

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

Community Services Infrastructure Grant Program

Third Amendment to Resolution No. CSI 2019-04 (First Funding Round)

Second Amendment to Resolution No. CSI 2020-07 (Second Funding Round)

County of San Joaquin

February 23, 2023

PURPOSE OF THE REQUEST:

The County of San Joaquin (County) is requesting the Authority approve amendments to Resolution No. CSI 2019-04 and Resolution No. 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 being open and operational by March 31, 2023, and of submitting all disbursement documentation by July 31, 2023.

The County encountered delays in the installation of the modular facilities due to the impact of the December 2022 and January 2023 atmospheric river storms, which damaged the graded land where the modular facilities were to be installed. San Joaquin County along with several surrounding areas was declared a natural disaster zone. After assessing the damage caused by flooding and wind damage, the County now anticipates that the property will be ready for the installation of the modular units by April 30, 2023. Additionally, the County anticipates that the modular units will be installed by September 6, 2023, and the projects will be open and operational by October 31, 2023. The County anticipates program licensure and Medi-Cal certification will be completed by September 30, 2023.

The County is requesting to amend the milestone condition of being open and operational to October 31, 2023, to amend the milestone condition to submit all disbursement documentation to January 31, 2024, and to extend the grant period and resolution expiration dates to June 30, 2024. This extension will give the County the time needed to repair the storm damage, install the modular facilities, and obtain licensing and Medi-Cal certification.

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 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.

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.

On August 27, 2020, the Authority approved an amendment to Resolution No. CSI 2019-04 to amend the milestone conditions and extend grant period 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 No. CSI 2020-07.

On April 28, 2022, the Authority approved an amendment to Resolution No. CSI 2019-04 and Resolution No. CSI 2020-07, allowing the County additional time to incorporate a third project, funded through another grant, into the existing CSI projects' design plans, in order to consolidate efforts and save County resources, with 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 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; and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than July 31, 2023.

RECOMMENDATION:

Staff recommends the Authority approve amendments to Resolution No. CSI 2019-04 and Resolution No. CSI 2020-07 to amend the milestone conditions and extend the grant period and resolution expiration dates to June 30, 2024, subject to the following amended milestone conditions:

- 1) The County shall provide evidence acceptable to Authority staff demonstrating that the project shall be open and operational on or before October 31, 2023, and funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff.
- 2) The County shall submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than January 31, 2024.

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

~~SECOND~~ THIRD 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 ~~October 31, 2023~~ June 30, 2024. 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 open and operational on or before March 31, 2023~~ October 31, 2023, and ~~F 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 March 31, 2023~~ October 13, 2023. Grantee must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than ~~July 31, 2023~~ January 31, 2024.

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 ~~October 31, 2023~~ June 30, 2024.

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

SECOND 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 ~~October 31, 2023~~ June 30, 2024. 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 open and operational on or before March 31, 2023~~ October 31, 2023, and ~~F 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 March 31, 2023~~ October 13, 2023. Grantee must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than ~~July 31, 2023~~ January 31, 2024.

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 ~~October 31, 2023~~ June 30, 2024.

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