

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)
Investment in Mental Health Wellness Program for Children and Youth
First Amendment to Resolution No. CY 2021-02 (Second Funding Round)
County of Humboldt
February 23, 2023

PURPOSE OF THE REQUEST:

The County of Humboldt (County) is requesting the Authority approve an amendment to Resolution No. CY 2021-02 to amend the milestone conditions, extend the grant period expiration date, and amend the project description for its Investment in Mental Health Wellness Grant Program for Children and Youth (Welf. & Inst. Code, §5848.5) (CY) project.

ISSUE:

The County will not be able to meet the milestone condition deadline of being open and operational by April 30, 2023. The County purchased a property to house a nine-bed Crisis Residential Treatment (CRT) program and a three-bed Crisis Stabilization Unit (CSU) in December 2021, and during the preconstruction surveys and inspections, a bald eagle's nest was located on the property. The County received notification from the Natural Resource Management Corporation, that no construction can occur outside of the residence during the bald eagle breeding and nesting season, which is February 1 through August 31, unless it can be established that the nest is unoccupied. As such, the County now anticipates starting construction no later than August 2023.

The County has submitted an updated timeline and is requesting to amend its milestone condition deadline of being open and operational to April 30, 2025, to amend its milestone condition deadline to submit all disbursement documentation to August 30, 2025, and to extend the grant period expiration date to April 30, 2026. This extension will give the County the time needed to renovate the CRT facility.

In addition, after consulting with a licensing consultant and having multiple discussions with other similar sized CSUs, Sorrel Leaf Healing Center, the County's service provider and designated grantee, determined that the proposed three-bed CSU is no longer a feasible and sustainable option. According to Sorrel Leaf Healing Center, in order to operate the three-bed CSU safely and effectively, an additional \$1.5 million in revenue and nearly double the staff initially proposed would be needed. As such, the County will not pursue the CSU project anymore and is forfeiting all grant moneys awarded for the CSU project, totaling \$1,407,606.00. Therefore, the project description in the resolution is being amended to eliminate the CSU program.

BACKGROUND:

The Authority approved a final allocation on April 29, 2021, awarding the County grant money in an amount not to exceed \$5,104,321, to add a nine-bed CRT program, a three-bed CSU program and one Mobile Crisis Support Team (MCST). Of the total approved grant moneys,

\$4,944,161 is for capital funding (CRT: \$3,474,155; CSU: \$1,407,606.00; and MCST: \$62,400.00) and \$160,160 is for annual personnel funding for up to five years subject to the availability of appropriations for this purpose in the Legislature's annual Budget Act.

The CRT program was expected to serve children and youth ages seven to 21 by providing mental health treatment, comprehensive psychological evaluation, and diagnosis to approximately 324 children and youth annually. The CSU program was expected to serve children and youth ages seven to 21 by providing crisis stabilization, as well as a plan of care following discharge to approximately 500 clients annually. The MCST was expected to serve children and youth ages seven to 21 years by providing field-based mental health crisis services to approximately 600 calls annually.

Resolution No. CY 2021-02 was approved, with a grant period expiration date of April 30, 2024, with the following milestones conditions: (1) the County shall provide evidence acceptable to Authority staff demonstrating that the project shall be operational on or before April 30, 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 30, 2023; and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than April 30, 2023.

RECOMMENDATION:

Staff recommends the Authority approve a first amendment to Resolution No. CY 2021-02 to amend the milestones conditions, extend the grant period expiration date to April 30, 2026, and amend the project description, subject to the following amended milestone conditions:

- 1) The County shall provide evidence acceptable to Authority staff demonstrating the Project shall be open and operational on or before April 30, 2025, 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 August 31, 2025.

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

FIRST AMENDMENT TO RESOLUTION NO. CY 2021-02

**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
FOR CHILDREN AND YOUTH
TO THE COUNTY OF HUMBOLDT**

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) as supplemented by Chapter 30, Statutes of 2016 (SB 833), Section 20, the Investment in Mental Health Wellness Grant Program for Children and Youth (“Children and Youth Program”) and implementing regulations (California Code of Regulations, Title 4, Division 10, Chapter 7 (commencing with Section 7313)) to award grants for capital funding and personnel funding to finance eligible projects; and

WHEREAS, Authority staff reviewed the application submitted by County of Humboldt (“Grantee”) against the eligibility requirements of the Children and Youth Program and implementing regulations, and pursuant to the Children and Youth Program and implementing regulations, recommends approval of a grant for the eligible project (the “Project”), which consists of crisis residential treatment capital costs, ~~crisis stabilization capital costs~~, mobile crisis support team capital costs and mobile crisis support team personnel costs, 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); and

WHEREAS, the Legislature has and may continue to appropriate funds for mobile crisis support team personnel costs in future fiscal years;

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 ~~\$4,944,161.00~~ \$3,536,555.00 to the Grantee to complete the Project within a grant period that ends on ~~April 30, 2024~~ April 30, 2026. Within this grant period, Grantee shall provide evidence acceptable to Authority staff demonstrating the Project shall be open and operational on or before ~~April 30, 2025~~ April 30, 2025, 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 open and operational on or before April 30, 2023~~. Grantee must submit all capital costs disbursement requests, including required supporting documentation, to the Authority no later than ~~October 31, 2023~~ August 30, 2025.

Section 2. The Authority hereby approves a grant for mobile crisis support team personnel costs in the annual amount of \$160,160.00 for up to five years. Annual grant amounts subsequent to the initial amount granted are subject to availability of annual budget appropriations by the Legislature. The Executive Director, or the Deputy Executive Director, are hereby authorized and directed, for and on behalf of the Authority, to continue to disburse those funds as may be available under the State Budget Act for each fiscal year.

Section 3. 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. 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 4. 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 Children and Youth Program and implementing regulations.

Section 5. 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 6. All funds from this grant must be used in support of the County's crisis residential treatment, ~~crisis stabilization~~ and mobile crisis support team programs for children and youth.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Crisis Residential Treatment

The County will develop a new Crisis Residential Treatment (CRT) program with at least nine beds to provide mental health crisis services for children and youth ages seven to 21. The County may use the grant funds, in accordance with Section 7315 of the Children and Youth Program regulations, to finance eligible costs in support of the County's crisis residential treatment program for children and youth.

~~Crisis Stabilization Unit~~

~~The County will develop a new Crisis Stabilization Unit (CSU) with at least three beds to provide mental health crisis services for children and youth ages seven to 21. The County may use the grant funds, in accordance with Section 7315 of the Children and Youth Program regulations, to finance eligible costs in support of the County's crisis stabilization program for children and youth.~~

Mobile Crisis Support Team

The County will add at least one new mobile crisis support team by purchasing one new vehicle and hiring two new full-time equivalent staff that may include a licensed clinical social worker and a medical assistant to provide mental health crisis services for children and youth ages seven to 21. The County may use the grant funds, in accordance with Section 7315 of the Children and Youth Program regulations, to finance eligible costs in support of the County's mobile crisis support team program for children and youth.

Summary of Amounts:

Program	Approved Grant Amounts
Crisis Residential Treatment Program	\$ 3,474,155.00
Crisis Stabilization Program	\$ 1,407,606.00
Mobile Crisis Support Team – Capital Funding	\$ 62,400.00
Mobile Crisis Support Team – Personnel Funding	\$ 160,160.00

Total ~~\$ 5,104,321.00~~ \$ 3,696,715.00