

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

Children's Hospital Program of 2018 (Proposition 4)

First Amendment to Resolution Number CHP-4E 2020-02

Ventura County Medical Center

February 29, 2024

PURPOSE OF THE REQUEST:

County of Ventura, as owner and operator of the Ventura County Medical Center (VCMC), is requesting the Authority approve an amendment to Resolution Number CHP-4E 2020-02 to extend the grant period end date and resolution expiration date for its Children's Hospital Program of 2018 (Health & Safety Code, §1179.81 et seq.) (CHP) project.

ISSUE:

VCMC will not be able to complete the CHP project and submit all disbursement documentation by the grant period end date and resolution expiration date of March 31, 2024. Per section 5.3 of the grant agreement, all grant disbursements shall be disbursed within the grant period.

VCMC experienced significant delays in its pediatric medical-surgical unit remodeling and renovation schedule during the initial design phase. The Department of Health Care Access and Information's (HCAI) plan check approval was received in September 2022, approximately 17 months later than originally anticipated. The remodeling/renovation contract was awarded to the lowest bidder in December 2022, and renovation started in January 2023, but was further delayed because of construction worker shortages and supply chain delays. Additionally, unforeseen building issues, such as the existing ceiling system not being compliant with current fire code requirements, existing door frame issues needing replacement, removal of black mold, and heating hot water system repairs, impacted the construction timeline, but all of the issues are expected to be resolved by March 10, 2024.

One part of the grant funded project, the infrastructure utility pipe replacement was completed in May 2022. VCMC anticipates that the remodeling and renovation project will be completed by the end of April 2024, and the pediatric medical-surgical unit will be open and operational by the end of June 2024, which is more than two years later than the originally projected completion date of March 2022.

On November 20, 2023, VCMC requested a two-year extension to the grant period and resolution end date from March 31, 2024 to March 31, 2026. The additional requested time will allow VCMC finish the remodel/renovation project, equip and furnish the pediatric medical-surgical unit, make final retention payments, account for any outstanding items with the general contractor, and gather all disbursement documentation. VCMC is anticipating the final grant disbursement to be made well before the end of the requested grant period of March 31, 2026.

BACKGROUND:

On June 25, 2020, the Authority approved a final allocation for the County of Ventura, as owner and operator of Ventura County Medical Center in an amount not to exceed \$15,000,000.00 to fund the costs of remodeling/renovating, furnishing and equipping a shelled space of approximately 9,250 square feet on the second floor of the Fainer Building to relocate and expand its existing pediatric medical-surgical unit by 11 beds for a total of 20 and to fund the eligible pediatric portions of the costs of the needed infrastructure utility pipe replacements. Resolution Number CHP-4E 2020-02 was approved with a grant period expiration date of March 31, 2023.

On June 30, 2022, VCMC received an extension of the grant period end date from March 31, 2023 to March 31, 2024, the resolution expiration date, because of significant delays experienced during the initial design phase due to the impact of the COVID-19 pandemic.

On June 28, 2023, VCMC received a disbursement of \$9,815,876.94 in grant funds, consisting of \$8,405,150.00 in advanced funds for construction work and \$1,410,726.94 in reimbursed funds for design, project management and replacement of sewer and vent pipes. There are currently \$5,022,873.06 remaining to be disbursed for this grant.

RECOMMENDATION:

Staff recommends the Authority approve an amendment to Resolution Number CHP-4E 2020-02 to extend the grant period and resolution end dates from March 31, 2024 to March 31, 2026.

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

FIRST AMENDMENT TO RESOLUTION NO. CHP-4E 2020-02

**RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
EXECUTION AND DELIVERY OF GRANT FUNDING
UNDER THE CHILDREN’S HOSPITAL PROGRAM OF 2018
TO VENTURA COUNTY 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 \$15,000,000.00, less the bond issuance and administrative costs, to Ventura County Medical Center (the “Grantee”) to finance eligible projects; 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 approval of a grant in an amount not to exceed \$15,000,000.00, 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 \$15,000,000.00, 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 ~~March 31, 2023~~ March 31, 2026.

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 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, which the Executive Director and the 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 ~~March 31, 2024~~ March 31, 2026.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by Ventura County Medical Center to fund the costs of remodeling/renovating, furnishing and equipping a pediatric medical surgical unit and to fund the eligible pediatric portion of the costs of the needed infrastructure utility pipe replacements.