

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

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

Third Funding Round

Fourth Amendment to Resolution Number MH 2015-04

County of Sacramento

December 5, 2019

PURPOSE OF THE REQUEST:

The County of Sacramento (“County”) is requesting the Authority to approve a fourth amendment to Resolution Number MH 2015-04 (third funding round) to amend the milestone conditions and extend the resolution and grant period expiration dates from March 31, 2021 to November 30, 2021.

ISSUE:

The County will not meet its milestone condition requiring the Crisis Residential Treatment (“CRT”) project located on Marconi Avenue to be open and operational by the December 31, 2019 deadline.

In July 2019, a delay occurred in obtaining plan approval by the Fire Department regarding the modification of the existing driveway to meet fire and safety code requirements. A new plan was approved at the end of August 2019, which involved further widening of the driveway to allow for emergency vehicle turnaround clearance. Additionally, the design and plan for the facility’s new fire sprinkler system connection to the hydrant water supply had to be reconfigured, which resulted in a four month setback. The delays to receive final approvals on the modified building plans put the project behind schedule. Therefore, the County and their Designated Grantee, Star View Children and Family Services, are requesting additional time to complete construction and obtain licensure. The County anticipates construction to be complete and the program to be open and operational on or before June 30, 2021.

Secondly, the County is requesting additional time to complete construction and obtain licensure for the CRT located on Viking Drive to allow for any unanticipated construction and licensing delays that may arise. The County also anticipates construction to be complete and the program to be open and operational by June 30, 2021.

Lastly, the County is requesting an extension of the resolution and grant period expiration dates to November 30, 2021 to complete construction, become open and operational, and to utilize grant funding for three months of start-up costs.

BACKGROUND:

On June 25, 2015, the Authority awarded \$5,732,583.00 to the County to develop three new 15-bed CRT programs for individuals 18-59 years of age. The County received a resolution and grant period extension on April 28, 2016 due to challenges in obtaining proposals for the third

CRT project. The County received a second extension on September 28, 2017 to extend the resolution and grant period expiration dates with milestone conditions. Due to the delays in service provider selection, additional time was needed to begin construction and renovation. The County received a third extension on June 27, 2019 to extend the resolution and grant period expiration dates with amended milestone conditions due to construction delays on the second project and property acquisition delays on the third project.

The first CRT project located on Henrietta Drive began providing services on October 25, 2018 ahead of the milestone deadline of November 1, 2019.

The current milestones for the second CRT project located on Marconi Avenue include: (1) start of construction by May 31, 2018 (2) ensuring the program will be operational by December 31, 2019, and (3) submitting all grant disbursement requests for the program, including required supporting documentation, no later than June 1, 2020. With a delegation approved extension, the County met the first milestone in July 2018.

The current milestones for the third CRT project located on Viking Drive include: (1) lease agreement entered into by August 30, 2019, (2) start of construction by December 31, 2019, (3) ensuring the program will be operational by October 31, 2020, and (4) submitting all grant disbursement requests for the program, including required supporting documentation, no later than February 28, 2021. The County met the first milestone by entering into a lease agreement in August 2019.

RECOMMENDATION:

Staff recommends the Authority approve a fourth amendment to Resolution Number MH 2015-04 to extend the resolution and grant period expiration dates to November 30, 2021, subject to the following amended milestone conditions.

All 3 CRT Projects (7415 Henrietta Drive, Sacramento, CA 95822; 3815 Marconi Avenue, Sacramento, CA 95821; and 3440 Viking Drive, Sacramento, CA 95827):

- a. The County must provide evidence acceptable to Authority staff demonstrating:
 - i. the start of renovation/construction on or before December 31, 2019, and
 - ii. the programs shall be operational on or before June 30, 2021.
- b. Funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff that the programs are on track to be operational on or before June 30, 2021.
- c. The County must submit all grant disbursement requests for the programs, including required supporting documentation, to the Authority no later than September 30, 2021.

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

~~THIRD~~FOURTH AMENDMENT TO RESOLUTION NO. MH 2015-04

**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 SACRAMENTO**

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 Sacramento (“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 \$5,732,583.00 for the eligible project (the “Project”), which consists of no more than \$5,732,583.00 for crisis residential treatment (“CRT”) 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 \$5,732,583.00 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 ~~March 31, 2021~~ November 30, 2021. ~~For at least two of the three CRT programs, Grantee shall provide evidence acceptable to Authority staff demonstrating (a) start of construction by May 31, 2018, and (b) the programs shall be operational by December 31, 2019; funds shall not be disbursed if Grantee is unable to provide evidence acceptable to Authority staff that the programs are on track to be operational on or before December 31, 2019; and Grantee must submit all disbursement requests, including required supporting documentation, related to the programs to the Authority no later than June 1, 2020. For at least one~~ all three of the ~~three~~ CRT programs, Grantee shall provide evidence acceptable to Authority staff demonstrating ~~(a) the Grantee has entered into a lease agreement by August 30, 2019, (b)~~ (a) start of construction by December 31, 2019, and ~~(b)~~ (b) the programs shall be operational by ~~October 31, 2020~~ June 30, 2021; funds shall not be disbursed if Grantee is unable to provide evidence acceptable to Authority staff that the programs ~~is~~ are on track to be operational on or before ~~October 31, 2020~~ June 30, 2021; and Grantee must submit all disbursement requests, including required supporting documentation, related to programs to the Authority no later than ~~February 28, 2021~~ September 30, 2021.

Section 2. The Executive Director and the Deputy Executive Director of the Authority~~-is~~ are 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 and the Deputy Executive Director of the Authority~~-is~~ are 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 and the Deputy Executive Director~~-is~~ are 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 and Deputy Executive Director of the Authority~~-is~~ are hereby authorized and directed to do any and all things and to execute and deliver any and all documents which the Executive Director and the Deputy 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 ~~March 31, 2021~~ November 30, 2021.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

The County of Sacramento (the “County”) will implement three new 15-bed Crisis Residential Treatment (“CRT”) Programs, each having a unique and specific focus to address gaps in the County’s crisis response continuum. The three focus areas for the CRT programs include 1.) Rapid Turnaround Step-Down Crisis Residential Program; 2.) Co-Occurring Disorders Crisis Residential Program; and 3.) Family/Community Focused Crisis Residential Program. The three CRT Programs will offer increased alternatives to psychiatric hospitalization for individuals 18 – 59 years of age experiencing a mental health crisis and meeting the specialty mental health services criteria. The additional 45 beds will increase the County’s capacity for CRT services from 12 beds currently to a total of 72 beds (including a 15-bed CRT Program approved in the 2nd funding round). The existing 12-bed CRT program serves 177 individuals annually, and it is anticipated the three new CRT Programs combined will serve an additional 787 individuals annually. Grant funds will be used to purchase real property, renovations, purchase furnishings, equipment, and information technology, and to finance three months of start-up costs. The County may select non-profit service provider(s) as designated grantee(s) for property acquisition and construction or renovation.

Summary of Amounts:

| Program | Approved Grant Amount |
|------------------------------|----------------------------------|
| Crisis Residential Treatment | \$ 5,732,583.00 |