

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

**Community Services Infrastructure Grant Program**

**Amendment to Resolution Number CSI 2020-02**

**County of Los Angeles, Department of Mental Health**

**Second Funding Round**

**June 25, 2020**

**PURPOSE OF THE REQUEST:**

Staff is requesting the Authority approve an amendment to Resolution Number CSI 2020-02 to allocate \$999,860.55 in additional funding for the County of Los Angeles, Department of Mental Health's (County) Community Services Infrastructure (CSI) Grant Program project.

**ISSUE:**

Resolution Number CSI 2020-02 approved by the Authority board on March 26, 2020, allocated a CSI grant award to the County in the amount of \$9,125,554.58. The allocated amount was less than the County's eligible amount of \$14,000,000.00 due to the limited amount of remaining funds after higher-scoring applicants were funded. Additional grant funds in the amount of \$999,860.55 recently became available after a CSI grant was forfeited, and staff is requesting approval to reallocate the forfeited funds to the County's CSI project.

**BACKGROUND:**

On March 26, 2020, the Authority approved a CSI final allocation for the County in an amount of \$9,125,554.58 to add at least 65 new beds for two jail diversion programs. The final allocation was approved with the following milestone conditions: (1) the County must provide evidence to the Authority demonstrating that the project will be open and operational on or before January 31, 2022; (2) funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff that the project is on track to be operational on or before January 31, 2022; and (3) the County must submit all capital cost disbursement requests for the project, including required supporting documentation, no later than April 30, 2022.

**RECOMMENDATION:**

Staff recommends the Authority approve an amendment to Resolution Number CSI 2020-02 to increase the grant award/final allocation to \$10,125,415.13. All other conditions in the Resolution shall remain the same and in full effect.

**AMENDMENT TO 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);

WHEREAS, The Authority approved a grant for the Grantee in the amount of \$9,125,554.58 on March 26, 2020, which was less than its requested \$14 million in eligible costs.

WHEREAS, Grantee was the sole applicant that did not receive a final allocation of the full amount of its requested eligible costs due to insufficient funding remaining in the Community Services Infrastructure Grant Program.

WHEREAS, The Authority received notice that another grantee forfeited its final allocation in the amount of \$999,860.55, and the Authority now desires to award those funds to the Grantee.

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~~ \$10,125,415.13 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. 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	\$ <del>9,125,554.58</del> <u>\$10,125,415.13</u>