

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

Peer Respite Care Grant Program

Second Amendment to Resolution Number PR 2016-02

County of Santa Cruz

December 7, 2017

PURPOSE OF THE REQUEST:

The County of Santa Cruz (the “County”) is requesting the Authority approve an amendment to Resolution Number PR 2016-02 to extend the grant period and resolution expiration date to December 31, 2020 and to amend the project description to allow the County flexibility to use grant funds for one or more project sites.

BACKGROUND:

The Authority approved a grant for Santa Cruz County (the “County”) in an amount not to exceed \$1,126,828.00 at the Authority’s May 26, 2016 meeting to expand the County’s existing Peer Respite Care (“PRC”) program from six beds to eight beds. The County has designated a non-profit service provider, Encompass Community Services (“Encompass”), to assist in the expansion of the PRC program from six to eight beds by purchasing and renovating a property to move six existing PRC program beds into a new facility where it could expand to eight beds.

Encompass and the County were successful in closing escrow on a five-bedroom, four-bath property in June 2017. Encompass has been providing PRC services in the new six-bed facility since the beginning of July 2017 and has been working with the County to complete the expansion to eight beds. According to the County, it was, along with Encompass, planning to establish positive relationships with the neighbors; and later with the neighborhood support, the County planned to pursue expansion and licensure for the two additional beds. A six-bed PRC facility doesn’t require licensing. According to the County, soon after Encompass began providing services, local opposition concerns arose, as neighbors took a stand against the PRC program in their neighborhood. The County indicated that they did not anticipate community opposition on the PRC project. There have been multiple engagements between the County, Encompass, and the neighbors. The County has informed the Authority that there is no support for the expansion of beds at this site from the neighbors. The County anticipates that any effort to expand at the current location will further anger the neighbors, and increase the likelihood of potential litigation against the County and Encompass to seek relief from the Court to prohibit the expansion. The County believes that this would ultimately result in a long and protracted process, and will in no way be of benefit to the recipients of the program.

The grant requires the County to expand the PRC program to provide services for an additional two beds, for a total of eight beds. Therefore, the County is currently requesting the flexibility to have the total of eight beds at one or more facilities, and the County will determine the best approach that meets the mental health needs of its community.

RECOMMENDATION:

Staff recommends the Authority approve a Second Amendment to Resolution Number PR 2016-02 to allow the County to use grant funds for one or more project sites and to extend the resolution and grant period expiration date to December 31, 2020 with the condition that the County shall meet the following milestone deadlines:

1. The County must provide evidence acceptable to Authority staff demonstrating (a) acquisition of project site(s) by June 30, 2019, and (b) the PRC program(s) shall be operational by October 31, 2020.
2. Funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff that the PRC program(s) are on track to be operational on or before October 31, 2020.
3. The County must submit all grant disbursement requests for the PRC program(s), including required supporting documentation, to the Authority no later than October 31, 2020.

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

SECOND AMENDMENT TO RESOLUTION NO. PR 2016-02

**A RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
EXECUTION AND DELIVERY OF GRANT FUNDING UNDER
THE PEER RESPITE CARE GRANT PROGRAM
TO THE COUNTY OF SANTA CRUZ**

WHEREAS, the California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by SB 75 (Stats. 2015, Ch. 18, Sec. 55) and implementing regulations (California Code of Regulations, Title 4, Division 10, Chapter 6 (commencing with Section 7210)) to award grants for capital funding to finance eligible projects for peer respite care; and

WHEREAS, Authority staff reviewed the application submitted by the County of Santa Cruz (“Grantee”) against the eligibility requirements of the Peer Respite Care Grant Program and recommends approval of a grant in an amount not to exceed \$1,126,828.00 for the eligible project (the “Project”);

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

Section 1. The Authority hereby approves a grant in a total amount not to exceed \$1,126,828.00 to complete the Project as described in the Grantee’s application and as more particularly described in Exhibit A to this Resolution (Exhibit A is hereby incorporated by reference) within a project period that ends on ~~December 31, 2017~~ December 31, 2020. Within this project period, Grantee shall provide evidence acceptable to Authority staff demonstrating (a) acquisition of Project site(s) by June 30, 2019, and (b) the Project shall be operational by October 31, 2020. Funds shall not be disbursed if Grantee is unable to provide evidence acceptable to Authority staff that the Project is on track to be operational on or before October 31, 2020. Grantee must submit all disbursement requests, including required supporting documentation, to the Authority no later than October 31, 2020.

Section 2. The Executive Director is 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 project period completion date identified in Section 1 as authorized under the Peer Respite Care Grant Program~~. Nothing in this Resolution shall be construed to require the Authority to provide any additional funding, even if more grants are approved than there is available 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 is hereby authorized and directed, for and on behalf of the Authority, to disburse funds not to exceed those amounts approved by the Authority for the Grantee. The Executive Director is 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 disbursement of funds that are consistent with the Peer Respite Care Grant Program.

Section 4. The Executive Director of the Authority is hereby authorized and directed to do any and all things and to execute and deliver any and all documents which the Executive Director deems necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 5. This Resolution expires ~~December 31, 2017~~ December 31, 2020.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by the County of Santa Cruz as follows:

Peer Respite Care Program

The County of Santa Cruz (the “County”) will expand its Peer Respite Program from 6 beds to 8 beds. The program, also known as 2nd Story, was launched in 2010 as the first peer respite program in the State of California and one of the first in the country. 2nd Story is operated by Encompass Community Services (“Encompass”), a nonprofit corporation, and overseen by the Santa Cruz County Mental Health and Substance Abuse Services Division. 2nd Story provides short-term residential support in a home-like environment for six individuals at a time and will increase to eight individuals ~~with the new~~ at one or more facilities. The program is staffed entirely by peers trained in Intentional Peer Support, which focuses on community orientated supports rather than formal service relationships. 2nd Story serves adults 18 years and older experiencing sub-acute psychotic symptoms and potentially at risk of hospitalization. The program will operate 24 hours a day, seven days per week and is expected to provide services for more than 273 stays per year. Encompass, as the County’s nonprofit service provider, ~~will~~ may use grant funds for real property acquisition, ~~and~~ construction/renovation, and/or furnishings and equipment.

Summary of Amounts:

Program	Approved Grant Amount
Peer Respite Care	\$ 1,126,828.00