of three years after the certification of completion of the Project has been submitted or until June 30, 2025, whichever is later.

Note: Authority cited: Sections 1179.55, 1179.57 and 1179.61, Health and Safety Code.
Reference: Section 1179.58, Health and Safety Code.

CALIFORNIA HEALTH FACILITIES
FINANCING AUTHORITY

~~The~~ Children's Hospital Program of
2008
Grant Application

GENERAL OBLIGATION BOND
FINANCING FOR PUBLIC AND
PRIVATE CALIFORNIA CHILDREN'S
HOSPITALS

915 Capitol Mall, Room 435
Sacramento, California 95814
Phone: (916) 653-2799
Fax: (916) 654-5362

The Children's Hospital Program of 2008
Application Submission Instructions

Applicants shall submit Applications for Grant funds to the California Health Facilities Financing Authority. (NOTE: An original and one copy of the Application is to be provided in separate binders and tabbed as specified below.)

TAB 1. Application Form

1. Completed pages 1-9 of the Application Form
2. Any third-party data or other information requested in the appropriate Application sections.

TAB 2. Agency Finances

Most Recent Audited Financial Statements (California Code of Regulations (CCR), Title 4, Section 7052, subdivision (a)(2))

TAB 3 Organizational Information

1. A copy of the current general acute care hospital license issued by the California Department of Public Health or the current general acute care hospital license issued by the California Department of Public Health to the California nonprofit corporation of which the Children's Hospital is an operating entity. (CCR, Title 4, Section 7052, subdivision (a)(1))
2. If the Applicant is a Non University of California Children's Hospital, submit both of the following:
 - (a) A copy of the 501(c)(3) determination letter from the Internal Revenue Service (IRS) and either the tax-exemption letter or Letter of Good Standing from the Franchise Tax Board (FTB). Children's Hospitals that are operating entities of a California nonprofit corporation, the IRS and FTB letters are required for the parent corporation. (CCR, Title 4, Section 7057, subdivision (b)(1)(A))
 - (b) A copy of the Applicant's Articles of Incorporation and Bylaws. Children's Hospitals that are operating entities of a California nonprofit corporation, the Articles of Incorporation and Bylaws are required for the parent corporation. (CCR, Title 4, Section 7057, subdivision (b)(1)(B))

TAB 4 Legal Information

Legal Status Questionnaire (Attachment A of the Application)

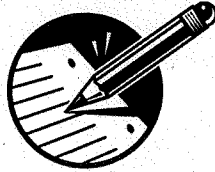
TAB 5 Certification

The Agreement and Certification (Attachment B of the Application)

Submit the original and one copy of the Application to:

California Health Facilities Financing Authority
915 Capital Mall, Suite 435
Sacramento, CA 95814

**The Children's Hospital Program of 2008
APPLICATION FORM**



Please type all responses. Incomplete or illegible applications will not be considered.

A. Summary Information

Applicant Legal Name: _____

Federal Tax ID #: _____

Street Address: _____

City State Zip _____

County: _____

Address of Project (if different from above): _____

County: _____

Contact Person: _____ **Title:** _____

Phone: _____ **Fax:** _____

E-mail Address: _____

Requested Amount: \$ _____

NOTE: For the First Funding Round only, eEligible University of California Children's Hospitals are limited to \$39.2 million in grant funding less bond issuance and administrative costs. Eligible non-University of California Children's Hospitals are limited to \$98 million in grant funding less bond issuance costs and administrative costs.

Date of Application: _____

=====

<Authority Use Only>

Date Received: (stamp below)

Allocation Meeting Date: _____

Resolution Number: _____

B. Applicant and Project Eligibility

1. Is your facility:

- ☐ A University of California general acute care hospital described as:
- University of California Davis Children's Hospital.
 - Mattel Children's Hospital at University of California, Los Angeles.
 - University Children's Hospital at University of California, Irvine.
 - University of California, San Francisco Children's Hospital.
 - University of California, San Diego Children's Hospital.

OR

- ☐ A General Acute Care Hospital that is, or is an operating entity of, a California nonprofit corporation incorporated prior to January 1, 2003, whose mission of clinical care, teaching, research, and advocacy focuses on children, and that provides comprehensive pediatric services to a high volume of children eligible for Government Health Insurance Programs and to children with special health care needs eligible for the California Children's Services program and:
- Provided at least 160 license beds in the categories of pediatric acute, pediatric intensive care and neonatal intensive care in the fiscal year ending between June 30, 2001 and June 29, 2002, as reported to the Office of Statewide Health Planning and Development (OSHPD) on or before July 1, 2003.
 - Provided over 30,000 total pediatric patient (census) days, excluding nursery acute days, in the fiscal year ending between June 30, 2001 and June 29, 2002, as reported to OSHPD on or before July 1, 2003.
 - Provided medical education of at least eight (rounded to the nearest integer) full-time equivalent pediatric or pediatric subspecialty residents in the fiscal year ending between June 30, 2001, and June 29, 2002, as reported to OSHPD on or before July 1, 2003.

The Authority, at its discretion, shall confirm with OSHPD that the non-University of California Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity has submitted to OSHPD its Annual Disclosure Report for the fiscal year ending between June 30, 2001 and June 29, 2002, on or before July 1, 2003

If the organization is not one of the above, the organization is ineligible for this program.

- | | Yes | No |
|--|--------------------------|--------------------------|
| 2. Is the Project an eligible project? Project means:

Constructing, expanding, remodeling, renovating, furnishing, equipping, financing, or refinancing capital assets, as defined in Section 16727(a) of the Government Code, of a Children's Hospital. This may include reimbursement for the costs of constructing, expanding, remodeling, renovating, furnishing, equipping, financing or refinancing where such costs are incurred after January 31, 2008. The definition of Project does not include costs of issuance for any financing or refinancing of a Project. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. If the Children's Hospital is not a University of California Children's Hospital, is the Children's Hospital, or the California nonprofit corporation of which the Children's Hospital is an operating entity, a non-profit 501(c)(3) corporation, for purposes of federal and state tax law? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is the Children's Hospital, or the California nonprofit corporation of which the Children's Hospital is an operating entity, licensed by the State Department of Health Services as a general acute care hospital prior to January 1, 2003 and is the license current? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Are the most recent audited financial statements of the Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity free of Going Concern Qualification language? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. If the Children's Hospital proposes to use Grant funds for the acquisition of real property, does the Children's Hospital have a valid, current, enforceable contingent purchase and sale agreement or option agreement between the Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity and the owner of the subject property, including evidence that all extensions necessary to keep the agreement current through the Final Allocation have been executed, if applicable? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. If the proposed Project includes the acquisition of real property, can the Children's Hospital provide the Authority with reasonable assurance that the acquisition is a component of a larger Project that will ultimately benefit the health and welfare of California's sick and/or injured children, such as the construction of a new facility to benefit pediatric patients? | <input type="checkbox"/> | <input type="checkbox"/> |

- | | Yes | No |
|---|--------------------------|--------------------------|
| 8. If the Children's Hospital proposes to use Grant funds for a Project other than equipment acquisition on certain property, can the Children's Hospital provide evidence that either: | <input type="checkbox"/> | <input type="checkbox"/> |
| <ul style="list-style-type: none">• The Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity owns the property, OR• The Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity is a lessee under a lease agreement that satisfies Section 7047 of the Children's Hospital Program Regulations. | | |
| 9. If the Children's Hospital proposes to use Grant funds for a Project that includes architect, design, and/or engineering fees, can the Children's Hospital provide assurance to the Authority that any of these fees are components of a larger Project that will ultimately benefit the health and welfare of California's sick and/or injured children? The Authority shall rely on timelines associated with the entire Project to assess whether or not the Project will benefit pediatric patients. | <input type="checkbox"/> | <input type="checkbox"/> |

If the Children's Hospital answered "No" to any question above, the Children's Hospital is not eligible to receive a grant.

C. Project Description

(a) Describe the Project and explain:

1. How well the Project contributes to both of the following:
 - A Expansion or Improvement of Health Care Access by children eligible for Governmental Health Insurance Programs and indigent, underserved, and uninsured children.
 - B Improvement of Child Health Care or Improvement of Pediatric Patient Outcomes.
2. How well the Children's Hospital does any or all of the following:
 - A Provides Uncompensated Indigent Care or Undercompensated Care to eligible pediatric patients.
 - B Provides services to Vulnerable Pediatric Populations.
 - C Promotes Pediatric Teaching Programs or Pediatric Research Programs.

(b) To ensure that the tax-exempt status of the General Obligation bonds funding this program conforms to all applicable bond law, please answer the following:

1. Was any portion of the Project to be refinanced with the Grant originally funded with the proceeds of a tax-exempt financing? If yes, please describe the tax-exempt financing.
2. For any requests by the University of California Children's Hospitals to refinance Projects that have already been completed, when were the expenditures incurred for the Project to be refinanced with the Grant?

D. Project Readiness and Feasibility

1. All Applicants shall provide a project timeline, which:
 - Describes expected project start and completion dates.
 - Describes any problems anticipated in implementing the Project and how problems will be managed to ensure timely completion.
2. All Applicants shall identify and provide supporting documentation as described for the following types of Projects and funding sources:
 - For all Projects with the exception of equipment acquisition projects, Applicant shall submit estimates of Project costs and evidence of property ownership or, if the property is leased to a Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity, a copy of a lease agreement that satisfies the requirements of Section 7068 of the Children's Hospital Program Regulations. The Applicant shall also provide building permits and/or executed construction, architect, design and engineering contracts, if available. An Applicant with a Project that does not yet have an executed construction contract or building permit but is actively in the process of obtaining one shall provide a detailed statement that explains the status of obtaining the document.
 - For Projects that include the acquisition of real property, the Applicant shall submit a copy of an executed purchase and sale agreement or status of obtaining one or other evidence of site control to the satisfaction of the Authority and a timeline that specifies when the entire Project will be complete.
 - For equipment acquisition projects, the Applicant shall submit a specific list of items and cost estimates of equipment or copies of invoices, and if applicable, cost estimates of installation of such equipment.
 - If funding sources other than the Grant are required to complete the Project, the Applicant shall provide proof of the other funding source, including but not limited to, commitment letters, board approved capital campaign plans or any other documentation acceptable to the Authority. Such documentation shall be in accordance with the Project timeline and budget.

3. Applicants shall adequately describe their plans for implementing the Project, including:

- The Applicant shall submit a third-party prepared feasibility study, funding letters or other documentation to demonstrate that the Project will generate sufficient revenues to provide on-going support for new or expanded services and/or research programs. If revenues generated by the Project will be insufficient, the Applicant's revenues shall be sufficient as determined by Authority staff, to provide on-going support.
- When applicable, the Applicant shall submit evidence that it is in compliance with the California Environmental Quality Act and all other applicable law for all Projects.

E. Sources and Uses of Funds*

All Applicants must submit the budget for their proposed Project including all sources and uses of funds. If other sources of funds will be used to complete the Project, ~~all the~~ Applicants must submit copies, if available, of written confirmation, including bank and grant commitment letters of these funding sources. If documentation for other sources of funds has been provided for Section D (3), Applicants do not need to provide additional copies.

The ~~a~~Applicant must itemize what portion of the total funds available will be used for each specific portion of the proposed Project. In some instances, funds from sources other than the proposed grant may be used for portions of a proposed Project that would otherwise be ineligible for the grant. The ~~a~~Applicant therefore shall describe how the grant funds as well as other grants, loans, or internal funds will be used. Authority staff must be able to determine that the entire grant will be used for eligible portions of the proposed Project.

Sources of Funds:

Total CHFFA Grant Requested	\$ _____
Applicant Internal Funds	\$ _____
Other (bank loans, grants, etc.):	
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Sources	\$ _____ 0

Uses of Funds:

Construct facilities	\$ _____
Acquire facilities	\$ _____
Remodel	\$ _____
Purchase equipment	\$ _____
Other (list):	
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Uses	\$ _____ 0

*Total Sources must equal Total Uses. In no case can a grant award exceed the total cost of the Project.

F. Financial Capacity

As part of its due diligence review, the Authority staff will review the Most Recent Audited Financial Statements of the Children's Hospital or the California nonprofit corporation of which the Children's Hospital is an operating entity to ensure there is no 'going concern qualification' language as part of the audit.

G. Application Submission

Applications are due the first business day of each month, except October and November, and will be presented to the Authority members the following month. For the month of October, Applications are due on October 7 or the next business day. Applications received on October 7 will be presented for Authority consideration at a regularly scheduled meeting in December or January. Applications are not accepted in November.

Applications must be submitted in duplicate to the Authority. ~~The Authority will accept applications on an on-going basis until the program funding is exhausted.~~ Each Applicant may apply more than once. Submit completed application by mail to:

~~Please submit completed application by mail to:~~

California Health Facilities Financing Authority
915 Capitol Mall, Room 435
Sacramento, CA 95814

~~Applications are due the first business day of each month and will be presented to the Authority the following month, with the following exceptions:~~

- ~~• For October, applications are due on October 7 and will be presented for Board consideration at the regularly scheduled meeting held the first Thursday in December.~~
- ~~• No applications are accepted in November.~~

LEGAL STATUS QUESTIONNAIRE

1. Disclose material information relating to any legal or regulatory proceeding or investigation in which the Applicant is or has been a party and which might have a material impact on the financial viability of the project or the Applicant. Such disclosures should include any parent, subsidiary, or affiliate of the Applicant that is involved in the management, operation, or development of the project.
2. Disclose any civil, criminal, or regulatory action in which the Applicant, or any current board members, partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, or matters involving health and safety where there are allegations of serious harm to employees, the public, or the environment.

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies.

The information provided must include relevant dates, the nature of the allegation(s), ~~charters~~ charges, complaint or filing, and the outcome.

AGREEMENT AND CERTIFICATION

The Chief Executive Officer, Chief Financial Officer or other authorized officer of the Applicant on behalf of the Applicant shall agree and certify to the following terms and conditions:

1. The information contained in the Application Form and attachments is true and correct to the best of its knowledge and belief and understands that any misrepresentation may result in the cancellation of a Grant and other actions permitted by law and the Grant Agreement.
2. Applicant may be required to return all or a portion of the Grant including any unused investment earnings if the Applicant fails to complete the Project as approved. In cases where the Grant will fund architect, design, or engineering fees or land acquisition costs as part of an approved Project, the Applicant may be required to return all Grant funds and any unused investment earnings if the Authority cannot determine that the associated larger Project has been completed, based on timelines provided within the Application Form.
3. Grant funds will only be used for the Project described in the Application Form unless a change in the Project is approved in writing by the Authority.
4. The Project and financial records of the Applicant's Project are subject to audit and inspection by the Authority and the Bureau of State Audits.
5. Applicant has disclosed all information requested by the legal status questionnaire.
6. Applicant will notify the Authority in writing at the time of Project completion with evidence of completion included.
7. Applicant will provide all documents and information required by law and will meet all necessary requirements prior to the release of the Grant.

By (Print Name)

Signature

Title

Date