

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

Investment in Mental Health Wellness Grant Program (“IMHWGP”)

**Amendments to Resolution Numbers
MH 2015-06 (Alameda County), MH 2016-04 (Marin County),
and MH 2014-19 (Santa Clara County)**

December 7, 2017

PURPOSE OF THE REQUEST:

Counties of, Alameda, Marin, and Santa Clara are requesting the Authority approve amendments to Resolution Numbers, MH 2015-06 (Fourth Funding Round), MH 2016-04 (Fifth Funding Round), and MH 2014-19 (First Funding Round), respectively, to amend the milestones and extend the resolution and grant period expiration dates.

Alameda County – 4th Funding Round (MH 2015-06)

On December 3, 2015, the Authority approved a Final Allocation for Alameda County (“Alameda”) 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.

Alameda received an extension in March 2017 with milestones that included (1) to begin construction by April 30, 2017 and (2) to be operational by December 31, 2017. Alameda met the first milestone with construction beginning April 28, 2017. However, Alameda will not be able to meet the second milestone due to the current booming construction market in the county and the resulting difficulty in securing the necessary trade labor to keep the project on schedule. All trades were secured by the end of September 2017, but several have since backed out and the contractor is now performing those trades. Many of the prospective union trades are already at capacity with their work load and the small size and scope of Alameda’s project make it less appealing.

Furthermore, the recent wild fires in Napa and Sonoma counties has raised additional concerns regarding an already tight labor market. As these two counties will require a large workforce to rebuild entire communities, Alameda is concerned that its project could be dropped by a secured trade in order to take on a larger and more lucrative contract in one of these devastated counties.

Based on prior experiences, Alameda continues to prepare for the possibility of additional delays, including another winter of heavy rainfalls. Therefore, Alameda expects construction to be completed by November 2018 and for the CRT and CSU programs to be operational by June 30, 2019. After the project is completed and operational, Alameda expects to request three months of startup costs from July 2019 through September 2019. Therefore, Alameda is requesting an extension of the resolution and grant period to December 31, 2019.

RECOMMENDATION:

Staff recommends the Authority approve an amendment to Resolution Number MH 2015-06 to amend the milestone conditions and to extend the resolution and grant period expiration date to December 31, 2019. The amended milestone conditions will be as follows:

1. Alameda must provide evidence acceptable to Authority staff demonstrating the CRT and CSU shall be operational by June 30, 2019.
2. Funds shall not be disbursed if Alameda is unable to provide evidence acceptable to Authority staff that the CRT and CSU projects are on track to be operational on or before June 30, 2019.
3. Alameda must submit all grant disbursement requests, including required supporting documentation, to the Authority no later than November 30, 2019.

Marin County – 5th Funding Round (MH 2016-04)

On May 26, 2016, the Authority approved a Final Allocation for a grant for Marin County (“Marin”) in an amount not to exceed \$946,000.00 to expand its existing Crisis Stabilization Unit program (“CSU”) from 5 beds to 10 beds. Grant funds were approved for costs associated with construction and renovation, and the purchase of furnishings and equipment. Marin’s proposed 5-bed CSU expansion will include four adult beds and one youth bed, as well as upgraded facility safety features and two new private interview rooms.

On May 25, 2017, the Authority approved an amendment to the Marin’s resolution to extend the grant period and expiration date contingent upon meeting milestones. One milestone indicated that Marin must provide evidence of construction beginning on or before October 30, 2017.

On November 16, 2017, Marin requested an extension on the basis of being unable to find a contractor in time to begin construction by October 30, 2017 due to a lack of qualified bidders for the project. Marin received one bid for the project that was approximately \$300,000 over budget. Due to these delays, Marin requires additional time to complete its project. Marin has completed a second bid process and is prepared to award the contract to Murray Building Inc. after Board of Supervisors approval planned for December 5, 2017. Currently, Marin expects to begin construction in early 2018 and complete it before the end of the year. Therefore, Marin is requesting an extension of the resolution and grant period to April 30, 2019.

RECOMMENDATION:

Staff recommends the Authority approve an amendment to Resolution Number MH 2016-04 to amend the milestone conditions and to extend the resolution and grant period expiration date to April 30, 2019. The amended milestone conditions will be as follows:

1. Marin must provide an update to the Authority once it receives permitting approval from OSHPD.
2. Marin must provide evidence acceptable to Authority staff demonstrating (a) start of construction by July 1, 2018, and (b) the CSU shall be operational by March 31, 2019.
3. Funds shall not be disbursed if Marin is unable to provide evidence acceptable to Authority staff that the CSU is on track to be operational on or before March 31, 2019.

4. Marin must submit all grant disbursement requests, including required supporting documentation, to the Authority no later than March 31, 2019.

Santa Clara County – 1st Funding Round (MH 2014-19)

On April 24, 2014, the Authority approved a Final Allocation for Santa Clara County (“Santa Clara”) in an amount not to exceed \$3,963,106 for two 15-bed Crisis Residential Treatment (“CRT”) programs and \$736,842.11 for one 8-bed Crisis Stabilization Unit (“CSU”) program for a total grant amount not to exceed \$4,699,948.11.

All three projects are fully constructed, and the two CRT programs are fully staffed, open, and providing services. The CSU program has not yet opened as the non-profit service provider, Momentum for Mental Health (“Momentum”), has experienced difficulties securing the necessary staff for the 24-hour operations of the CSU program. In September 2017, Momentum hosted a special CSU job fair, which resulted in the successful recruitment of nurses. In October and November 2017, Momentum interviewed and hired additional CSU staff; however, Momentum continues to encounter challenges hiring the remaining clinical positions, which are required for CSUs. Momentum is aggressively recruiting licensed clinicians, and continues to work towards completing the hiring process and having staff fully trained with the goal of opening the CSU program by the end of the year. However, as all programs must be operational prior to the resolution and grant period expiration date, the County is requesting an extension of the resolution and grant period to April 30, 2018 to ensure the CSU program will be fully staffed and operational by this date.

RECOMMENDATION:

Staff recommends the Authority approve an amendment to Resolution Number MH 2014-19 to amend the milestone conditions and to extend the resolution and grant period expiration date to April 30, 2018. The amended milestone conditions will be as follows:

1. Santa Clara must provide evidence acceptable to Authority staff demonstrating the CSU shall be operational by March 31, 2018.
2. Santa Clara must submit all grant disbursement requests, including required supporting documentation, to the Authority no later than March 31, 2018.

Table 1 – Fourth and Fifth Funding Round Extensions to Resolution and Project Period

Funding Round	Resolution Number	County	Current Resolution Expiration and Project Period End Date	Recommended Resolution Expiration and Project Period End Date
Fourth	MH 2015-06	Alameda	5/31/2018	12/31/2019
Fifth	MH 2016-04	Marin	5/31/2018	4/30/2019
First	MH 2014-19	Santa Clara	12/31/2017	4/30/2018

SECOND 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 ~~May 31, 2018~~ December 31, 2019. 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~~ June 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 ~~December 31, 2017~~ June 30, 2019. Grantee must submit all disbursement requests, including required supporting documentation, to the Authority no later than ~~April 1, 2018~~ 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. 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, 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”) 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	\$ 3,912,676.00

SECOND AMENDMENT TO RESOLUTION NO. MH 2016-04

**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 MARIN**

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 Marin (“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 \$946,000.00 for the eligible project (the “Project”), which consists of no more than \$946,000.00 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 \$946,000.00 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 ~~May 31, 2018~~ April 30, 2019. Within this project period, Grantee shall provide an update to the Authority once the Grantee receives permitting approval from OSHPD, and evidence acceptable to Authority staff demonstrating (a) start of construction on the Project by ~~October 30, 2017~~ July 1, 2018 and (b) the Project shall be operational ~~on or before April 30, 2018~~ by March 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 ~~April 30, 2018~~ March 31, 2019. Grantee must submit all disbursement requests, including required supporting documentation, to the Authority no later than ~~April 30, 2018~~ March 31, 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. 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~~ [April 30, 2019.](#)

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Crisis Stabilization Program

The County of Marin (the “County”) will expand the existing Crisis Stabilization (“CS”) Program from 5 beds to 10 beds. The additional 5-bed expansion will include four adult beds and one youth bed as well as upgraded facility safety features and two new private interview rooms. The CS program is in an unlocked facility that provides voluntary and involuntary psychiatric inpatient services and outpatient behavioral health services in a therapeutic environment up to 23 hours. The CS program is open 24 hours a day seven days a week and serves approximately 1,252 clients per year including children, youth and adults. The additional beds will increase capacity by 100% and reduce safety concerns such as seclusion and access to staff space. Grant funds will be used for construction and renovation and the purchase of furnishings and equipment.

Summary of Amounts:

Program	Approved Grant Amount
Crisis Stabilization	\$ 946,000.00

FIFTH AMENDMENT TO RESOLUTION NO. MH 2014-19

**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 CLARA**

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, “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 Clara (“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 \$4,699,948.11 for the eligible project (the “Project”), which consists of no more than \$3,963,106.00 for crisis residential treatment capital costs and \$736,842.11 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 \$4,699,948.11 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~~ April 30, 2018. Within this project period, Grantee shall provide evidence acceptable to Authority Staff demonstrating the Project shall be operational by March 31, 2018. Grantee shall submit ~~All grant~~ disbursement requests, including ~~all~~ required supporting documentation, ~~must be submitted~~ to the Authority no later than ~~October 31, 2017~~ March 31, 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 ~~December 31, 2017~~ April 30, 2018.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Crisis Residential Treatment Program

The County of Santa Clara (the “County”) will establish two new Crisis Residential Programs (“CR”), one in an underserved area of San Jose and one in South County, which includes the cities of Morgan Hill, San Martin, and Gilroy. Both the San Jose and South County sites will be 15 bed residences. The programs will serve adults 365 days a year in unlocked, welcoming, and homelike environments. The new program will increase crisis residential capacity from 39 to 69 beds. Grant funds will be used to purchase real property, renovate building, furnishings and equipment, information technology costs, and for three months of program startup costs.

Crisis Stabilization Treatment Program

The County will add an 8-bed Crisis Stabilization Program (“CS”) to purchase and renovate property in South County, located within the same building as the CR program. The program will serve adults 365 days a year in an unlocked, welcoming, and homelike environment. The new CS program will increase crisis stabilization capacity from 30 to 38 beds, and is expected to increase annual capacity to serve an additional 2,920 individuals. The site has been chosen. Grant funds will be used to purchase real property, renovate the building, furnishings and equipment, information technology costs, and for three months of program startup costs.

Summary of Amounts:

Program	Approved Grant Amount
Crisis Residential	\$ 3,963,106.00
Crisis Stabilization	\$ 736,842.11

Total \$ 4,699,948.11