

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

**Investment in Mental Health Wellness Grant Program (“IMHWGP”) – 4<sup>th</sup> Round**

**Second Amendment to Resolution Number MH 2015-09**

**County of San Bernardino**

**March 13, 2018**

**PURPOSE OF THE REQUEST:**

The County of San Bernardino (the “County”) is requesting the Authority approve a second amendment to Resolution Number MH 2015-09 (fourth funding round) to amend the milestones and extend the resolution and grant period expiration date from May 31, 2018 to January 31, 2019.

**BACKGROUND:**

On December 3, 2015, the Authority approved a Final Allocation for a grant for the County in amount not to exceed \$7,586,185 to establish a 16-bed Crisis Residential Treatment program (“CRT”) in the West Valley Region and a 20-bed Crisis Stabilization Unit program (“CSU”) in the East Valley Region as part of the fourth funding round. The total cost of the CRT and CSU projects is approximately \$13,420,000. The County will use Mental Health Services Act funds and also County funds to complete both projects. The County received an extension in February 2017 with milestones that included; (1) start of construction on the CRT and CSU by March 15, 2017; and (2) the CRT and CSU shall be operational by April 30, 2018. The County met the first milestone with construction for the CRT and CSU beginning on March 7, 2017 and March 13, 2017, respectively.

**ISSUE:**

The County will not meet the second milestone and is unable to ensure that the CRT and CSU will both be operational by April 30, 2018. The delay is caused by slight construction delays and insufficient time to obtain licensure and certification.

Construction of both the CRT and CSU are approximately ninety percent complete with the projects now pending the installation of electrical power, water and sewer connections and final street improvements. Once all utility connections and final construction elements are complete, the construction contractors will request final building inspections, after which the County can obtain the final Certificates of Occupancy for both the CRT and CSU. Following final building inspections and occupancy of the CRT, the service provider, Telecare Corporation, will schedule Community Care Licensing Division inspections to complete the licensing process. The CRT will begin operations immediately upon licensure. Following final building inspections and occupancy of the CSU, Telecare Corporation will immediately commence operations as the CSU does not require licensing.

The County anticipates that the construction of the CRT and CSU will be completed by June 30, 2018 and the CRT and CSU will both be fully operational on or before December 31, 2018.

Based on prior experiences, the County is requesting an extension of the resolution and grant period expiration date to January 31, 2019 to allow for unforeseen contingencies and request disbursement of grant funds.

**RECOMMENDATION:**

Staff recommends the Authority approve an Amendment to Resolution Number MH 2015-09 to amend the milestone conditions and extend the resolution and grant period expiration to January 31, 2019. The amended milestone conditions will be as follows:

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

**SECOND~~FIRST~~ ADMENDMENT TO RESOLUTION NO. MH 2015-09**

**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 SAN BERNARDINO**

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 San Bernardino (“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 \$7,586,185.00 for the eligible project (the “Project”), which consists of no more than \$4,886,185.00 for crisis residential treatment capital costs and no more than \$2,700,000.00 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 \$7,586,185.00 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~~ January 31, 2019. Within this project period, Grantee shall provide evidence acceptable to Authority staff demonstrating (a) ~~start of construction on the Project (crisis residential treatment facility) by March 15, 2017~~ completion of construction of the Project by June 30, 2018, and (b) the Project shall be operational by ~~May 31, 2018~~ December 31, 2018. 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 ~~May 31, 2018~~ December 31, 2018. Grantee must submit all disbursement requests, including required supporting documentation, to the Authority no later than ~~April 30, 2018~~ December 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 ~~May 31, 2018~~ January 31, 2019.

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

## EXHIBIT A

### PROJECT DESCRIPTION

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

#### Crisis Residential Treatment Program

The County of San Bernardino (the “County”) plans to develop a new 16-bed Crisis Residential Treatment (“CRT”) Program to serve diverse County residents ages 18 and older in the West Valley region of the County. The CRT Program will provide recovery-based crisis services for individuals diagnosed with co-occurring substance use and mental health disorders in a safe home-like environment. The County anticipates that the CRT program will improve access and quality of care for mental health crisis services, reduce recidivism, and mitigate the burden on hospital and law enforcement resources. Grant funds will be used for the purchase of real property, construction or renovation, purchase of furnishings and equipment, and for information technology costs.

#### Crisis Stabilization Program

The County plans to develop a new 20-bed Crisis Stabilization Unit (“CSU”) Program to serve diverse County residents of all age groups in the East Valley region of the County. The voluntary CSU will designate 16 beds for adults and 4 beds for adolescents. The CSU Program will provide a community-based alternative destination from psychiatric inpatient hospitalization for emergency responders, law enforcement, hospital medical departments, and consumers. Grant funds will be used for construction or renovation, purchase of furnishings and equipment, and for information technology costs.

#### **Summary of Amounts:**

<b>Program</b>	<b>Approved Grant Amount</b>
Crisis Residential Treatment	\$ 4,886,185.00
Crisis Stabilization	\$ 2,700,000.00
<b>Total</b>	<b>\$ <u>7,586,185.00</u></b>