

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)
Investment in Mental Health Wellness Grant Program (“IMHWGP”)
Third Amendment to Resolution Number MH 2016-05
County of Merced – Fifth Funding Round
January 30, 2020

PURPOSE OF THE REQUEST:

The County of Merced (“County”) is requesting the Authority approve a third amendment to Resolution Number MH 2016-05 (fifth funding round) to amend the milestones and extend the resolution and grant period expiration dates from to July 31, 2020 to January 31, 2021.

ISSUE:

The County was only able to partially meet the deadline of being open and operational by December 31, 2019 due to additional time needed to finalize contract negotiations with a service provider for the Youth Crisis Stabilization Unit (“Youth CSU”). Staff considers that the County only partially met the milestone because only the Adult Crisis Stabilization Unit (“Adult CSU”) became open and operational (on September 25, 2019) well before the milestone deadline of December 31, 2019.

The County anticipates that the Youth CSU will now be open and operational by June 30, 2020 due to time needed to receive Board of Supervisors’ approval of the service provider contract, which is expected to occur by the end of March 2020, and then the County will allow the provider sufficient time to move in and get ready to open for services. In addition, the County plans to utilize grant funds for three months of program start-up funding on or before June 30, 2020.

BACKGROUND:

On May 26, 2016, the Authority approved a final allocation for the County in the amount of \$1,089,000.00 to establish a new 4-bed Youth CSU and 4-bed Adult CSU for a total of eight new beds.

On December 7, 2017, the Authority granted the County a two-year extension of the resolution and grant period from December 31, 2017 to December 31, 2019. The extension was due to the County’s need to reconfigure the original design of the CSU to conform to the different consumer safety compliance and privacy standards for adults and youth.

On May 30, 2019, the Authority granted the County a second extension for seven months, extending the resolution and grant period expiration dates from December 31, 2019 to July 31, 2020. This extension was to allow for additional time to address issues with the design and renovation of the facility’s ceiling to meet current state and local building fire safety codes. The second extension included the following 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.

RECOMMENDATION:

Staff recommends the Authority approve a third amendment to Resolution Number MH 2016-05 to amend the milestones and extend the resolution and grant period expiration dates to January 31, 2021, subject to the following amended milestone conditions:

- 1) The County must provide evidence acceptable to Authority staff demonstrating that the Youth CSU shall be operational by June 30, 2020.
- 2) Funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff that the Youth CSU is on track to be operational on or before June 30, 2020.
- 3) The County must submit all grant disbursement requests, including required supporting documentation, to the Authority no later than November 30, 2020.

~~SECOND~~ THIRD 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 ~~July 31, 2020~~ January 31, 2021. Within this project period, Grantee shall provide evidence acceptable to Authority staff demonstrating that the Youth CSU shall be operational by ~~December 31, 2019~~ June 30, 2020. 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 ~~December 31, 2019~~ June 30, 2020. Grantee must submit all grant disbursement requests, including required supporting documentation, to the Authority no later than ~~May 31, 2020~~ November 30, 2020.

Section 2. The Executive Director and the Deputy Executive Director ~~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~~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 the 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 ~~July 31, 2020~~ January 31, 2021.

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