

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

**Investment in Mental Health Wellness Grant Program**

**Sixth Amendment to Resolution No. MH 2015-03 (Third Funding Round)**

**County of Mendocino**

**December 2, 2021**

**PURPOSE OF THE REQUEST:**

The County of Mendocino (County) is requesting the Authority approve an amendment to Resolution Number MH 2015-03 to amend the milestone conditions and extend the resolution and grant period expiration dates for its Investment in Mental Health Wellness Grant Program (IMHWGP) project.

**ISSUE:**

The County will not be able to meet the milestone deadline of being open and operational by November 30, 2021. The County has encountered supply chain delays related to the COVID-19 pandemic, which have impacted the construction timeline. The construction of the project facility is close to completion, pending the delivery and installation of a generator, which is a construction sign off requirement. The County's service provider has already started the process of obtaining the program license, which could take up to six months. The County anticipates the generator to be delivered and installed by December 31, 2021, and the facility to be licensed and open and operational by March 31, 2022. The County has submitted an updated timeline and is requesting to extend the milestone deadline of being open and operational from November 30, 2021 to March 31, 2022, and the deadline to submit all disbursement documentation by April 30, 2022. This extension will give the County additional time needed to complete construction and obtain licensure to become open and operational.

The Authority discovered and confirmed with the Department of Finance that the budget allows the expenditure of IMHWGP grant funds beyond the original December 31, 2021 program deadline. The enacted 2019-20 budget, which aligned and extended the 2016-17 and 2017-18 budgets' encumbrance and expenditure deadlines for the IMHWGP for Children and Youth to June 30, 2024 and June 30, 2026, respectively, also extended the encumbrance and expenditure deadline for the IMHWGP because the two programs are interrelated.

**BACKGROUND:**

The Authority approved a final allocation on July 25, 2015, awarding the County grant funds in an amount not to exceed \$500,000.00 to establish a new 10-bed crisis residential treatment (CRT) facility to serve individuals ages 18 and over experiencing a mental health crisis. On January 30, 2020, the Authority approved a fifth amendment to Resolution Number MH 2015-03 to amend the project description by reducing the number of beds from 10 to six-eight, and to amend the milestone conditions and extend the resolution and grant period expiration dates. As a condition of the approval, the County was required to submit quarterly reports detailing information on milestones achieved, progress, and obstacles or challenges related to

the completion of the CRT facility, and the County was required to meet the following milestone deadlines: 1) The County shall provide evidence acceptable to Authority staff demonstrating: (a) the start of construction or renovation by January 31, 2021, and (b) that the project shall be operational on or before November 30, 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 November 30, 2021; and 3) The County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than November 30, 2021.

**RECOMMENDATION:**

Staff recommends the Authority approve a sixth amendment to Resolution Number MH 2015-03 to amend the milestones and extend the resolution and grant period expiration dates to June 30, 2022, subject to the following amended milestone conditions:

- 1) The County must provide evidence acceptable to Authority staff demonstrating that the Project shall be operational on or before March 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 March 31, 2022.
- 3) The County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than April 30, 2022.

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

County of Mendocino – Crisis Residential Treatment Center



~~FIFTH~~ SIXTH AMENDMENT TO RESOLUTION NO. MH 2015-03

**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 MENDOCINO**

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 Mendocino (“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 \$500,000.00 for the eligible project (the “Project”), which consists of no more than \$500,000.00 for crisis residential treatment 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 \$500,000.00 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 ~~December 31, 2021~~ June 30, 2022. Within this project period, Grantee shall provide evidence acceptable to Authority staff demonstrating ~~(a) the start of construction or renovation by January 31, 2021, and b)~~ the Project shall be operational by ~~November 30, 2021~~ March 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 ~~November 30, 2021~~, March 31, 2022, as well as meet other disbursement requirements under Program regulations. Grantee must submit all disbursement requests, including required supporting documentation to the Authority no later than ~~November 30, 2021~~ April 30, 2022.

Section 2. The Executive Director and the Deputy Executive Director of the Authority 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 of the Authority 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 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 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 ~~December 31, 2021~~ June 30, 2022.

Date Approved: \_\_\_\_\_

## EXHIBIT A

### PROJECT DESCRIPTION

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

The County of Mendocino (the “County”) will implement a 6-8-bed Crisis Residential Treatment (“CRT”) Program, located at 631 South Orchard Avenue, Ukiah, California 95482. The CRT Program will provide a clinically effective and cost-efficient alternative to psychiatric hospitalization for individuals ages 18 and over experiencing a mental health crisis. Grant funds may be used to purchase real property, renovate real property, purchase furnishings, equipment, and information technology, and to finance three months of start-up costs.

#### Summary of Amounts:

<b>Program</b>	<b>Approved Grant Amount</b>
Crisis Residential Treatment	\$ 500,000.00