

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)
Investment in Mental Health Wellness Grant Program (“IMHWGP”) – 4th Round**

Second Amendment to Resolution Number MH 2015-07

County of Kern

May 24, 2018

PURPOSE OF THE REQUEST:

The County of Kern (the “County”) is requesting the Authority approve a second amendment to Resolution Number MH 2015-07 (fourth funding round) to change the milestone condition requiring the County crisis stabilization unit facility to be to be operational on or before October 31, 2017. The County requests that this milestone date be updated to November 6, 2017 to reflect when the facility began operations..

BACKGROUND:

On December 3, 2015, the Authority approved a Final Allocation for a grant for the County in an amount not to exceed \$1,701,924.00 to construct a new 12-bed Crisis Stabilization Unit program (“CSU”) to serve eight adults and four minors. Grant funds were approved for costs associated with construction or renovation, furnishings or equipment, information technology, and three months of program startup costs.

The County was previously awarded an extension on May 25, 2017 with milestones that included: (1) start of construction on the CSU by July 31, 2017, (2) the CSU shall be operational on or before October 31, 2017, and (3) all disbursement requests must be submitted to the Authority by April 30, 2018. The County met the first and third milestones by beginning construction on March 27, 2017 and by turning in all disbursement documentation by April 30, 2018. However, the facility was operational on November 6, 2017, six days after the second milestone deadline.

ISSUE:

Since the County’s CSU (Ridgecrest Crisis Stabilization Unit) operational start date was delayed six days from October 31, 2017 to November 6, 2017, it has caused the County to be out of compliance with the resolution conditions. Even though the Ridgecrest Crisis Stabilization Unit is operational and was operational before the third milestone condition, Authority staff will not be able to fulfill the disbursement request until all resolution conditions are met. Authority staff is prepared to finalize the disbursement of funds requested prior to the grant period and resolution expiration date of May 31, 2018 once amendments to the milestones are approved by the Authority Board.

Since the milestone delegation resolution was approved in February 2018 and is not retroactive, it cannot be used to satisfy the County’s operational milestone condition.

RECOMMENDATION:

Staff recommends the Authority approve a second amendment to Resolution Number MH 2015-07 to amend the milestone conditions as follows:

1. The County must provide evidence acceptable to Authority staff demonstrating (a) start of construction on the CSU by July 31, 2017, and (b) the CSU shall be operational by November 6, 2017.
2. Funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff that the CSU is on track to be operational on or before November 6, 2017.
3. The County must submit all grant disbursement requests, including required supporting documentation, to the Authority no later than April 30, 2018.

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

SECOND AMENDMENT TO RESOLUTION NO. MH 2015-07

**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 KERN**

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 Kern (“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 \$1,701,924.00 for the eligible project (the “Project”) 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 \$1,701,924.00 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. Within this project period, Grantee shall provide evidence acceptable to Authority staff demonstrating (a) start of construction on the Project by July 31, 2017, and (b) the Project shall be operational on or before ~~October 31, 2017~~ November 6, 2017. 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 ~~October 31, 2017~~ November 6, 2017. Grantee must submit all disbursement requests, including required supporting documentation, to the Authority no later than April 30, 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 the amount 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.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

The County of Kern (the “County”) plans to develop a new 12-bed Crisis Stabilization Unit (“CSU”) Program to serve youth and adults in the Eastern region of the County. The County expects that the new 12-bed CSU will provide services to approximately 543 individuals per year that should significantly reduce the utilization rates, law enforcement involvement, and the number of mentally ill people in crisis at emergency rooms. Program services will be delivered in a safe home-like environment and will include 24/7 evaluations, referrals and linkages, and crisis intervention services for individuals diagnosed with co-occurring substance use and mental health disorders. Grant funds will be used for construction and renovation, furnishings and equipment, information technology costs, and three months of program startup costs.

Summary of Amount:

Program	Approved Grant Amount
Crisis Stabilization	\$ 1,701,924.00