

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)
Community Services Infrastructure Grant Program (CSI)
Second Amendment to Resolution Number CSI 2019-07 (First Funding Round)

County of Sonoma
July 28, 2022

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 grant period and resolution expiration dates for its Community Services Infrastructure Grant Program (Welf. & Inst. Code, §5848.51) (CSI) project.

ISSUE:

The County will not be able to meet the milestone condition deadlines of being open and operational by July 31, 2022, and of submitting all disbursement documentation by September 30, 2022. The County had difficulty locating a property suitable for the CSI program due to the COVID-19 pandemic impact on County resources and the competitive housing market. In an effort to expedite the process of acquiring property, the County engaged the Sonoma County Community Development Commission (CDC) to acquire and manage property for the purpose of the CSI grant project. In March 2022, the County and CDC agreed to repurpose a property that was recently purchased by CDC for another county program, for the CSI grant program. The property lot has four separate structures, consisting of the main house, an unattached garage and two cottages. The main house and garage will be renovated to house therapy space, office space and two bedrooms, while the two cottages will each include two bedrooms, for a total of six beds for the CSI program. The renovation of the main house and garage has been delayed due to the fact the building is historic, requiring additional paperwork prior to permitting. Additionally, the renovation of the two cottages cannot begin until the current tenants, who are clients of the Homeless Encampment Access and Resource Team program, are re-located. The County is diligently working with other agencies to secure a new location and anticipates that the tenants will be re-housed by September 15, 2022. The County anticipates that renovations on the property will be completed by February 2023, and the CSI program will be open and operational by April 1, 2023.

Therefore, the County is requesting to amend its milestone deadline of being open and operational to April 1, 2023, and to amend its milestone condition deadline to submit all disbursement documentation to August 31, 2023. This extension will give the County the time needed to re-house the current tenants, obtain the necessary building permits, complete renovations, and begin providing services to the justice-involved individuals.

On September 23, 2021, the Governor signed Senate Bill 170 (Chapter 240, Statutes of 2021), which extended the CSI encumbrance deadline from June 30, 2020, to June 30, 2023, which results in a June 30, 2025, disbursement deadline, the new CSI program end date.

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 six-bed transitional housing facility for justice-involved individuals, ages 18 and older. 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 2019-07 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 October 28, 2021, the Authority approved an amendment to Resolution Number CSI 2019-07 to amend the milestone conditions and grant resolution expiration with the following 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 shall 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; and (4) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than September 30, 2022.

RECOMMENDATION:

Staff recommends the Authority approve a second amendment to Resolution Number CSI 2019-07 to amend the milestone conditions and extend the resolution and grant period expiration dates to November 30, 2023, 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 April 1, 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 April 1, 2023.
- 3) The County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than August 31, 2023.

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

SECOND 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~~ 5848.51) 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 ~~December 31, 2022~~ November 30, 2023. 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 ~~July 31, 2022~~ April 1, 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 ~~July 31, 2022~~ April 1, 2023. Grantee must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than ~~September 30, 2022~~ August 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 jail diversion Project as described in Exhibit A to this resolution.

Section 6. This resolution expires on ~~December 31, 2022~~ November 30, 2023.

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**