

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

Investment in Mental Health Wellness Grant Program (“IMHWGP”) – 5th Round

Amendment to Resolution Number MH 2016-01 (Alameda County)

August 24, 2017

PURPOSE OF THE REQUEST:

Alameda County (the “County”) is requesting the Authority approve an amendment to Resolution Number MH 2016-01 (fifth funding round) to amend the project description to eliminate the Crisis Stabilization Unit (“CSU”) program and to extend the grant period and resolution expiration date from December 31, 2017 to December 31, 2019 for the Crisis Residential Treatment (“CRT”) program.

BACKGROUND:

On May 26, 2016, the Authority approved a Final Allocation for the County in an amount not to exceed \$1,082,077.06 for one 16-bed CRT program and \$1,394,972.62 for one 16-bed CSU program for a total grant amount not to exceed \$2,477,049.68. The County planned to locate the CRT and CSU programs within the same building. Grant funds were approved for costs associated with the purchase of real property, construction or renovation, furnishings and equipment, information technology, and three months of program startup.

ISSUES:

Change of Project Description

The County strives to reduce the utilization of the highest cost and most restrictive treatment settings by providing community-based, recovery-oriented, and voluntary crisis services. The County experienced significant turnover in the Behavioral Health Director position after being awarded a grant in the fifth funding round. The new Director requested additional funding analysis of the fifth funding round grant programs and it was determined that the County could not guarantee ongoing operational funding for a combined CSU/CRT program. However, the County determined it can provide ongoing operational funding for a CRT program only, which would meet the service provision goals of the County and the community more effectively. With the analysis, the County determined East Oakland was the most practical area for a stand-alone CRT program to address high utilizers of high cost/highly restrictive environments and to create more access on a regional level. The CRT program will provide crisis services to individuals, who traditionally underutilize services, in a home-like environment that are connected with systems of care to adequately serve the clients’ needs. Therefore, the County is requesting the Authority amend its project description to eliminate the grant award for the CSU and to allow the County to proceed with just the CRT program. The County will forfeit the grant award for the CSU in the amount of \$1,394,972.62.

Extension of Resolution & Grant Period

Along with the change in scope, the project was delayed due to necessary revisions to the County’s first request for information (“RFI”) regarding the ability to use grant funds to pay for-profit agencies for services. After consulting with the Authority, the first RFI was withdrawn and a second RFI was released with the appropriate language regarding eligibility of for-profit corporations. The second RFI was posted on April 21, 2017 and closed

on May 5, 2017. Three providers placed bids. The RFI criteria included having existing property in the targeted area. One provider met this requirement and all other criteria. The County subsequently awarded the contract to Bay Area Community Services (“BACS”), which has two properties available for the CRT program. The County is currently in the process of determining which of BACS’ two properties is best suited for the needs of the CRT Program.

Once one of the two properties is selected, the County can proceed with securing all permits for renovation, outreaching to the community, obtaining California Environmental Quality Act (CEQA) clearance, completing the renovation, getting Medi-Cal certification and DHCS licensing, and hire staff. Therefore, the County is requesting the Authority extend its resolution and grant period expiration date from December 31, 2017 to December 31, 2019.

RECOMMENDATION:

Staff recommends the Authority approve an Amendment to Resolution Number MH 2016-01 to amend the project description to eliminate the CSU program and to extend the resolution and grant period expiration date to December 31, 2019 with the condition that the County must meet the following milestone deadlines:

1. The County must provide evidence acceptable to Authority staff demonstrating (a) start of renovation of the CRT by September 30, 2018, and (b) the CRT shall be operational by July 31, 2019.
2. Funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff that the Project is on track to be operational on or before July 31, 2019.
3. The County must submit all grant disbursement requests, including required supporting documentation, to the Authority no later than November 30, 2019.

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

AMENDMENT TO RESOLUTION NO. MH 2016-01

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, ~~T~~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 the County of Alameda ("Grantee") against the eligibility requirements of the Act and implementing regulations, and pursuant to the Act and implementing regulations, ~~recommended~~ approval of a grant in an amount not to exceed \$2,477,049.68 for the eligible project ~~—(the "Project")~~, ~~which consists~~ consistings of no more than \$1,082,077.06 for crisis residential treatment capital costs and no more than \$1,394,972.62 for crisis stabilization capital costs;

WHEREAS, on May 26, 2016, the Authority awarded to Grantee a grant in an amount not to exceed \$2,477,049.68 for the eligible project, consisting of no more than \$1,082,077.06 for crisis residential treatment capital costs and no more than \$1,394,972.62 for crisis stabilization capital costs;

WHEREAS, on May 26, 2016, Grantee notified Authority staff that Grantee will be unable to complete the crisis stabilization program and thus, Grantee will forfeit a portion of the grant award in the amount of \$1,394,972.62 for crisis stabilization capital costs; and

WHEREAS, Grantee now requests an amendment to the project and an extension of time to complete 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 ~~\$2,477,049.68~~ \$1,082,077.06 to complete the Project (Crisis Residential Treatment Program only) 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, 2019. Within this project period, Grantee shall provide evidence acceptable to Authority staff demonstrating (a) start of renovations on the Project by September 30, 2018, and (b) the Project shall be operational by July 31, 2019. 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 July 31, 2019. Grantee must submit all disbursement requests, including required supporting documentation, to the Authority no later than November 30, 2019.

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 ~~December 31, 2017~~ December 31, 2019.

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") will develop a new 16-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 700 stays per year while serving about 400 unique individuals. Grant funds will be used for the purchase of real property, construction or renovation, the purchase of furnishings and equipment, information technology costs, and for three months of program startup or expansion costs. Grant funds for the acquisition and construction/renovation of real property may be given directly to a designated private nonprofit corporation.

Crisis Stabilization Program

~~The County will develop a new 16-bed Crisis Stabilization ("CS") Program. The CS Program expects to provide services for up to 4,000 admissions 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 the purchase of real property, construction or renovation, the purchase of furnishings and equipment, information technology costs, and for three months of program startup or expansion costs. Grant funds for the acquisition and construction/renovation of real property may be given directly to a designated private nonprofit corporation.~~

Summary of Amounts:

Program	Approved Grant Amount
Crisis Residential Treatment	\$ 1,082,077.06
Crisis Stabilization	\$ 1,394,972.62
	2,477,049.68
Total	\$ <u>1,082,077.06</u>