

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
Community Services Infrastructure Grant Program
STAFF SUMMARY

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| Designated | County of Los Angeles | Application Number: | CSI-05-58-014 |
| Lead Grantee: | Department of Mental Health 550 S. Vermont Avenue, 12 th Flr. Los Angeles, CA 90020 | Authority Meeting Date: | March 26, 2020 |
| | | Resolution Number: | CSI 2020-02 |
| | | Total Recommended Amount: | \$9,125,554.58 |

County to be Served: Los Angeles

Project Title: MLK Behavioral Health Center Renovation

Services Provided: Mental Health Treatment Substance Use Disorder Treatment
 Trauma-Centered Services

Project Expansion: 65 beds

Summary of Project:

The County of Los Angeles (County) plans to renovate the former King-Drew Medical Center, a county-owned property, and transform it into the Martin Luther King, Jr. Behavioral Health Center (MLK). Two new programs will be incorporated within the building to offer residential and supportive services to justice-involved individuals in lieu of incarceration. The Department of Public Health (DPH) will create a residential, short-term 33-bed unit for male referrals with a substance use disorder. This unit is expected to serve at least 132 clients annually. The Department of Mental Health (DMH) will provide mental health and psychiatric treatment services in a 48-bed inpatient center for male and female referrals, of which 32 beds will be dedicated to justice-involved individuals. This unit is expected to serve at least 32 justice-involved clients annually. Both programs will work with contracted service providers to render treatment on-site through individual and group therapy, counseling, skills training and assessment services. Justice-involved individuals are referred through the Office of Diversion and Reentry Housing Program and other collaborative county departments/agencies. DPH and DMH will work closely with their clients to develop a continuum of care that will allow for easy integration into the community when transitioning to permanent supportive housing. Grant funds will be used for renovation. Staff evaluated the plan and has determined it is likely feasible and sustainable.

Summary of Amounts:

| Project | Amount Requested | Recommended Amount |
|---|------------------|------------------------------|
| MLK Behavioral Health Center Renovation | \$ 20,000,000.00 | \$ 9,125,554.58 ¹ |

Legal Review:

No information was disclosed to question the financial viability or legal integrity of the applicant.

Staff Recommendation:

Staff recommends the Authority approve Resolution Number CSI 2020-02 for a Final Allocation in an amount not to exceed \$9,125,554.58 for the County of Los Angeles, subject to the conditions in the Resolution.

¹ The amount reflects the totality of remaining funding after higher-scoring applications are funded.

RESOLUTION NO. CSI 2020-02

**A RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
EXECUTION AND DELIVERY OF GRANT FUNDING UNDER
THE COMMUNITY SERVICES INFRASTRUCTURE GRANT PROGRAM
TO THE COUNTY OF LOS ANGELES**

WHEREAS, The California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by Welfare and Institutions Code Section 5848.51, which created the Community Services Infrastructure Grant Program, and implementing regulations (California Code of Regulations, Title 4, Division 10, Chapter 8 (commencing with Section 7413)) to award grants for capital funding to finance eligible projects; and

WHEREAS, Authority staff reviewed the application submitted by the County of Los Angeles (“Grantee”) against the eligibility requirements of the Community Services Infrastructure Grant Program and implementing regulations, and pursuant to the Community Services Infrastructure Grant Program and implementing regulations, recommends approval of a grant for the eligible project (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);

NOW, THEREFORE, BE IT RESOLVED by the California Health Facilities Financing Authority as follows:

Section 1. The Authority hereby approves a grant for capital costs in the amount of \$9,125,554.58 to complete the Project within a grant period that ends on June 30, 2022. Within this grant period, Grantee shall provide evidence acceptable to Authority staff demonstrating the Project shall be operational on or before January 31, 2022. 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 January 31, 2022. Grantee must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than April 30, 2022.

Section 2. The Executive Director, or the Deputy Executive Director, are hereby authorized and directed, 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 and extend the grant period completion date identified in Section 1. Nothing in this Resolution shall be construed to require the Authority to provide additional funding, even if more grants are approved, exceeding 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 available for any reason whatsoever.

Section 3. The Executive Director, or the Deputy Executive Director, 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, or the Deputy Executive Director, 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 Community Services Infrastructure Grant Program and implementing regulations.

Section 4. The Executive Director, or Deputy Executive Director, are hereby authorized and directed, for and on behalf of the Authority, to do any and all things and to execute and deliver any and all documents which the Executive Director, or the Deputy Executive Director, deems necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 5. All funds from this grant must be used in support of the Grantee's Project as described in Exhibit A to this resolution.

Section 6. This resolution expires on June 30, 2022.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by the County of Los Angeles (County) as follows:

The County must add at least 65 new beds in two jail diversion programs at a renovated facility to provide mental health treatment and substance use disorder treatment services. As a condition of funding, the grant can only fund eligible costs of projects, or portions of projects, implementing Jail Diversion Programs that provide on-site treatment services to the Target Population of Justice-Involved Individuals as defined under Section 7413(p), (q), (r), and (y) of the Community Services Infrastructure Grant Program regulations.

Summary of Amount:

| Project | Approved Grant Amount |
|---|------------------------------|
| MLK Behavioral Health Center Renovation | \$ 9,125,554.58 |