

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

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

**Sixth Amendment to Resolution Number MH 2014-09 (First Funding Round)**

**Second Amendment to Resolution Number MH 2014-24 (Second Funding Round)**

**County of Merced**

**September 27, 2018**

**PURPOSE OF THE REQUEST:**

The County of Merced (the “County”) is requesting the Authority approve amendments to Resolution Numbers MH 2014-09 and MH 2014-24 to amend the milestones and extend the grant period and resolution expiration dates to October 31, 2019.

**ISSUE:**

The County is requesting an amendment to the milestones and an extension of the grant period and resolution expiration dates due to delays in the operational license approval process for its Crisis Residential Treatment (“CRT”) program. The County met the completion of construction milestone on April 20, 2018; however, a CRT program is required to be licensed as a Social Rehabilitation Facility by the Community Care Licensing Division of the California Department of Social Services (“CDSS”). Central Star Behavioral Health (“Central Star”), the service provider for the CRT, submitted the license application to CDSS on April 9, 2018. However, CDSS has informed Central Star that there is a backlog in the license review process. Central Star is working closely with CDSS to track the license review status. Central Star has stated that the license will most likely be approved before March 31, 2019. The County expects the program to be staffed and operational on or before June 30, 2019. The County is requesting to extend the grant period and resolution expiration dates to October 31, 2019 to utilize the three months of startup costs and to submit all grant disbursement requests along with required supporting documentation to the Authority.

**BACKGROUND:**

On April 24, 2014, the Authority approved Resolution No. MH 2014-09 to award \$2,010,627 to the County to construct its CRT program and fund three-months of startup costs. The CRT program that was approved was a five-county regional collaborative effort that would create 12 new crisis residential beds. The five counties are Merced (serving as lead grantee), Calaveras, Madera, Mariposa and Tuolumne. The County subsequently applied for additional funding in the second funding round to increase the number of beds from 12 to 16 and add Stanislaus County to the collaboration; and the Authority approved Resolution No. MH 2014-24 for an additional grant amount of \$1,536,372 on December 4, 2014. The County’s first funding round project description was also amended to reflect the increase in bed capacity and Stanislaus County’s collaboration.

**RECOMMENDATION:**

Staff recommends the Authority approve the amendments to Resolution Numbers MH 2014-09 and MH 2014-24 to amend milestone conditions and extend the grant period and resolution expiration dates from December 31, 2018 to October 31, 2019, subject to the following amended milestone conditions:

1. The County must provide evidence acceptable to Authority staff demonstrating, (a) the CRT is licensed by March 31, 2019, and (b) the CRT is operational by June 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 June 30, 2019.
3. The County must submit all grant disbursement requests, including required supporting documentation, to the Authority no later than September 30, 2019.

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

~~FIFTH~~ SIXTH AMENDMENT TO RESOLUTION NO. MH 2014-09

**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 MERCED**

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 Merced (“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 \$2,010,627.00 for the eligible project (the “Project”), which consists of no more than \$2,010,627.00 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 \$2,010,627.00 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, 2018~~ October 31, 2019. Within this project period, Grantee shall provide evidence acceptable to Authority staff demonstrating (a) completion of construction of the Project by May 31, 2018, (b) the Project is licensed by March 31, 2019, and (bc) the Project shall be is operational by September 30, 2018 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 ~~September 30, 2018~~ June 30, 2019. Grantee must submit all disbursement requests, including required supporting documentation, to the Authority no later than ~~November 30, 2018~~ September 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 ~~December 31, 2018~~ October 31, 2019.

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

**EXHIBIT A**

**PROJECT DESCRIPTION**

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

The proposed project is a planned regional 6 county collaborative effort. As the largest and most accessible of the six counties, Merced, the lead applicant, will construct a 16-bed Crisis Residential unit that will provide an alternative to hospitalization. Funds will be used to renovate a building, furnish and equip it and pay for three months of start-up costs. In addition, information technology costs and five vehicles are being funded to facilitate the connection between the Crisis Residential facility located in Merced and the five other collaborating counties.

**Summary of Amount:**

<b>Program</b>	<b>Approved Grant Amount</b>
Crisis Residential	\$ 2,010,627.00

~~REINSTATEMENT OF~~ SECOND AMENDMENT TO  
RESOLUTION NO. MH 2014-24

**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 MERCED**

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 Merced (“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 \$1,536,372.00 for the eligible project (the “Project”), which consists of no more than \$1,536,372.00 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 \$1,536,372.00 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, 2018~~ October 31, 2019. Within this project period, Grantee shall provide evidence acceptable to Authority staff demonstrating (a) completion of construction of the Project by May 31, 2018, (b) the Project is licensed by March 31, 2019, and ~~(c) the Project shall be is~~ operational by ~~September 30, 2018~~ 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 ~~September 30, 2018~~ June 30, 2019. Grantee must submit all disbursement requests, including required supporting documentation, to the Authority no later than ~~November 30, 2018~~ September 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 ~~December 31, 2018~~ October 31, 2019.

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

**EXHIBIT A**

**PROJECT DESCRIPTION**

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

The County of Merced (the “County”) will expand upon a Crisis Residential Treatment (“CRT”) Program that was previously approved for a Grant in the first funding round. The expansion will increase capacity from 12 beds to 16 beds and add Stanislaus County to the regional collaborative effort. The CRT Program builds on each county’s strengths while increasing access and capacity for mental health services within the continuum of care. As the largest and most accessible of the six counties, Merced, as the lead applicant, will construct a 16-bed CRT unit that will provide an alternative to hospitalization. Currently, there are no CRT facilities in any of the six counties. The counties anticipate a 20% decrease in the number of hospitalizations within one year of the CRT Program implementation. Grant funds will be used to renovate, furnish, and equip a building and finance three months of start-up costs. In addition, information technology costs and a vehicle are being funded to facilitate the connection between the CRT Program facility located in Merced County and the five other counties. The recommended amount is less than the amount requested because the applicant’s construction costs decreased since the application was submitted on September 15, 2014.

**Summary of Amount:**

<b>Program</b>	<b>Approved Grant Amount</b>
Crisis Residential Treatment	\$ 1,536,372.00