

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

Investment in Mental Health Wellness Grant Program (“IMHWGP”)-1st Round

**Reinstatement of and Amendment to
Resolution Number MH 2014-06 (County of Los Angeles)**

February 22, 2018

PURPOSE OF THE REQUEST:

County of Los Angeles (the “County”) is requesting the Authority approve a reinstatement of Resolution Number MH 2014-06, an amendment of its project description, and an extension of the grant period and resolution expiration date from June 30, 2017 to December 31, 2021.

BACKGROUND:

The Authority approved a Final Allocation on April 24, 2014 for an Investment in Mental Health Wellness grant for the County in an amount not to exceed \$40,892,700.49 to establish 35 new Crisis Residential Treatment Programs (“CRT”), and three new Crisis Stabilization Units (“CSU”), aka Urgent Care Centers (“UCC”), as well as four vehicles and 15 staff members to provide field based crisis intervention services to children, adolescents, and adults throughout the County through Mobile Crisis Support Teams (“MCST”).

ISSUE:

Since the Authority’s approval of the Final Allocation, the County has worked diligently to develop a feasible and sustainable model for implementing the CRT and UCC programs that would meet the requirements and timeframe of all involved parties. Over the course of three years, the County had encountered a number of challenges in developing and implementing the CRT and UCC programs. The two main challenges were related to real estate acquisition and Authority regulation requirements, which led to delays in securing service providers, insufficient replies to the Request for Proposal (“RFP”), and loss of prior identified sites.

The high cost of real estate and the competition for property in highly coveted areas presented difficulty in securing a residential and/or commercial site, which in turn prevented the County from completing the project by the project end date.

The Authority regulation requirements posed a challenge for the County as well. In the lengthy RFP process, which required multiple levels of local approval, the County encountered challenges with possessory interest requirements, which require the County and Authority to have rights to the property for the useful life of the projects to ensure continuous services during that timeframe.

At the October 26, 2017 Authority board meeting, the County presented an informational item to the Authority outlining the challenges faced since Final Allocation.

ORGANIZATIONAL CHANGES:

In 2015, the County Board of Supervisors established the Health Agency to integrate the three independently operated County health departments: Department of Mental Health (“DMH”), Department of Health Services (“DHS”), and Department of Public Health (“DPH”) into a single agency. This integration allowed DMH and its sister organizations to begin working collaboratively and leverage resources from each department in order to build the CRT and UCC programs. In 2016, a new DMH Director was hired, and after reevaluating the projects, the County determined that it needed a more sustainable and feasible approach to the CRT and UCC programs in order to complete them within the timeframe of the IMHWGP.

NEW MODIFIED PROJECT:

The County determined that it would be best to utilize County-owned property controlled and managed by DHS to develop the CRT and UCC programs, which would be incorporated into Intentional Communities that include all stages of support care. The County expects to develop fifteen (15) 16-bed CRT programs and one (1) 16-bed UCC program, which includes 8 new additional beds, utilizing the originally allocated \$39,210,526.31 (\$35,000,000 for the CRTs and \$4,210,526.31 for the UCC). The 15 CRT programs will provide a total of 240 new beds. A comparison of the old project and the new modified project are outlined in Exhibit 1.

The County expects to establish the CRT and UCC programs with modular structures, with the exception of the CRT program at Martin Luther King Jr. Medical Campus, which will be a renovation of an existing building. The County has received support from the County’s Board of Supervisors as well as DHS to utilize County-owned property to develop the CRT and UCC programs. (Exhibit 2)

The County-owned properties would be located on four County hospital campuses, each embedded within the community adjacent to residential neighborhoods and have direct access to public transportation. With direct access to public transportation, the CRT and UCC programs will be able to reach a wide range of the individuals within those communities. The programs will be located at the following four County hospital campuses:

1. LAC-USC Medical Center (Metro LA):

LAC-USC Medical Center is located about three miles from downtown Los Angeles, where there is a high concentration of homeless population. The County has identified a vacant lot next to the old Historic General Hospital and plans to build four separate 16-bed CRT facilities, for a total of 64 new beds.

2. Olive View-UCLA Medical Center (San Fernando Valley):

Olive View-UCLA Medical Center is located in the city of Sylmar which serves both the San Fernando Valleys and Antelope Valleys. The County has identified a vacant lot on the eastern part of the campus to develop five separate 16-bed CRT facilities, for a total of 80 new beds. In addition, the County has identified a location near the Psychiatric Emergency Services to transfer the existing eight (8) UCC beds to a new 16-bed UCC facility, adding eight (8) new additional beds.

3. Rancho Los Amigos National Rehabilitation Center (East LA):

Rancho Los Amigos National Rehabilitation Center is in the city of Downey, which is east of Los Angeles. The County has identified a lot on the southeast part of the campus to develop five separate 16-bed CRT facilities, for a total of 80 new beds. There are two buildings to demolish and one that has already been demolished before construction can start.

4. Martin Luther King (“MLK”) Jr. Medical Campus (South LA/Harbor)

MLK Medical Campus is in South Los Angeles and includes a community hospital, primary care and specialty care clinics, a UCC, recuperative care center, and center for public health. The County plans to renovate an upper floor of an existing County-owned building that is adjacent to the community hospital to establish a 16-bed CRT program.

	CRT beds	UCC beds
LAC-USC Medical Center	64	----
Olive View-UCLA Medical Center	80	16 (8 new)
Rancho Los Amigos National Rehabilitation Center	80	----
Martin Luther King (“MLK”) Jr. Medical Campus	16	----
TOTAL CHFFA FUNDED BEDS	240	8

PROGRESS:

Mobile Crisis Support Teams

MCST were the first component of the proposal to be implemented after the County was awarded grant funds in April 2014. The County has been able to purchase 17 vehicles and fund 15 staff members to serve the Counties’ eight service areas. The MCST have been able to serve approximately 4,959 individuals annually through assessment, crisis intervention, case management, linkage and consultation and homeless outreach.

CRT/UCC Program Progress

The County decided to move forward with eight CRT programs (124 beds) and four UCC programs (72 beds), utilizing other funding sources, allowing the County to implement the projects more quickly. The CRTs will be open and operational by 2019, and the UCCs will be open and operational by 2020.

CONCLUSION:

The County is requesting the reinstatement of the resolution, project description amendments, and an extension of the grant period and resolution expiration date to ensure that the projects are completed within the timeframe of the IMHWGP. In collaboration with the Department of Public Works and the vendor of the modular units, a new budget and timeline was developed for each site.

The start dates of the projects will be staggered and each project will have a different completion date. The UCC program at Olive View-UCLA Medical Center is scheduled to open on January 3, 2019, and the last CRT program at MLK Jr. Medical Campus is scheduled to open on April 19, 2021. Due to the tight timeframe for completing the projects within the grant period and resolution

expiration date and the lengthy RFP process for selecting service providers, the County is requesting a four-year extension to ensure that all programs are completed and operational within the necessary timeframe. Authority staff is comfortable with the four-year extension as it will set the County up for success to complete the projects and become operational within the necessary timeframe.

As part of its due diligence, Authority staff contacted both its legal counsel and the IMHWGP technical advisor for a review of the new modified project. The Authority's technical advisor, California Institute for Behavioral Health Solutions, concluded the new modified project meets the intent of the IMHWGP and appears to be feasible. The Authority's legal counsel also concluded that the new modified project would meet IMHWGP requirements.

Additionally, to ensure that the projects are on track and completed within the necessary timeframe, staff has created milestones that align with each project's updated timeline. In addition to the milestones, the County will be required to report to the Authority on a quarterly basis with updates on each of the projects' milestones achieved, progress, and obstacles or challenges related to the completion of the CRT and UCC programs. Finally, staff will perform site visits to monitor progress of the projects and will report back to the Authority board.

RECOMMENDATION:

Staff recommends the Authority approve the reinstatement and amendment to Resolution Number MH 2014-06 to amend the project description and extend the resolution and grant period expiration date to December 31, 2021. As a condition of approval, the County shall submit quarterly reports detailing information on milestones achieved, progress, and obstacles or challenges related to the completion of the CRT and UCC programs, and the County shall meet the following milestone deadlines:

- 1) LAC-USC Medical Center Campus, Olive View-UCLA Medical Center Campus, and Rancho Los Amigos National Rehabilitation Center
 - a. The County must provide evidence acceptable to Authority staff demonstrating (i) start of site construction by December 31, 2020, and (ii) the CRT and UCC programs shall be operational by November 30, 2021.
 - b. Funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff that the CRT and UCC programs are on track to be operational on or before November 30, 2021.
 - c. The County must submit all grant disbursement requests for the CRT and UCC programs, including required supporting documentation, to the Authority no later than November 30, 2021.
- 2) Martin Luther King Jr. Medical Campus
 - a. The County must provide evidence acceptable to Authority staff demonstrating (i) start of renovation/construction by June 30, 2020, and (ii) the CRT program shall be operational by November 30, 2021.

- b.** Funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff that the CRT program is on track to be operational on or before December 31, 2021.
- c.** The County must submit all grant disbursement requests for the CRT program, including required supporting documentation, to the Authority no later than November 30, 2021.

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

EXHIBIT 1

SUMMARY OF REQUEST

	Original Project	New Project
Grant Award	\$35,000,000 (CRT) \$4,210,526.31 (UCC) \$1,122,941.18 (MCST)	\$35,000,000 (CRT) \$4,210,526.31 (UCC) \$1,122,941.18 (MCST)
Programs	35 new CRTs 3 new UCCs	15 new CRTs <i>(8 non-CHFFA funded CRTs)</i> 1 expanded UCC <i>(4 non-CHFFA funded UCCs)</i>
Beds Added	560 beds (CRT) 54 beds (UCC)	240 beds (CRT) <i>(124 non-CHFFA funded CRT beds)</i> 16 beds (8 new) (UCC) <i>(72 non-CHFFA funded UCC beds)</i>
Number of People Served	17,030 annually (CRT) 65,500 annually (UCC)	8,800 annually (CRT) <i>(including non-CHFFA funded beds)</i> 15,000 annually (UCC) <i>(including non-CHFFA funded beds)</i>
Useful Life	Tenant improvements (20 years)	Mechanical, electrical, and plumbing systems (25-35 years) Modular containers (20 years)
Cost Per Bed	\$62,500 (CRT) \$77,977 (UCC)	\$145,833 (CRT) <i>(\$173,129 – IMHWGP CRT Average)</i> \$526,315.79 (UCC) <i>(\$167,694 – IMHWGP UCC Average)</i>

EXHIBIT 2

LETTERS OF SUPPORT



COUNTY OF LOS ANGELES BOARD OF SUPERVISORS

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012

MEMBERS OF THE BOARD

HILDA L. SOLIS

MARK RIDLEY-THOMAS

SHEILA KUEHL

JANICE HAHN

KATHRYN BARGER

November 1, 2017

Mr. Ronald L. Washington
Executive Director
California Health Facilities Financing Authority
915 Capitol Mall, Suite 435
Sacramento, CA 95814

Dear Mr. Washington:

We are writing to express our support for using funds awarded by the California Health Facilities Financing Authority (CHFFA) to utilize County land to develop Restorative Care Villages that will include crisis residential treatment programs.

The County of Los Angeles, like many urban centers around the country, is facing a crisis of homelessness and the inherent challenges with providing services to this vulnerable population. Last year, the County established a five-year strategic plan to enhance delivery of comprehensive interventions by integrating direct care services for patients/clients/consumers who require physical health, mental health, substance abuse treatment, and housing-related services and supports.

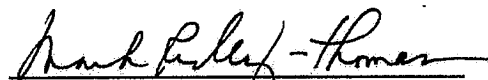
One such intervention is a Restorative Care Village which is envisioned to be the country's first mental health and well-being campus that will provide a full continuum of programming and services, such as: recuperative care; bridge housing; permanent supportive housing; a respite and recovery center; full scope psychiatric facility and support services; as well as, a range of opportunities for personal development, e.g., education; training; employment; and environments for recreation and amenities that promote socialization. The County's four existing medical campuses are ideally situated to be developed as Restorative Care Villages: Los Angeles County-University of Southern California (LAC-USC) Medical Center, the largest single provider of healthcare in the County; Martin Luther King, Jr. Medical Campus; Olive View-UCLA Medical Center; and Rancho Los Amigos National Rehabilitation Center.

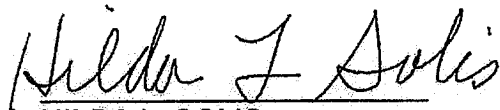
Mr. Ronald L. Washington
November 1, 2017
Page 2

The County of Los Angeles Board of Supervisors is committed to improving the quality of life for all our residents, including our most vulnerable. We strongly support the use of CHFFA funds for crisis residential treatment programs, an important component of comprehensive integrated care.

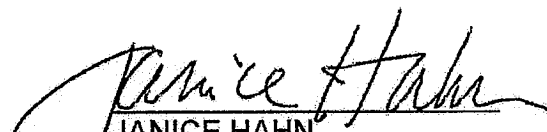
Thank you for your consideration of this important matter.

Sincerely,


MARK RIDLEY-THOMAS
Chairman of the Board
Supervisor, Second District


HILDA L. SOLIS
Supervisor, First District


SHEILA KUEHL
Supervisor, Third District


JANICE HAHN
Supervisor, Fourth District


KATHRYN BARGER
Supervisor, Fifth District



September 6, 2017

Ronald L. Washington
Acting Executive Director
California Health Facilities Financing Authority
915 Capitol Mall, Suite 435
Sacramento, CA 95814

Los Angeles County
Board of Supervisors

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

Dear Mr. Washington:

As Director of the Los Angeles County Health Agency, please accept this letter as a commitment for the Los Angeles County Department of Mental Health (DMH) to build Crisis Residential Treatment Program facilities on the campuses of LAC+USC Medical Center (LAC+USC), Martin Luther King, Jr. Medical Campus (MLK), Rancho Los Amigos National Rehabilitation Center (Rancho) and Olive View-UCLA Medical Center (Olive View).

I understand the challenges that were encountered in siting CRTPs in the community and DMH being unable to meet the requirements of the grant regulations. Our new strategy, as a Health Agency, will leverage resources from DMH and the Departments of Health Services and Public Health to build and incorporate the CRTPs on the aforementioned County hospital campuses. There will be four buildings, each with 16 beds at LAC+USC and five buildings with 16 beds in each building at MLK, Rancho and Olive View, yielding a total of 240 beds for this proposed project. In addition, the integrated effort will provide access to the County Health Agency's capital projects vendors to carry out all work orders for the development of the sites in an expeditious manner, reducing delays that would be experienced with placing the responsibility of development on multiple service providers.

If you have any questions, please do not hesitate to contact me at 213-240-8101.

Sincerely,

Mitchell H. Katz, MD
Director, Los Angeles County Health Agency

cc: Jonathan E. Sherin, MD, PhD, Director, Los Angeles County Department of Mental Health

Barbara Ferrer, PhD, MPH, MEd, Director, Los Angeles County Department of Public Health

Mitchell H. Katz, M.D.
Director, Health Agency

Jonathan E. Sherin, M.D, Ph.D.
Director, Department of Mental Health

Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Director, Department of Public Health

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

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Fax: (213) 481-0503

"The mission of the Los Angeles County Health Agency is to improve health and wellness across Los Angeles County through effective, integrated, comprehensive, culturally appropriate services, programs, and policies that promote healthy people living in healthy communities."

FJR



**~~THIRD~~ REINSTATEMENT OF AND AMENDMENT TO
RESOLUTION NO. MH 2014-06**

**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 LOS ANGELES**

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 Los Angeles (“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 \$40,892,700.49 for the eligible project (the “Project”), which consists of no more than \$35,000,000.00 for crisis residential treatment capital costs, \$4,210,526.31 for crisis stabilization capital costs, \$559,233.00 for mobile crisis capital costs, and \$1,122,941.18 for mobile crisis personnel 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 \$40,892,700.49 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, 2017~~ December 31, 2021. The Grantee shall meet the following conditions in addition to all other applicable requirements:

- 1) LAC-USC Medical Center Campus, Olive View-UCLA Medical Center Campus, and Rancho Los Amigos National Rehabilitation Center:
 - a. The County must provide evidence acceptable to Authority staff demonstrating (i) start of site construction by December 31, 2020, and (ii) the crisis residential treatment and crisis stabilization programs shall be operational by November 30, 2021.
 - b. Funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff that the crisis residential treatment and crisis stabilization programs are on track to be operational on or before November 30, 2021.
 - c. The County must submit all grant disbursement requests for the crisis residential treatment and crisis stabilization programs, including required supporting documentation, to the Authority no later than November 30, 2021.

2) Martin Luther King Jr. Medical Campus:

- a. The County must provide evidence acceptable to Authority staff demonstrating (i) start of renovation/construction by June 30, 2020, and (ii) the crisis residential treatment program shall be operational by December 31, 2021.
- b. Funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff that the crisis residential treatment program is on track to be operational on or before December 31, 2021.
- c. The County must submit all grant disbursement requests for the crisis residential treatment program, including required supporting documentation, to the Authority no later than November 30, 2021.

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. The Authority hereby requires the County of Los Angeles to submit quarterly reports with detailed information on milestones achieved, progress, and obstacles or challenges related to the completion of the Project as described in the Grantee's application.

Section 6. This Resolution expires ~~June 30, 2017~~ December 31, 2021.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Crisis Residential

The County of Los Angeles (the "County"), will implement ~~35~~ 15 new Crisis Residential Treatment Programs ("CRTPs") with a capacity of 16 residents each located throughout the county for a total of ~~560~~ 240 new beds to serve adults with mental illness in psychiatric crisis, including those with co-occurring substance abuse disorders. CRTPs will be located throughout the County, and provide a safe home-like environment. The funds will be used for acquisition of real property, to purchase land/facility, construction/renovation the facility, furniture and equipment furnish and equip the facility, finance information technology, and ~~finance~~ three months of startup costs. Grant funds for the acquisition and construction/renovation of real property may be ~~given~~ provided directly to a designated private nonprofit corporation.

Crisis Stabilization

The County will establish ~~three additional~~ one expanded 16-bed Crisis Stabilization Units aka Urgent Care Centers adding eight (8) new beds. ("UCCs") ~~in an areas that does not have a UCCs at this time.~~ The ~~three new expanded~~ UCCs will ~~expand~~ increase access and capacity throughout the region, ~~and the Antelope Valley area, San Gabriel Valley/Tri City area, and the South Bay/Harbor area.~~ Each The UCC will provide services for ~~12~~ adults and ~~six~~ adolescents beds with the ability to treat up to 45 individuals per day whose ~~problems~~ issues can be met with short-term (under 24 hours), immediate care and connections to community-based resources. The program will emulate the four existing UCCs, providing 24 hour stabilization services, 365 days a year in a home-like environment ~~and will add 54 new Crisis Stabilization beds.~~ The funds will be used for acquisition of real property, to purchase land/facility, construction/renovation the facility, furniture and equipment furnish and equip the facility, finance information technology, and ~~finance~~ three months of startup costs. Grant funds for the acquisition and construction/renovation of real property may be ~~given~~ provided directly to a designated private nonprofit corporation.

Mobile Crisis Support

The County will establish 14 mobile crisis support teams and 1 clerical staff to provide field based crisis intervention services to children, adolescents, and adults throughout the county. The program's objectives are to expand access and capacity throughout the region, which decreases the need for inpatient psychiatric hospitalizations by providing immediate field based services. The teams will include partnerships with law enforcement agencies throughout the county in which law enforcement officers, along with one licensed clinician, will respond to 911 calls for assistance involving persons experiencing a mental illness. This program will partner with nine law enforcement agencies. Also the law enforcement agencies will contribute unmarked police vehicles (for the teams to respond to calls), office space, furniture, training, and personnel to partner with licensed clinicians. Planned psychiatric mobile response teams will provide two licensed mental health clinicians to respond to community calls to persons of all ages with various acute mental health issues. ~~The project will be operational by March 2015.~~ The funds will be used to purchase four vehicles, information technology equipment, three months of program expansion costs, and to hire the new personnel.

Summary of Amounts

Programs	Approved Grant Amount	Expected Federal Financial Participation
Crisis Residential	\$ 35,000,000.00	
Crisis Stabilization	\$ 4,210,526.31	
Mobile Crisis Capital	\$ 559,233.00	
Mobile Crisis Personnel	\$ 1,122,941.18	\$ 784,561.65

Total \$ 40,892,700.49