

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)**

**Investment in Mental Health Wellness Grant Program (“IMHWGP”) – 5<sup>th</sup> Round**

**First Amendment to Resolution Number MH 2016-12**

**County of Santa Barbara**

**October 26, 2017**

**PURPOSE OF THE REQUEST:**

County of Santa Barbara (the “County”) is requesting the Authority approve an amendment to Resolution Number MH 2016-12 (fifth funding round) to extend the grant period and resolution expiration date to December 31, 2019.

**BACKGROUND:**

On May 26, 2016, the Authority approved a Final Allocation for the County in an amount not to exceed \$1,100,000 for a 6-bed Crisis Residential Treatment (“CRT”) program. Grant funds were approved for costs associated with the purchase of real property, construction or renovation, furnishings and equipment, information technology, and associated start-up costs.

The County purchased a property to be utilized for the CRT program in the Northern Region of the County and plans to increase its proposed 6-bed CRT to an 8-bed CRT facility.

**ISSUES:**

The renovation of the property encountered construction delays due to budget constraints because of an unforeseen pension liability and one-time expenses related to the operation of the County’s hospital inpatient unit that prevented the budget from being approved. Subsequently, the budget challenges were resolved by reallocating ongoing general fund contributions from residential programs that, as a result of increased Medi-Cal billing, have demonstrated the ability to support the decrease in general fund support. The construction and operating budgets were approved on September 19, 2017 by the Santa Barbara County Board of Supervisors (“BOS”).

The County completed the planning and architectural phase of the selected facility. There were procedural changes implemented within the County’s Request for Proposal (“RFP”) process to allow a more cost-effective and efficient approach that would ultimately provide an incentive for contractors to maintain the renovation timeline provided by the County. The procedural changes include subdividing the project into segments to allow for each segment to be separately bid. The County believes that this new approach enforces timeline adherence and controls the allocated budget.

The County is exploring the possibility of a contract expansion for a local service provider, Anka Behavioral Health (“Anka”), to provide the opportunity to begin hiring and training staff during the construction phase. The training would take place at the South County Residential Treatment Center, currently operated by Anka. The County also plans to apply for licensing through the Department of Health Care Services during the construction of the facility. By ensuring the training of staff and licensing of the treatment center are completed during the construction of the building, the County is confident that the facility could be operational soon after the completion of the construction. The County expects the construction to begin by June 30, 2018 with an anticipated completion date of July 1, 2019, and the program to be operational by November 30, 2019.

**RECOMMENDATION:**

Staff recommends the Authority approve the Amendment to Resolution Number MH 2016-12 to extend the resolution and grant period expiration date to December 31, 2019, subject to the following additional conditions:

1. The County must provide evidence acceptable to Authority staff demonstrating (a) start of construction by June 30, 2018, and (b) the CRT shall be operational by November 30, 2019.
2. Funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff that the CRT project is on track to be operational on or before November 30, 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 2016-12**

**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 SANTA BARBARA**

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 Santa Barbara (“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 \$1,100,000.00 for the eligible project (the “Project”), which consists of no more than \$1,100,000.00 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 \$1,100,000.00 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, 2019. Within this project period, Grantee shall provide evidence acceptable to Authority staff demonstrating (a) start of construction on the Project by June 30, 2018 and (b) the Project shall be operational by November 30, 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 November 30, 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, 2107~~ December 31, 2019.

Date Approved: \_\_\_\_\_

## EXHIBIT A

### PROJECT DESCRIPTION

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

#### Crisis Residential Treatment Program

The County of Santa Barbara (the “County”) will develop a new 6-bed Crisis Residential Treatment (“CRT”) Program for adults who cope with co-occurring mental illness and substance abuse disorders. The CRT Program will offer a non-institutional, home-like setting for individuals experiencing mental health issues to receive up to 30 days of respite, peer support, and linkage to ongoing mental health services and resources. In this environment, supportive crisis intervention occurs to support one’s individual effort towards recovery. The program proposed emphasizes a warm, comforting, home-like setting designed to reinforce the stabilization and recovery process. The CRT Program will operate 24 hours per day, seven days per week and is expected to provide services to accommodate approximately 150 consumers annually. Grant funds will be used for the purchase of real property, construction or renovation, the purchase of furnishings and equipment, and for information technology costs.

#### Summary of Amounts:

<b>Program</b>	<b>Approved Grant Amount</b>
Crisis Residential Treatment	\$ 1,100,000.00