

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)
Investment in Mental Health Wellness Grant Program (“IMHWGP”) – 2nd Round
Third Amendment to Resolution Number MH 2014-23**

County of Fresno

April 26, 2018

PURPOSE OF THE REQUEST:

The County of Fresno (the “County”) is requesting the Authority approve a third amendment to Resolution Number MH 2014-23 (second funding round) to amend the milestones and extend the resolution and grant period expiration date from May 31, 2018 to December 31, 2018.

BACKGROUND:

On December 4, 2014, the Authority approved a Final Allocation for Fresno County (the “County”) in an amount not to exceed \$3,100,714.60 to establish a 16-bed Crisis Residential Treatment (“CRT”) program as part of the second funding round. Grant funds were approved for costs associated with construction or renovation only.

The County was previously awarded an extension in May 2017 with milestones that included: (1) start of construction on the CRT by June 30, 2017, (2) execution of a contract with a service provide by October 2017, and (3) the CRT shall be operational by May 1, 2018. The County met the first milestone by beginning construction on May 31, 2017, and the second milestone was met on November 14, 2017, fourteen days after the milestone deadline.

ISSUE:

Because of unforeseen construction delays, the County will miss its third milestone and needs amendments to its milestones and an extension to its resolution and grant period expiration date. The project timeline for the CRT program was delayed due to substantial structural and electrical difficulties during the demolition and construction phase of the project. Additional delays include mandated requirements by the utility company and also the discovery of additional sidewalk construction now required by the city. The County is coordinating with the utility company to confirm the locations of utility connections for the project, and the County is working with the Fresno Fire Department to eliminate any possible delays caused by occupant safety requirements.

The County has secured a contract with a service provider and is awaiting licensure issuance. The service provider, Central Star Behavioral Health, has been notified by the Department of Health Care Services that there will be a longer than expected processing time for licensure issuance. The County expects construction to be completed by the end of July 2018 and the facility to be operational by November 30, 2018.

RECOMMENDATION:

Staff recommends the Authority approve a third amendment to Resolution Number MH 2014-23 to amend the milestone conditions and extend the resolution and grant period expiration date to December 31, 2018, subject to the following amended milestone conditions:

1. The County must provide evidence acceptable to Authority staff demonstrating (a) the execution of a contract with a service provider by November 30, 2017, and (b) the CRT shall be operational on or before November 30, 2018.
2. Funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff that the CRT is on track to be operational on or before November 30, 2018.
3. The County must submit all grant disbursement requests, including required supporting documentation, to the Authority no later than November 30, 2018.

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

~~SECOND~~ THIRD AMENDMENT TO RESOLUTION NO. MH 2014-23

**A RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
EXECUTION AND DELIVERY OF GRANT FUNDING UNDER
THE INVESTMENT IN MENTAL HEALTH WELLNESS GRANT PROGRAM
TO THE COUNTY OF FRESNO**

WHEREAS, The California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Investment in Mental Health Wellness Act of 2013 (Welfare and Institutions Code Section 5848.5, the “Act”) and implementing regulations (California Code of Regulations Title 4, Division 10, Chapter 5 (commencing with Section 7113)) to award grants for capital funding and personnel funding to finance eligible projects; and

WHEREAS, Authority staff reviewed the application submitted by County of Fresno (“Grantee”) 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 \$3,100,714.60 for the eligible project (the “Project”), which consists of no more than \$3,100,714.60 for crisis residential treatment capital costs;

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 \$3,100,714.60 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 ~~May 31, 2018~~ December 31, 2018. Within this project period, Grantee shall provide evidence acceptable to Authority staff demonstrating (a) start of construction on the Project by June 30, 2017, (b) execution of a contract with a service provider by ~~October 2017~~ November 30, 2017, and (c) the Project shall be operational by ~~May 1, 2018~~ November 30, 2018. 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 ~~May 1, 2018~~ November 30, 2018. Grantee must submit all disbursement requests, including supporting documentation, to the Authority no later than ~~April 30, 2018~~ November 30, 2018.

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. 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 Act and implementing regulations.

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 ~~May 31, 2018~~ December 31, 2018.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

The County of Fresno (the “County”) will establish its only Crisis Residential Treatment (“CRT”) Program to prevent acute inpatient psychiatric placements, reduce lengths of stay in more intensive inpatient settings, and improve immediate and long-term outcomes for adults in crisis. The CRT Program will expand capacity by adding 16 new beds. As a result, approximately 194 consumers annually will have access to CRT services. The CRT Program will fill a gap in the County’s continuum of care for crisis services that includes a Crisis Stabilization Program approved for a Grant in the first funding round. Grant funds will be used for construction only.

Summary of Amount:

Program	Approved Grant Amount
Crisis Residential Treatment	\$ 3,100,714.60