

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

Community Services Infrastructure Grant Program

Second Amendment to Resolution Number CSI 2019-04 (First Funding Round)

Amendment to Resolution Number CSI 2020-07 (Second Funding Round)

County of San Joaquin

April 28, 2022

PURPOSE OF THE REQUEST:

The County of San Joaquin (County) is requesting the Authority approve amendments to Resolution Number CSI 2019-04 and Resolution Number CSI 2020-07 to amend the milestone conditions and extend the grant period and resolution expiration dates for its two Community Services Infrastructure Grant Program (CSI) projects.

ISSUE:

The County will not be able to meet the milestone condition deadlines of submitting all disbursement documentation by April 30, 2022 and of being open and operational by June 30, 2022. In January 2022, the County received grant funding for an emergency shelter for chronically homeless male adults with a serious mental illness consisting of a 16-bed modular facility, which will be co-located at the same County-owned site where the two CSI projects will be located. Although unrelated to the CSI project, the additional program is part of the County's larger strategic plan to create a full spectrum of substance abuse services. To consolidate efforts and save County resources, the project manager, San Joaquin County General Services Department (GSD), wants to incorporate the new project into the current CSI projects' design plans. In light of the current supply chain delays, labor shortages, and unavailability of construction materials, integrating the new project into the CSI projects' construction design plans and timeline will streamline the County's construction efforts and eliminate cost redundancies. According to GSD, the design plan for the CSI projects is 90% complete, and the plumbing and utility hookups at the construction site are in place for the CSI modular facilities.

The County is requesting to amend the milestone condition of being open and operational to March 31, 2023 and the milestone condition to submit all disbursement documentation to July 31, 2023. This extension will give the County the time needed to incorporate the third project into the existing CSI projects' design plan, complete construction, procure furnishings and equipment, and begin providing services to the justice-involved individuals. Additionally, Authority staff recommends adding an additional milestone condition requiring the start of construction or renovation by July 31, 2022 to ensure that the two CSI projects are on track to meet the new open and operational milestone deadline.

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, allowing the Authority to grant this extension request.

BACKGROUND:

On July 25, 2019, the Authority approved Resolution No. CSI 2019-04, awarding the County CSI grant funds in the amount of \$2,500,000.00 to establish a new 16-bed residential facility

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for justice-involved male adults, ages 18 and over. The facility will provide mental health and substance use disorder treatment and is expected to serve 32 justice-involved individuals annually. Grant funds will be used for modular facility acquisition, construction as well as furnishings and equipment. The grant award 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.

On March 26, 2020, the Authority approved Resolution No. CSI 2020-07, awarding the County CSI grant funds in the amount of \$2,930,186.00 to establish a new 16-bed residential facility for justice-involved female adults, ages 18 and over. The facility will provide mental health and substance use disorder treatment and is expected to serve 32 justice-involved individuals annually. Grant funds will be used for modular facility acquisition, construction as well as furnishings and equipment. The final allocation 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 June 30, 2022; (2) funds shall not be disbursed if County is unable to provide evidence acceptable to Authority staff that the project is on track to be operational on or before June 30, 2022; and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than April 30, 2022.

On August 27, 2020, the Authority approved an amendment to Resolution Number CSI 2019-04 to amend the milestone conditions and grant and resolution expiration dates for its CSI project to align with the milestone condition deadlines and grant and resolution expiration dates of the second project approved under Resolution Number CSI 2020-07.

RECOMMENDATION:

Staff recommends the Authority approve amendments to Resolution Number CSI 2019-04 and Resolution Number CSI 2020-07 to amend the milestone conditions and extend the grant period and resolution expiration dates to October 31, 2023, subject to the following amended milestone conditions:

- 1) The County must provide evidence acceptable to Authority staff demonstrating (a) start of construction by July 31, 2022, and (b) the project shall be operational on or before March 31, 2023.
- 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, 2023.
- 3) The County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than July 31, 2023.

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

SECOND AMENDMENT TO RESOLUTION NO. CSI 2019-04

**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 SAN JOAQUIN**

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 San Joaquin (“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 \$2,500,000.00 to complete the Project within a grant period that ends on ~~June 30, 2022~~ October 31, 2023. Within this grant period, Grantee shall provide evidence acceptable to Authority staff demonstrating (a) the start of construction or renovation by July 31, 2022 and (b) that the Project shall be operational on or before ~~June 30, 2022~~ March 31, 2023. 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 ~~June 30, 2022~~ March 31, 2023. Grantee must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than ~~April 30, 2022~~ July 31, 2023.

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~~ October 31, 2023.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by the County of San Joaquin (County) as follows:

The Grantee must add at least 16 new beds and service capacity for at least 32 clients annually in a new jail diversion program facility for adult residential mental health treatment 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
Adult Mental Health Residential Treatment Facility	\$ 2,500,000.00

AMENDMENT TO RESOLUTION NO. CSI 2020-07

**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 SAN JOAQUIN**

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 San Joaquin (“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 \$2,930,186.00 to complete the Project within a grant period that ends on ~~June 30, 2022~~ October 31, 2023. Within this grant period, Grantee shall provide evidence acceptable to Authority staff demonstrating (a) the start of construction or renovation by July 31, 2022 and (b) that the Project shall be operational on or before ~~June 30, 2022~~ March 31, 2023. 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 ~~June 30, 2022~~ March 31, 2023. Grantee must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than ~~April 30, 2022~~ July 31, 2023.

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~~ October 31, 2023.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by the County of San Joaquin (County) as follows:

The County must add at least a new 16-bed jail diversion program at a renovated facility that will provide mental health treatment services 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
Adult Mental Health Residential Treatment Services for Individuals with Co-occurring Disorders	\$ 2,930,186.00