TEXT OF REGULATIONS

California Code of Regulations
Title 4, Division 10, Chapter 5
Investment in Mental Health Wellness Grant Program

Section 7113. Definitions.

The following definitions shall apply wherever the terms are used throughout this Chapter.

(a) "Applicant" means an entity that meets the eligibility requirements as further described in Section 7114 for submission of an Application and submits an Application.

(b) "Application" means the written request for a Grant under the Investment in Mental Health Wellness Grant Program in the form and format of the Investment in Mental Health Wellness Grant Program Application Form No. CHFFA 7 MH-01 (Rev.05/2015), including all supporting information and documents, as further described in Section 7116.

(c) "Audited Financial Statements" means an examination and report of an independent accounting firm on the financial activities of a public agency or private nonprofit corporation.

(d) "Authority" means the California Health Facilities Financing Authority.

(e) "Authority Staff" means employees of the Authority.

(f) "Bay Area Region" means the counties of Alameda, Contra Costa, Marin, Monterey, Napa, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma.

(g) "Capital Funding" means the Grants the Authority may award up to a total of $142,500,000 for all Projects except Mobile Crisis Support Team personnel projects.

(h) "Central Region" means the counties of Alpine, Amador, Calaveras, El Dorado, Fresno, Inyo, Kings, Madera, Mariposa, Merced, Mono, Placer, Sacramento, San Joaquin, Stanislaus, Sutter, Tulare, Tuolumne, Yuba, and Yolo.

(i) "Counties Applying Jointly" means counties that submit an Application together for a Project to deliver crisis services.

(j) "Crisis Intervention" means crisis intervention as defined in Section 1810.209 of Title 9 of the California Code of Regulations.

(k) "Crisis Residential Treatment" means crisis residential treatment services as defined in Section 1810.208 of Title 9 of the California Code of Regulations.

(l) "Crisis Stabilization" means crisis stabilization as defined in Section 1810.210 of Title 9 of the California Code of Regulations.

(m) "Executive Director" means the executive director of the Authority.

(n) “Final Allocation” means the Grant amount approved by the Authority.

(o) “First Funding Round” means the initial time period during which Applications may be submitted for consideration of funding by the Authority.

(p) “Going Concern Qualification” means an opinion of an independent accounting firm auditor that there is substantial doubt regarding the entity's ability to continue into the future, generally defined as the following year.

(q) “Grant” means an award of funds to an Applicant.

(r) “Grant Agreement” means a written agreement between the Authority and a Grantee that consists of the terms and conditions of the Grant.

(s) “Grant Award Letter” means the official notification that a Grant has been approved by the Authority.

(t) “Grant Period” means the time period from the date of Final Allocation to the date set by the Authority for the Grant to end.

(u) “Grantee” means a county, private nonprofit corporation or public agency that has been awarded or designated to receive Grant funds.

(v) “Initial Allocation” means the Grant amount the Authority Staff recommends the Authority approve for Final Allocation as further described in Section 7120.

(w) “Lead Grantee” means the county or joint powers authority with a county as a member designated on the Application to have the primary responsibility for the fiscal management of Grant funds, records retention, reporting and all of the other aspects of compliance with this Chapter and the Grant Agreement.

(x) “Los Angeles Region” means the County of Los Angeles and all communities within it.

(y) “Mobile Crisis Support Team” means a mobile unit staffed by designated personnel, which may include peers, dispatched to assist individuals experiencing mental health issues.

(z) “Personnel Funding” means the Grants the Authority may award up to a total of $6,800,000 to fund Mobile Crisis Support Team personnel.

(aa) “Program” means Crisis Stabilization, Crisis Residential Treatment, or Mobile Crisis Support Teams and the Crisis Intervention and Rehabilitative Mental Health Services provided therein.

(bb) “Project” means startup or expansion of Program(s) and acquisition, construction, renovation or financing of capital assets; or equipping and staffing a Mobile Crisis Support Team.

(cc) “Rehabilitative Mental Health Services” means rehabilitative mental health services as defined in Section 1810.243.1 of Title 9 of the California Code of Regulations.

(dd) "Related Supports" means local service providers who interact with individuals before, during and after a mental health crisis, including health care providers (such as hospitals, clinics, and substance abuse providers), law enforcement, mental health providers and peer support services, social services, triage personnel, housing providers, and other supports within the continuum of care.

(ee) "Southern Region" means the counties of Imperial, Kern, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, and Ventura.

(ff) "Subsequent Funding Rounds" means any specified time period after the First Funding Round during which Applications may be submitted to be considered for funding by the Authority, subject to the availability of funds.

(gg) "Superior Region" means the counties of Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, and Trinity.

(hh) "Target Population(s)" means the specific group(s) of people identified as the intended beneficiaries of the Program(s) to be funded by a Grant, including individuals eligible for Medi-Cal and individuals eligible for county health and mental health services.

NOTE: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7114. Eligibility.

(a) The following entities are eligible to apply for a Grant under the Investment in Mental Health Wellness Grant Program:

(1) A county.

(2) Counties Applying Jointly.

(3) A private nonprofit corporation or public agency designated by a county or Counties Applying Jointly to be a co-Applicant with the county or Counties Applying Jointly.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7115. Eligible Project Costs.

(a) Eligible costs for Capital Funding are:

(1) Purchase of real property.

(2) Construction or renovation, including costs of Project planning or Project management, appraisals, inspections, and pre-construction costs such as permit fees, surveying, architectural, and engineering fees.

(3) Furnishings or equipment, including the purchase of vehicles for Mobile Crisis Support Teams and maintenance contracts for the vehicles for up to two years.

(4) Information technology hardware and software, not to exceed 1% of total Project costs except when approved by the Authority and only upon submission of justification that the additional information technology costs are necessary for the Project to achieve the desired goals and outcomes set forth in Section 7119.

(5) Up to three months of Program startup or expansion costs consisting of lease payments, utilities, repairs or maintenance of facilities, personnel costs, moving expenses, cleaning supplies or supplies for offices, kitchens and bathrooms. Supplies do not include foods, beverages or medications.

(b) Eligible costs for Personnel Funding are employee salaries and benefits specific to staff the new vehicles funded by a Grant for the Mobile Crisis Support Team(s). Salaries and benefits shall be consistent with the compensation policies of the employer.

(c) Grant funds shall be used only for reasonable costs directly related to and essential for the completion of the Project.

(d) Eligible costs include only those incurred during the Grant Period.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7116. Grant Application.

(a) Entities that meet the eligibility requirements of Section 7114 may apply for a Grant.

(b) Applications with multiple Applicants shall designate one of the Applicants as Lead Grantee should a Grant be awarded.

(c) If a Project with the same Applicants includes multiple Programs, only a single Application is required.

(d) Application forms shall be available on the Authority's website at www.treasurer.ca.gov/chffa and at the Authority's Office located at 915 Capitol Mall, Room 590, Sacramento, California 95814 and will be referred to as the Investment in Mental Health Wellness Grant Program Application Form No. CHFFA 7 MH-01 (Rev.05/2015).

(1) An original and two copies of the Application shall be received no later than 5:00 p.m. Pacific Time on the deadline date posted on the Authority's website at www.treasurer.ca.gov/chffa and may be sent to:

California Health Facilities Financing Authority
915 Capitol Mall, Room 590
Sacramento, California 95814

or the Application may be emailed as a Portable Document Format (PDF) attachment to chffa@treasurer.ca.gov. The Authority is not responsible for email transmittal delays or failures of any kind.

(2) Incomplete Applications and Applications received by the Authority after the deadline date and time of the funding round shall not be accepted for review in that funding round.

(3) Applications shall be considered final as of the deadline date and time. No additional information or documents shall be accepted by the Authority after that date, except as specifically requested by the Authority.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7117. Funding Rounds and Application Deadlines.

(a) The deadline for the First Funding Round shall be the first working day following the 60th day after the date regulations are filed with the Secretary of State.

(b) Subsequent Funding Rounds: If funds are available, the deadline for Subsequent Funding Rounds shall be posted on the Authority's website at www.treasurer.ca.gov/chffa.

(c) Notices of deadlines will be posted on the Authority's website and sent to the Authority's listserv to which anyone may subscribe at www.treasurer.ca.gov.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7118. Maximum Grant Amounts.

(a) Until January 1, 2016, the Authority shall award Capital Funding totaling no more than the following maximums per region:

(1)	Bay Area Region	$26,000,000
(2)	Central Region	$25,000,000
(3)	Los Angeles Region	$40,000,000
(4)	Southern Region	$45,000,000
(5)	Superior Region	$6,500,000

(b) Until June 30, 2015, Applicants may apply for Capital Funding totaling no more than the following maximum Grant amounts per county, according to the most recent population projection by the California Department of Finance at the time the Application is submitted:

	County Population	Maximum
(1)	100,000 or less	$500,000
(2)	Between 100,001 and 400,000	$1,000,000
(3)	Between 400,001 and 600,000	$2,000,000
(4)	Between 600,001 and 1,100,000	$4,000,000
(5)	Between 1,100,001 and 2,500,000	$7,000,000
(6)	Between 2,500,001 and 9,000,000	$11,000,000

(c) Until January 1, 2016, Applicants may apply for Personnel Funding totaling no more than the following maximums per region:

(1)	Bay Area Region	$1,240,000
(2)	Central Region	$1,193,000
(3)	Los Angeles Region	$1,909,000
(4)	Southern Region	$2,147,000
(5)	Superior Region	$311,000

(d) Subdivision (b) does not apply to the County of Los Angeles.

(e) Counties Applying Jointly may, at their discretion, apply for up to the sum of their respective maximum Capital Funding and Personnel Funding amounts.

(f) If funds for Capital Funding remain after Final Allocations have been awarded for Applications submitted by June 30, 2015, Applications may be submitted without regard to previous maximum Grant amounts per county.

(g) If funds for Capital Funding remain after Final Allocations have been awarded for Applications submitted by January 1, 2016, Applications may be submitted without regard to previous maximum Grant amounts per region, and Grant awards for Capital Funding shall be made on a statewide competitive basis.

(h) If funds for Personnel Funding remain after Final Allocations have been awarded for Applications submitted by January 1, 2016, Applications may be submitted without regard to previous maximum Grant amounts per region, and Grant awards for Personnel Funding shall be made on a statewide competitive basis.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7119. Evaluation Criteria.

(a) Applications shall be scored on the following criteria:

(1) Project expands access to and capacity for community based mental health crisis services that offer relevant alternatives to hospitalization and incarceration. (Maximum 30 points)

(A) Project proposes new or expanded Crisis Stabilization, Crisis Residential Treatment and/or Mobile Crisis Support Team Programs to be funded by the Grant, describes the services within the Programs, and clearly identifies the Target Population(s) to be served. (Maximum 5 points)

(B) Project meets the community need existing within the current continuum, seeks to address who does and does not receive services now, and is designed to address the weaknesses of the current system and build on its strengths. (Maximum 3 points)

(C) Project increases capacity for community based mental health crisis services. The Application shall identify the number of Crisis Stabilization and-Crisis Residential Treatment beds that will be added and how the number added impacts the Target Population(s) and translates into a number of additional individuals that can be served in the community. (Maximum 7 points)

(D) Project expands and improves timely access to community based mental health crisis services. The Application shall address how access is expanded and improved for the community. Examples include extending hours of existing services; adding locations where services can be accessed by consumers and their family members; undertaking efforts to timely connect consumers to crisis services from other venues like hospitals; engaging in new outreach to families and consumers so they know new or expanded services are available; and addressing cultural, language, and other barriers unique to the community. (Maximum 7 points)

(E) Project is qualitatively different than crisis services delivered in an institutional setting (such as a hospital emergency room, an in-patient hospital setting or a law enforcement vehicle) and clearly describes the proposed staffing, the community setting in which the Programs will be offered and the building or vehicles in which services will be provided. (Maximum 5 points)

(F) Project leverages public and private funding sources to complete the Project. (Maximum 3 points)

(2) Application demonstrates a clear plan for a continuum of care before, during, and after crisis mental health intervention or treatment and for collaboration and integration with other health systems, social services, and law enforcement. (Maximum 20 points)

(A) Project fits in with the continuum of care as it presently exists in the community. The Application identifies the shortcomings that exist within the continuum and how the Project will improve the existing continuum of care for individuals utilizing mental health crisis services, including whether Applicant contemplates submitting an application to the Mental Health Oversight and Accountability Commission for triage personnel. (Maximum 8 points)

(B) Application identifies working relationships with Related Supports that already exist and which will be established to enhance and expand community-based collaboration designed to maximize and expedite access to crisis services for the purpose of avoiding unnecessary hospitalization and incarceration and improving wellness for individuals with mental health disorders and their families. For example, an enhancement may include training of local law enforcement, current crisis providers, hospitals and other related providers on how to properly respond to individuals experiencing a mental health crisis. An expansion may include adding a supportive housing provider to the local collaboration for post-crisis residential placements. (Maximum 12 points)

(3) Identifies Key Outcomes and a Plan for Measuring Them. (Maximum 20 points)

(A) Application includes methodology, timeline and assignment of responsibility to measure and demonstrate outcomes of the Project, including the following:

(i) Reduced average disposition time for visits to emergency rooms of local hospitals. (Maximum 2 points)

(ii) Reduced hospital emergency room and psychiatric inpatient utilization. (Maximum 3 points)

(iii) Reduced law enforcement involvement on mental health crisis calls, contacts, custodies and/or transports for assessment. (Maximum 2 points)

(iv) Improvements in participation rates by consumers in outpatient mental health services, and case management services, and more placements by outreach workers. (Maximum 2 points)

(v) Consumers' and/or their family members' (when appropriate) satisfaction with the crisis services the consumer received. (Maximum 2 points)

(vi) Number of Crisis Residential Treatment and Crisis Stabilization beds and Mobile Crisis Support Team personnel and vehicles added. (Maximum 2 points)

(vii) Whether the Target Population is being served and other individuals who may be being served. (Maximum 2 points)

(viii) The value of the Program(s), such as mitigation of costs to the county, law enforcement, or hospitals. An example of such value is: The utilization of Crisis Residential Treatment costs "X" dollars and utilization of inpatient hospitalization would have cost "X" dollars, therefore value approximates "X" dollars. (Maximum 3 points)

(ix) The percent of individuals who receive a crisis service who, within 15 days, and within 30 days, return for crisis services at a hospital emergency department, psychiatric hospital or jail. (Maximum 2 points)

(4) Project is feasible, sustainable, and ready or will be feasible, sustainable and ready within nine months of the Final Allocation. (Maximum 30 points)

(A) Project timeline is clear and includes details of the following: (Maximum 7 points)

(i) Key milestones in the future and completed to date, including projected or actual Project start date (such as date of purchase, renovation or lease) and end date (such as date of occupancy).

(ii) A description of the status of use permits, licensure and/or other approval processes.

(iii) Staffing status.

(iv) Projected date services will begin to be provided to consumers.

(v) A narrative description of processes that may affect the timeline to start providing services, such as site identification and acquisition, contracting, local use permit process, California Environmental Quality Act process, licensure and certification.

(vi) A narrative description identifying potential challenges and how those challenges will be mitigated.

(B) Project has sufficient funding sources or has a plan for getting them, and proposed uses of funding are acceptable and the following are included: (Maximum 10 points)

(i) The amount of funding from funding sources, other than the Grant, including the amount of funding and the current status of the funding.

(ii) The proposed uses of funds includes a budget for startup costs (not to exceed three months), if applicable. The total uses shall not exceed the total of all available funding sources.

(iii) A description of how the Grant funds, as well as other grants, loans, or internal funds, will be used to ensure Grant funds will not be used for ineligible costs as described in Section 7115.

(C) Lead Grantee is creditworthy and has satisfactory financial capacity as indicated in its most recent local government credit rating or three most recent years of Audited Financial Statements which may not contain a Going Concern Qualification. (Maximum 5 points)

(D) Application includes a budget that details annual projected operating costs and a description of new Program funding sources with amounts and cash flow projections and/or how existing funding will be redirected to provide on-going support for new and expanded services, including documentation such as funding letters, minutes from the Board of Supervisors meeting evidencing approval of the budget, or other documentation acceptable to the Authority. (Maximum 3 points)

(E) A qualified service provider has been identified or a plan is in place for identifying one and the following are addressed: (Maximum 5 points)

(i) If a service provider that will operate Program(s) has already been identified, written plans and policies in place for the care that will be provided shall be described. These include statement of admission and discharge criteria; psychiatric policies and practices; description of range of services offered; and information about the service provider including expertise in mental health care, purpose, goals, and services of the organization.

(ii) A service provider already licensed by the California Department of Social Services shall be in Substantial Compliance as defined in Section 80001 of Title 22 of the California Code of Regulations.

(iii) If a service provider has not been identified, the process, criteria for selection and timeline for identification are clear.

(F) For proposed Crisis Stabilization or Crisis Residential Treatment Programs, Application demonstrates certainty of Medi-Cal certification, and for proposed Crisis Residential Treatment Programs, Application demonstrates certainty of state licensure. (Required, but no points awarded)

(i) Includes discussion of how service provider will cooperate and comply with Community Residential Treatment Services Program certification process and any related certification process for any Crisis Stabilization Program proposed.

(ii) For proposed Crisis Residential Treatment Programs, includes confirmation that structured day and evening services will be available seven days a week, and services will include individual and group counseling; crisis intervention; planned activities; counseling, with available members of the consumer's family, when indicated in the consumer's treatment or rehabilitation plan; the development of community support systems for consumers to maximize their utilization of non-mental health community resources; pre-vocational or vocational counseling; consumer advocacy, including assisting consumers to develop their own advocacy skills; an activity program that encourages socialization within the program and general

community, and which links the consumer to resources which are available after leaving the program; and use of the residential environment to assist consumers in the acquisition, testing, or refinement of community living and interpersonal skills.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7120. Initial Allocation.

(a) Authority Staff will evaluate the Application's completeness, responsiveness, and clarity in addressing the criteria described in Section 7119.

(b) The scores from each reviewer of the Authority Staff will be added and the average of the scores will be calculated. The average score will be the final score assigned to the Application.

(c) The Authority Staff will make Initial Allocations based on the final score assigned to each Application, and present the Initial Allocations to the Authority for Final Allocations.

(d) Notification of Initial Allocations will be sent to Applicants before the public meeting at which the Authority will determine Final Allocations.

(e) During any funding round, Initial Allocations shall be limited to Applications which receive a minimum of 70 points under Section 7119.

(1) Applications shall score a minimum of 24 points under Section 7119, subdivision (a)(4) to be considered for an Initial Allocation.

(2) Applications receiving a score of zero points in any criteria in Section 7119, subdivision (a)(1) or (a)(2) shall not be considered for an Initial Allocation.

(f) Following Initial Allocations made pursuant to subsection (e), Initial Allocations may be considered for Applications scoring less than 70 points to achieve the statewide objectives of a minimum of 2,000 Crisis Stabilization and Crisis Residential Treatment beds and 25 Mobile Crisis Support Teams.

(g) Initial Allocations may be less than the amount requested in the Application to fund more Grants, control Project costs, or achieve the statewide objective of a minimum of 2,000 new Crisis Stabilization and Crisis Residential Treatment beds and 25 new Mobile Crisis Support Teams.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7121. Appeals.

(a) Availability.

(1) The Applicant designated as Lead Grantee on an Application may, on behalf of all Applicants listed on an Application, appeal the amount of the Initial Allocation recommended by Authority Staff for that Application, including an Authority Staff determination not to recommend a Grant. No Applicant may appeal an Initial Allocation made to another Applicant.

(b) Timing.

(1) The appeal shall be submitted to the Executive Director no later than five calendar days following the date of the notification of Initial Allocation.

(2) Appeals may be submitted to the Executive Director by email, mail or delivery to:

California Health Facilities Financing Authority
915 Capitol Mall, Room 590
Sacramento, California 95814

Email address: chffa@treasurer.ca.gov

(c) Review.

(1) The Executive Director shall review the appeal based on the Application as originally submitted. Any new or revised Application or additional documentation or information that was not submitted in the Application shall not be considered.

(2) The Executive Director shall make a decision on the merit of the appeal and notify the Applicant of the decision no later than 20 calendar days after receipt of the appeal.

(3) The decision of the Executive Director may be appealed to the Authority, by written notification to the Executive Director within five calendar days of the date of the Executive Director's decision.

(4) The Authority shall make a final decision on an appeal of the Executive Director's decision at a public meeting.

(d) Successful appeals.

(1) An Initial Allocation to an Applicant based on the appeal may result in a reduction or elimination of Initial Allocations to other Applicants that would have otherwise received an Initial Allocation.

(2) Adjustments to any Initial Allocations following any appeals may not be appealed.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7122. Final Allocation.

(a) Final Allocations shall be determined by the Authority at a public meeting.

(b) A Grant Award Letter that includes the following shall be sent to all Applicants approved for a Final Allocation:

(1) Name(s) of the Grantee.

(2) Grant amount.

(3) The Grant Period.

(4) A description of the costs to be funded by the Grant.

(5) A request for a resolution of the governing board authorizing an official to accept the Grant and all responsibilities flowing therefrom.

(6) Notification that the funds for a Grant under the Investment in Mental Health Wellness Act of 2013 are subject to availability of funds.

(7) A statement that the Authority reserves the right to modify or cancel the commitment upon failure of the Applicant to execute a Grant Agreement or otherwise fail to comply with this Article or if the Authority becomes aware of any matter which, if known at the time of Application review and approval, would have resulted in the rejection of the Application or the Grant not being approved.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7123. Use of the Grant.

(a) Grant funds shall only be used for the purposes described in the Grant Agreement.

(b) Grant funds may supplement but not supplant existing financial or resource commitments.

(c) Grantee may request a change in the use of Grant funds or request an extension of the Grant Period by submitting a written request to the Authority that documents the reason(s) the change is needed and demonstrates it is consistent with the Investment in Mental Health Wellness Act of 2013 and this Chapter.

(d) Grantee shall not make changes to the uses of Grant funds until receipt of written approval from the Authority.

(e) Grantee shall not dispose of any capital asset acquired by Grant funds before the end of the useful life of the asset.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7124. Grant Agreement.

(a) The terms and conditions of a Grant shall be set forth in a Grant Agreement which shall include, at a minimum, all of the following:

(1) The Grant amount.

(2) A description of the Project.

(3) Release of Grant Funds procedures in accordance with Section 7125, as applicable.

(4) Agreement that the Grantee shall comply with the Investment in Mental Health Wellness Act of 2013 and this Chapter, including, but not limited to, Section 7123.

(5) The Grantee shall defend, indemnify and hold harmless the Authority and the State of California, and all officers, trustees, agents and employees of the same, from and against any and all claims, losses, costs, damages or liabilities of any kind or nature, whether direct or indirect, arising from or relating to the Grant or Project.

(6) The Grantee shall comply with state and federal laws prohibiting discrimination, including those prohibiting discrimination because of sex, race, color, ancestry, religion, creed, national origin, physical disability (including HIV and AIDS) mental disability, medical condition (including cancer or genetic characteristics), sexual orientation, political affiliation, position in a labor dispute, age, marital status and denial of statutorily-required, employment-related leave.

(7) Grantee shall comply with California's prevailing wage law under Labor Code Section 1720 et seq. for public works projects.

(8) Grantee shall cooperate in inspections and audits.

(9) Notification that subject to the availability of funds, the Grant may be rescinded or reduced.

(10) Provisions relating to lease agreements, if applicable, pursuant to Section 7126.

(11) Resolution of the Authority authorizing the Grant.

(12) Resolution of the Grantee's governing board accepting the Grant and delegating authority to an officer to act on its behalf.

(13) Provision regarding default and its remedies, including forfeiture and return of the Grant funds to the Authority.

(14) Provision requiring Grantee to provide updated information upon request from Authority Staff to determine the Project's readiness and feasibility.

(15) Other terms and conditions that may be required by the Authority related to the Grant or Project.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code

Section 7125. Release of Grant Funds.

(a) Grant funds shall not be released until the following requirements have been met:

(1) A Grant Agreement has been executed by the Authority and Grantee.

(2) The Grantee has submitted to the Authority the following documentation, if available. If not available, Grantee has submitted a detailed statement concerning the status of obtaining any or all of this documentation to enable Authority Staff to determine readiness and feasibility.

(A) For construction or renovation.

(i) Detail of building plans, costs, and timelines.

(ii) Executed construction contract.

(iii) Architect, design and engineering contracts, if applicable.

(iv) Building permits and conditional use permits, if applicable.

(v) Evidence of compliance with the California Environmental Quality Act.

(vi) Evidence of compliance with prevailing wage law under Labor Code Section 1720 et. seq.

(vii) Evidence of property ownership, such as a grant deed or lease agreement and title report as required under Section 7126.

(viii) In addition to subdivisions (a)(2)(A)(i-vii), prior to the release of Grant funds to a private nonprofit corporation or public agency designated by a county or Counties Applying Jointly for construction or renovation on real property acquired with Grant funds by the designated private nonprofit corporation or public agency, the designated private nonprofit corporation or public agency shall execute a Grant Agreement and agree to comply with Section 7125.1. The Lead Grantee may request the Authority to release the Grant funds to the designated private nonprofit corporation or public agency or to the Lead Grantee for disbursement to the designated private nonprofit corporation or public agency. The designated private nonprofit corporation or public agency shall return the Grant funds to the Authority if the designated private nonprofit corporation or public agency fails to comply with Section 7125.1.

(B) For real property acquisitions:

(i) An appraisal completed within the previous six months by a state certified appraiser.

(ii) In addition to subdivision (a)(2)(B)(i), prior to the release of Grant funds to a private nonprofit corporation or public agency designated by a county or Counties Applying Jointly to acquire real property, the designated private nonprofit corporation or public agency shall execute a Grant Agreement and agree to comply with Section 7125.1. The Lead Grantee may request the Authority to release the Grant funds to the designated private nonprofit corporation or public agency, or to the Lead Grantee for disbursement to the designated private nonprofit corporation or public agency. The designated private nonprofit corporation or public agency shall return the Grant funds to the Authority if the designated private nonprofit corporation or public agency fails to comply with Section 7125.1.

(C) For acquisition of supplies, furniture and equipment including vehicles: A list of items to be purchased and a copy of related purchase orders.

(D) For personnel costs:

(i) Staffing plan, including number of full time equivalent staff.

(ii) Job description or duty statement for each position, including minimum qualifications and any licensing or certification preferred or required.

(iii) Documentation of salary or hourly wage rate, if applicable.

(iv) Documentation of employer's contribution of benefits.

(v) Documentation that confirms salaries and benefits to be paid are consistent with the Applicant's compensation policies.

(E) For other eligible costs: Contracts and/or purchase orders.

(3) The Authority Staff has determined the Project is ready and feasible.

(A) The determination that the Project is ready and feasible may occur at the time of Initial Allocation or within nine months following Final Allocation.

(B) If the determination is made after Final Allocation, the determination shall be based on updated information provided to the Authority by Grantee in accordance with Section 7124(a)(14).

(C) Limited extensions beyond nine months as set forth in subdivision (3)(A) shall be made on a case-by-case basis at the discretion of the Executive Director for good cause, such as reasonable delays associated with obtaining building and conditional use permits, obtaining California Environmental Quality Act compliance documentation, or identifying a qualified provider.

(D) Failure to demonstrate readiness and feasibility within the timeframes dictated by the Authority shall cancel the Grant and the Grant funds shall be made available to other Applicants.

(4) The Grantee has submitted to the Authority a completed Request for Disbursement Form No. CHFFA 7 MH-02 (Rev.06/2014). Except for the initial submission of the Request for

Disbursement Form No. CHFFA 7 MH-02 (Rev.06/2014), a status report and Actual Expenditures Report Form No. CHFFA 7 MH-03, (Rev.06/2014) as required by Section 7128, subdivisions (a)(1) and (a)(2) shall accompany all Requests for Disbursement Form No. CHFFA 7 MH-02 (Rev.06/2014).

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7125.1. Grant Funds to a Designated Private Nonprofit Corporation or Public Agency for Real Property Acquisition, Construction or Renovation.

(a) The Authority may, at its discretion, give consideration to a private nonprofit corporation or public agency in an area or region of the state if a county, or Counties Applying Jointly, affirmatively supports this designation and collaboration in lieu of a county directly receiving Grant funds for real property acquisition or for construction or renovation on real property acquired with Grant funds by the designated private nonprofit corporation or public agency. The designated private nonprofit corporation or public agency shall comply with all of the following requirements:

(1) The designated private nonprofit corporation or public agency shall provide the Program(s) services.

(2) The designated private nonprofit corporation or public agency shall execute a Grant Agreement that:

(A) Complies with the provisions contained in Section 7124.

(B) Provides that in the event the designated private nonprofit corporation or public agency fails to provide Crisis Residential Treatment or Crisis Stabilization services as provided in the Grant Agreement, title to the real property shall be given to the county or Counties Applying Jointly.

(i) In the event the county or Counties Applying Jointly do not take and hold title to the real property when the designated private nonprofit corporation or public agency fails to provide Crisis Residential Treatment or Crisis Stabilization services as provided in the Grant Agreement, the Authority may take any action necessary to take and hold title to the real property.

(3) The designated private nonprofit corporation shall provide, upon request, Audited Financial Statements and shall retain all Project and financial records necessary to substantiate the purposes for which the Grant funds were spent for a period of three years after the certification of Project completion has been submitted.

(4) The designated private nonprofit corporation or public agency shall provide, upon request, a current title report that shows all of the following:

(A) No easements, exceptions or restrictions on the use of the site that shall interfere with or impair the operation of the Project.

(B) A fee title subject to the lease agreement described in subdivision (a)(5).

(C) A deed of trust recorded in the chain of title against the real property that contains the lease agreement described in subdivision (a)(5).

(5) The designated private nonprofit corporation or public agency shall enter into a lease agreement with the county or Counties Applying Jointly for use of the real property for Crisis Residential Treatment or Crisis Stabilization for the useful life of the Project, including any renewals. The lease agreement shall provide that:

(A) In the event the designated private nonprofit corporation or public agency fails to provide Crisis Residential Treatment or Crisis Stabilization services as provided in the Grant Agreement, title to the real property shall be given to the county or Counties Applying Jointly.

(i) In the event the county or Counties Applying Jointly do not take and hold title to the real property when the designated private nonprofit corporation or public agency fails to provide Crisis Residential Treatment or Crisis Stabilization as provided in the Grant Agreement, the Authority may take any action necessary to take and hold title to the real property.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code

Section 7126. Requirements for Construction Projects on Leased Property

(a) A Grantee may use Grant funds for construction or renovation on property that is leased to the Grantee. The following requirements shall be satisfied prior to release of Grant funds:

(1) The lease agreement shall provide the Grantee, as lessee, full access to the site to carry out the Project.

(2) The term of the lease agreement shall be at least as long as the useful life of the Project.

(3) The lease agreement shall provide that any existing or subsequent encumbrance on the property (e.g. deed of trust) or sale of the property shall be subject to the lease agreement.

(4) The lease agreement shall provide that the only remedy for any default by Grantee, including failure to pay rent, is suit for rent or specific performance to remedy specific breach. The landlord's remedies for any default by Grantee may not include cancellation of lease agreement, retaking of property or eviction of Grantee.

(5) A current title report on the site, brought up to date as of the effective date of the lease agreement shall be provided to the Authority. The title report shall show all of the following:

(A) No delinquent taxes or assessments or, if there are delinquent taxes or assessments, these are being contested in good faith.

(B) No easements, exceptions or restrictions on the use of the site that shall interfere with or impair the operation of the Project.

(C) A restrictive covenant recorded in the chain of title that the property shall be used only for Crisis Residential Treatment or Crisis Stabilization during the useful life of the leasehold improvements funded by the Grant.

(D) Fee title is subject to the lease agreement and recorded in the chain of title.

(b) If the lease agreement terminates prior to the end of the useful life of the Project and the property that was subject to the lease agreement is not simultaneously released under a new lease agreement that complies with the requirements of this Section or fee title to the property that was subject to the lease agreement is not simultaneously transferred to the Grantee, the Authority is entitled to recover the Grant funds.

(c) When a Project on leased property includes improvements to any common areas that are shared with other tenants or areas that are not leased by the Grantee, the Grant funds shall be limited only to the proportionate costs of the Project which exclude the costs related to such areas.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7127. Recovery of Funds for Non-Performance and Unused Grant Funds; Remedies.

(a) If the Authority determines that Grant funds were not used consistent with the Investment in Mental Health Wellness Act of 2013, this Chapter or the Grant Agreement, the Authority may require remedies, including the forfeiture and return of the Grant funds to the Authority.

(b) If the Grantee fails to timely begin or complete the Project, the Authority may require remedies including forfeiture and return of the Grant funds to the Authority.

(c) Unused funds and any unused investment earnings on such Grant funds shall be returned by the Grantee to the Authority no later than the date of the certification of Project completion.

(d) In the event the county or Counties Applying Jointly do not take and hold title to the real property as provided in Section 7125.1, the Authority may take any action necessary to take and hold title to the real property.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7128. Reporting Requirements.

(a) The Grantee shall submit a status report and a completed Actual Expenditures Report Form No. CHFFA 7 MH-03 (Rev.06/2014) within 45 days following the completion of the periods ending on June 30 and December 31 of each year during the Grant Period, pursuant to Section 7125, subdivision (a)(4), and upon the Authority's request.

(1) Status reports to the Authority shall include:

(i) A description of activities performed for the Project and activities related to Project operations, including population served, if applicable, since the date of the preceding status report or initial Request for Disbursement Form No. CHFFA 7 MH-02 (Rev.06/2014), as applicable.

(ii) A summary of incurred costs and expenditures related to the Project consistent with cost information submitted in the Application and an explanation of any variances from the Application.

(iii) A summary of data or preliminary evaluation results, available to date, related to all outcomes described in Section 7119, subdivision (a)(3) and a description of any challenges in obtaining relevant data.

(iv) A summary of other funding sources utilized for the Project.

(v) A description of remaining work to be completed for the Project and an estimated timeline or schedule for the completion of that work.

(vi) A description of whether the Project is within the proposed budget and, if not, the reasons for any differences and the actions that will be taken to ensure that the Project has sufficient funding for completion.

(2) The Actual Expenditures Report Form No. CHFFA 7 MH-03 (Rev.06/2014) shall be accompanied by evidence of payment and documentation acceptable to the Authority sufficient to establish eligibility of costs incurred and expenditure of Grant funds such as executed purchase and sale agreement, proof of title, cancelled checks, proof of wire transfers, receipts and time sheets.

(b) Grantee shall submit a completed Certificate of Completion and Final Report Form No. CHFFA 7 MH-04 (Rev.06/2014) and the following documentation, as applicable, within 60 days of Project completion:

(1) For all Projects:

(A) License and certification of Program(s) if applicable.

(B) Summary of sources and uses of funds that show that the Grant and any investment earnings on Grant funds did not exceed the cost of the Project.

(C) Project's outcomes described in Section 7119 subdivision (a)(3) and key milestones and accomplishments .

(2) For Projects that include real property acquisition: Final closing statement with certification by the title company.

(3) For Projects that include building construction or renovation: Certificate of occupancy.

(4) For Projects that include vehicle acquisition: Executed sales agreement or title.

(c) After submission of the Certificate of Completion and Final Report, Grantees shall submit annual reports to the Authority through June 30, 2016 to report on Project key milestones, accomplishments, and outcomes, including a discussion of the populations being served. This report shall be certified by an authorized officer of the Grantee. Authority Staff may request annual reports after June 30, 2016 to continue tracking accomplishments, outcomes and populations served.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.

Section 7129. Records Retention, Inspections and Audits.

(a) Grantees shall retain all Project and financial records necessary to substantiate the purposes for which the Grant funds were spent for a period of three years after the certification of Project completion has been submitted.

(b) Co-Applicants that are a private nonprofit corporation shall provide, upon request, Audited Financial Statements to Authority Staff.

(c) Authority may perform site visits to inspect the Project during the Grant Period and may inspect and/or audit Project records during the Grant Period and for three years after the certification of Project completion has been submitted.

Note: Authority cited: Sections 5848.5 and 5848.6, Welfare and Institutions Code. Reference: Section 5848.5, Welfare and Institutions Code.