

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

**Community Services Infrastructure Grant Program
Resolution Number CSI 2019-01B (First Funding Round)
County of Los Angeles, Office of Diversion and Reentry**

May 27, 2021

BACKGROUND:

On July 25, 2019, the Authority approved a Final Allocation for a Community Services Infrastructure (CSI) grant for the County of Los Angeles, Office of Diversion and Reentry (County) in an amount not to exceed \$6,000,000 to add at least 75 new beds in a new jail diversion program that would provide mental health treatment, substance use disorder treatment, and trauma-centered services to approximately 225 clients annually.

On June 1, 2020 the County submitted a request to change the approved project description and scope of the program. The change included relocating the project from the Salvation Army Bell Shelter to the LAC+USC Medical Center Recuperative Care Center (LAC+UCC RCC), and reducing the number of dedicated beds from 75 to 24 while retaining all grant funds. The project description change was presented as an information item to the Authority Board in July 2020. The Authority extended the deadline to meet the readiness, feasibility, and sustainability requirement twice, with the last deadline being February, 28, 2021. The County was not able to meet this deadline, and became in default of its grant agreement.

At the March 25, 2021 Authority meeting, the County confirmed that the proposed project was for ground-up, new construction, and as such, not an eligible expense under the CSI grant program. Authority staff recommended and the Authority approved a cure period ending on May 28, 2021, for the County to meet the readiness, feasibility, and sustainability program requirement by May 28, 2021, or receive an approval by the Authority to change the scope of the project within the cure period, or the grant will be cancelled.

On April 30, 2021, the Authority received a request for a four-month extension of the grant cure period from the County's Board of Supervisors. (Exhibit A)

DISCUSSION:

Authority staff does not have the authority to grant an extension of the cure period. Since the March 25, 2021 board meeting, Authority staff has not received any update/documentation from the County regarding a contemplated new CSI project and cannot make a recommendation on whether an extension of the cure period is warranted.

EXHIBIT:

A – County of Los Angeles Board of Supervisors – Cure Period Extension Request



BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

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HILDA L. SOLIS

CHAIR, BOARD OF SUPERVISORS
SUPERVISOR, FIRST DISTRICT

April 30, 2021



Sent via email

Frank Moore, Executive Director
Carolyn Aboubechara, Deputy Executive Director
Sondra Jacobs, Program Manager
California Health Facilities Financing Authority (CHFFA)
915 Capitol Mall, Room 435
Sacramento, CA 95814

RE: CHFFA Grant for LA County – Extension Request

Dear Mr. Moore et al.,

I want to thank your team for the continued partnership and support for the Board of Supervisors' priority to create a "care first" response in Los Angeles County. I have been leading and supporting initiatives, with community, to significantly reduce the jail population in the county jails, including developing a plan to close Men's Central Jail, which involves expanding efforts to divert those who are in jail, creating a system of care in the community, and supporting those who are reentering our communities.

As you know, Los Angeles County's Department of Health Services (DHS) applied and received funding for CHFFA Community Services Infrastructure Grant Round 1 initially allocated to the Bell Shelter Recuperative Care Center. In April 2020, due to the Bell Shelter no longer being considered a qualified project for CHFFA, my office proposed the option of changing the project scope to the LAC+USC Restorative Care Village's (RCV) Recuperative Care Center (RCC). Recently, my office was briefed that because the project shifted to "ground up" construction, the request would not be granted as it is ineligible under the regulations.

It is my understanding that a change of scope was requested, and two extensions have already been provided for this grant round. I also want to note that the reasons for the delay and extension requests were due to the misunderstanding or miscommunication of the grant requirements which put the County's focus on the Bell Shelter site initially, which became infeasible due to the length of lease requirement. The other options, as shared above, became infeasible due to restrictions on the use of the funds for new ground-up construction.

In subsequent phone calls and meetings, DHS briefed my office on the requirements of the grant and the supporting documents CHFFA has requested for any change in scope. To that end, **I am requesting a four-month extension from CHFFA to consider a change of scope for the \$6 million dollar grant award.**

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Working closely with community, there are many viable options to quickly put the \$6 million of CHFFA funds to service our high needs residents. For example, the County was able to complete the Care First Village project in six months, which will provide interim housing for 232 people experiencing homelessness and those who are justice-involved. There are additional sites nearby to build further to be used to divert individuals who are incarcerated out of jail.

I am confident that with a four-month extension, my office will be able to provide the necessary supporting documentation to receive the CHFFA grant.

Please contact Esther Lim of my staff at 213-974-4111 or elim@bos.lacounty.gov if you have any questions.

I appreciate your time and consideration of this matter.

Sincerely,



HILDA L. SOLIS

Supervisor, First District
Chair, Board of Supervisors

CC: Fiona Ma, State Treasurer
Dr. Mark Ghaly, State Secretary of Health and Services
Fesia Davenport, LA County Chief Executive Officer
Dr. Christina Ghaly, Director of LA County Department of Health Services
Peter Espinoza, Director of LA County Office of Diversion and Reentry