

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

Investment in Mental Health Wellness Grant Program (“IMHWGP”) – 4th Round

Amendment to Resolution Number MH 2015-06 (Alameda County)

March 23, 2017

PURPOSE OF THE REQUEST:

Alameda County (the “County”) is requesting the Authority approve an amendment to Resolution Number MH 2015-06 (fourth funding round) to extend the resolution and grant period expiration date from June 30, 2017 to May 31, 2018.

BACKGROUND:

On December 3, 2015, the Authority approved a Final Allocation for Alameda County (the “County”) in an amount not to exceed \$1,729,558.00 to establish a 14-bed Crisis Residential Treatment (“CRT”) program and an amount not to exceed \$2,183,118.00 to establish a 12-bed Crisis Stabilization Unit (“CSU”) program as part of the fourth funding round. Grant funds for both programs were approved for costs associated with construction or renovation, furnishings and equipment, information technology, and three months of program startup.

The County has executed and recorded a long-term lease with its non-profit service provider, Bay Area Community Services (“BACS”), for a BACS-owned facility, which will be renovated with grant funds. A construction contract including all regulatory provisions has been awarded, all engineering and architectural designs have been completed, and a construction schedule of seven months has been provided.

ISSUE:

Due to unforeseen events and other factors, the project timeline for the CRT and CSU programs was significantly delayed. One of the main factors leading to the delay was that the County’s process for implementing projects of this type and scope typically require three to five years of preparation and planning. The County condensed this time frame in an attempt to meet the requirements of the Program regulations. Another contributing factor was turnover of the Behavioral Health Director position, which has had three different individuals in that position since December 2016. Finally, record rainfalls in late-2016 and early-2017 have delayed previous construction start times.

The project is expected to be completed after the resolution and grant period expiration date of June 30, 2017. Authority staff must ensure that the County’s projects are operational by the resolution and grant period expiration date and should not disburse partial funds for a project that will not be completed and operational by the expiration date. At the same time, the County does not want to incur construction costs with the uncertainty of receiving grant funds.

The County expects construction to end in November 2017 and for the CRT and CSU programs to be operational by December 2017. After the project is completed and operational, the County expects to request three months of startup costs from December 2017 through February 2018.

RECOMMENDATION:

Staff recommends the Authority approve an Amendment to Resolution Number MH 2015-06 to extend the resolution and grant period expiration date to May 31, 2018 with the condition that the County must meet the following three milestone deadlines:

1. The County shall provide evidence acceptable to Authority staff that construction has begun by April 30, 2017.
2. The County may receive advancement of funds if the County submits evidence is acceptable to Authority staff that the CRT and CSU projects are on track to be operational on or before December 31, 2017, as well as meet other disbursement requirements under Program regulations.
3. All grant disbursement requests and required supporting documentation must be submitted to the Authority no later than April 1, 2018.

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

AMENDMENT TO RESOLUTION NO. MH 2015-06

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 ALAMEDA

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 Alameda (“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 \$3,912,676.00 for the eligible project (the “Project”), which consists of no more than \$1,729,558.00 for crisis residential treatment capital costs and no more than \$2,183,118.00 for crisis stabilization 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 \$3,912,676.00 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 June 30, 2017May 31, 2018. Within this project period, Grantee shall provide evidence acceptable to Authority staff demonstrating (a) start of construction on the Project by April 30, 2017, and (b) the Project shall be operational by December 31, 2017. 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 December 31, 2017. Grantee must submit all disbursement requests, including required supporting documentation, to the Authority no later than April 1, 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 ~~and extend the project period completion date identified in Section 1 as authorized under the Act and implementing regulations~~. 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 ~~June 30, 2017~~May 31, 2018.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Crisis Residential Treatment Program

The County of Alameda (the “County”) plans to develop a new 14-bed Crisis Residential Treatment (“CRT”) Program. The CRT Program will provide community-based, unlocked, voluntary psychiatric programs that will serve adults 18 and older with serious mental illnesses to stabilize their mental health symptoms and develop effective self-reliance skills in a home-like environment. The CRT Program will operate 24 hours per day, seven days per week and is expected to provide services for more than 600 stays per year while serving about 400 unique individuals. Grant funds will be used for construction or renovation, the purchase of furnishings and equipment, information technology costs, and for three months of program startup or expansion costs.

Crisis Stabilization Program

The County plans to develop a new 12-bed Crisis Stabilization (“CS”) Program. The CS Program expects to provide services to at least 1,300 individuals annually and will provide intake and assessment capacity 24 hours a day with the ability to accept persons with high levels of acuity. Grant funds will be used for construction or renovation, the purchase of furnishings and equipment, information technology costs, and for three months of program startup or expansion costs.

Summary of Amounts:

Program	Approved Grant Amount
Crisis Residential Treatment	\$ 1,729,558.00
Crisis Stabilization	\$ 2,183,118.00
Total	\$ <u>3,912,676.00</u>