

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

Community Services Infrastructure Grant Program (CSI)

Amendment to Resolution Number CSI 2019-07 (First Funding Round)

County of Sonoma

October 28, 2021

PURPOSE OF THE REQUEST:

The County of Sonoma (County) is requesting the Authority approve an amendment to Resolution Number CSI 2019-07 to amend the milestone conditions and extend the resolution and grant period expiration dates for its Community Services Infrastructure Grant Program (CSI) project.

ISSUE:

The County will not be able to meet the milestone of being open and operational by October 31, 2021. The County was not able to secure a property due to a combination of factors that have pulled County staff away from their duties for emergency responses including: the COVID-19 pandemic, multiple wildfires, power shut offs, and a local homeless encampment declaration, which prevented the County from searching for property. Additionally, the search for a suitable property for the project has been impacted by community evacuations and closures in an already tight and competitive housing market. In an effort to expedite the process of acquiring property, the County engaged the Sonoma County Development Commission (CDC) to acquire and manage property for the purpose of the CSI grant.

The County has currently identified two potential properties and will determine within the next two months if it can proceed with the purchase of one of them.

Additionally, the County will not be able to meet the current readiness, feasibility, and sustainability requirement deadline of October 31, 2021 due to the COVID-19 pandemic and natural emergencies impacts on County resources and additional time needed to locate and procure a property.

The County is requesting to extend the readiness, feasibility, and sustainability requirement deadline to January 31, 2022, to amend its milestone deadline of being open and operational to July 31, 2022, and to amend its milestone deadline to submit all disbursement documentation to September 30, 2022. These extensions will give the County additional time to locate and renovate a property and begin providing services to the justice-involved individuals.

On September 23, 2021, the Governor signed Senate Bill 170, which extended the CSI encumbrance deadline from June 30, 2020 to June 30, 2023, which results in a June 30, 2025 disbursement deadline.

BACKGROUND:

The Authority approved a final allocation on July 25, 2019, awarding the County grant funds in an amount not to exceed \$2,266,191.00 to establish a new 6-bed transitional housing facility for justice-involved individuals, ages 18 and over. The facility will provide mental health treatment, substance use disorder treatment, and trauma-centered services and is expected to serve 20 or more clients annually. Grant funds will be used for facility acquisition, renovation, furnishings and equipment, information technology, and program startup.

Resolution Number CSI 2019-04 was approved with the following milestone conditions: (1) the County shall provide evidence acceptable to Authority staff demonstrating that the project shall be operational on or before October 31, 2021; (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 October 31, 2021; and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than March 31, 2022.

RECOMMENDATION:

Staff recommends the Authority approve an amendment to Resolution Number CSI 2019-07 to amend the milestones and extend the resolution and grant period expiration dates to December 31, 2022, subject to the following amended milestone conditions:

- 1) The County must submit all readiness, feasibility, and sustainability documentation to the Authority no later than January 31, 2022.
- 2) The County must provide evidence acceptable to Authority staff demonstrating that the Project shall be operational on or before July 31, 2022.
- 3) 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 July 31, 2022.
- 4) The County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than September 30, 2022.

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

AMENDMENT TO RESOLUTION NO. CSI 2019-07

**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 SONOMA**

WHEREAS, The California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the provisions of the Community Services Infrastructure Grant Program (Welfare and Institutions Code Section 5848.5) 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 Sonoma (“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 \$2,266,191.00 to complete the Project within a grant period that ends on ~~June 30, 2022~~ December 31, 2022. Within this grant period, Grantee shall submit all readiness, feasibility, and sustainability documentation to the Authority on or before January 31, 2022. Grantee shall provide evidence acceptable to Authority staff demonstrating that the Project shall be operational on or before ~~October 31, 2021~~ July 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 ~~October 31, 2021~~ July 31, 2022. Grantee must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than ~~March 31, 2022~~ September 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 jail diversion Project as described in Exhibit A to this resolution.

Section 6. This resolution expires on ~~June 30, 2022~~ December 31, 2022.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

The Grantee must add at least six (6) new beds with service capacity for approximately 20 more participants in an expanded jail diversion program facility for mental health treatment, substance use disorder treatment, and trauma-centered services which will be provided to the Target Population as defined in program regulations Section 7413 (r) and (y). The Grantee may use grant funds to finance eligible costs in support of the Grantee’s jail diversion program.

Summary of Amount:

Project	Approved Grant Amount
Recovery Center Expansion and Revitalization	\$ 2,266,191.00

Total \$ **2,266, 191.00**