

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

Investment in Mental Health Wellness Grant Program (“IMHWGP”) – 5th Round

Second Amendment to Resolution Number MH 2016-05

County of Merced

May 30, 2019

PURPOSE OF THE REQUEST:

The County of Merced (“County”) is requesting the Authority to approve a second amendment to Resolution Number MH 2016-05 (fifth funding round) to amend the milestone conditions and extend the resolution and grant period expiration dates from December 31, 2019 to July 31, 2020.

ISSUE:

The County is requesting an amendment to the milestone conditions and an extension of the grant period and resolution expiration dates due to construction delays. Construction of the Crisis Stabilization Unit (“CSU”) was delayed due to issues regarding the design and renovation of the ceiling and ensuring that it meets current state and local building fire safety codes. As a result, the Information Technology rack and cable routing plan designs and installation also were delayed. The County anticipates construction to be complete by July 31, 2019 and the program to receive certification and be open and operational by December 31, 2019. In addition, the County plans to utilize three months of program start-up funding.

BACKGROUND:

On May 26, 2016, the Authority approved a Final Allocation for the County in an amount not to exceed \$1,089,000.00 to establish an eight-bed CSU for adults and children and youth. The County received an extension on December 7, 2017 with milestone conditions that include: (1) start of construction by November 30, 2018, (2) the CSU will be operational by May 31, 2019, and (3) all disbursement requests for the CSU, including required supporting documentation, no later than November 30, 2019. The County met the first milestone in October 2018.

RECOMMENDATION:

Staff recommends the Authority approve a second amendment to Resolution Number MH 2016-05 to amend the milestone conditions and extend the resolution and grant period expiration dates from December 31, 2019 to July 31, 2020, subject to the following amended milestone conditions:

1. The County must provide evidence acceptable to Authority staff demonstrating the CSU shall be operational by December 31, 2019.
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 December 31, 2019.
3. The County must submit all grant disbursement requests, including required supporting documentation, to the Authority no later than May 31, 2020.

Since construction has started, the milestone condition that construction must start by November 30, 2018 has been removed.

SECOND AMENDMENT TO RESOLUTION NO. MH 2016-05

**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 \$1,089,000.00 for the eligible project (the “Project”), which consists of no more than \$1,089,000.00 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 \$1,089,000.00 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, 2019~~ July 31, 2020. Within this project period, Grantee shall provide evidence acceptable to Authority staff demonstrating ~~(a) the start of construction of the CSU by November 30, 2018, and (b)~~ that the CSU shall be operational by ~~May 31, 2019~~ December 31, 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 ~~May 31, 2019~~ December 31, 2019. Grantee must submit all grant disbursement requests, including required supporting documentation, to the Authority no later than ~~November 30, 2019~~ May 31, 2020.

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, 2019~~ July 31, 2020

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Crisis Stabilization Program

The County of Merced (the “County”) will develop a new 4-bed Crisis Stabilization (“CS”) Program for youth and a 4-bed CS Program for adults for a total of 8 new beds. The County currently has a 4-bed CS Program for adults. The additional 8-bed CS Program will provide community-based voluntary psychiatric programs that will serve adults (18 and older) and youth individuals (17 and younger) with serious mental illnesses to stabilize their mental health symptoms and develop effective self-reliance skills in a home-like environment. The CS Program will operate 24 hours per day, seven days per week. Approximately 2,900 clients will be served by the planned CSU. Grant funds will be used for construction or renovation, the purchase of furnishings and equipment, information technology costs, and for three months of program startup or expansion costs.

Summary of Amounts:

Program	Approved Grant Amount
Crisis Stabilization	\$ 1,089,000.00