

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

**Peer Respite Care Grant Program**

**Resolution No. PR 2016-02**

**County of Santa Cruz**

**Information Item**

**December 6, 2018**

On September 27, 2018 the board was notified that the County of Santa Cruz (the “County”) and Encompass Community Services (“Encompass”) made a difficult decision to cease operations of the Peer Respite Care Program, 2<sup>nd</sup> Story, by November 30, 2018 and transition the clients to a community-based program. The County decided to discontinue operating 2<sup>nd</sup> Story in order to reallocate their limited funding to support other critical safety net programs in the community. The County and Encompass informed Authority staff that the property would be sold and projected the closing to be completed by February 28, 2019, at which time Encompass would return the disbursed grant funds totaling \$1,055,775.52 to the Authority.

Subsequently, Encompass notified Authority staff that they received an anonymous donation in an amount sufficient to satisfy the disbursed Authority grant funds of \$1,055,775.52 and that they plan along with the County to forfeit the Authority Peer Respite Care grant. Grant funds were returned to the Authority on October 3, 2018. The County shared with staff that Encompass will continue to operate 2<sup>nd</sup> Story as a 6-bed Peer Respite Care program. Authority staff mailed letters acknowledging receipt of the returned grant funds and forfeiture of the entire Peer Respite Care grant. The forfeited grant funds will be available for the Investment in Mental Health Wellness Grant Program for Children and Youth.