

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)**  
**Community Services Infrastructure Grant Program (CSI)**  
**Third Amendment to Resolution Number CSI 2019-07 (First Funding Round)**  
**County of Sonoma**  
**March 30, 2023**

**PURPOSE OF THE REQUEST:**

The County of Sonoma (County) is requesting the Authority approve an amendment to Resolution No. 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 April 1, 2023, and of submitting all disbursement documentation by August 31, 2023, due to delays in executing the peer support provider contract.

The renovation of the facility is on track to be completed and ready for final inspection by March 15, 2023. A peer support service provider was selected in March 2022, and the County's board of supervisors approved a budget of approximately \$2.4 million for the peer support provider contract. However, in March 2023, prior to the execution of the contract, the peer support provider, submitted a revised budget which exceeded the initial approved amount to cover inflation and cost-of-living increases over the five year term of the contract. The County is now seeking approval of the revised peer support provider contract and is scheduled to be heard at the April 18, 2023 board of supervisors' meeting. The County anticipates executing the peer support provider contract by May 1, 2023, and the project to be open and operational by June 1, 2023.

The County is requesting to amend its milestone condition of being open and operational to September 30, 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 execute the peer support provider contract and to address any unforeseen delays.

**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.

On October 28, 2021, the Authority approved a first amendment to Resolution Number CSI 2019-07 to amend the milestone conditions and extend the grant period and resolution expiration dates allowing the County additional time to locate and renovate a property.

On July 28, 2022, the Authority approved a second amendment to Resolution Number CSI 2019-07 amending the milestone conditions and extending the grant period and resolution expiration dates, to give the County additional time to re-house the current tenants, obtain the necessary building permits, complete renovations, and begin providing services to the justice-involved individuals, with 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 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; and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than August 31, 2023.

**RECOMMENDATION:**

Staff recommends the Authority approve a third amendment to Resolution No. CSI 2019-07 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 must provide evidence acceptable to Authority staff demonstrating that the project shall be open and operational by September 30 2023, and funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff.
- 2) The County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than January 31, 2024.

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

~~SECOND~~ THIRD 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 ~~November 30, 2023~~ June 30, 2024. Within this grant period, Grantee shall provide evidence acceptable to Authority staff demonstrating that the Project shall be open and operational on or before ~~April 1, 2023~~ September 30, 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 April 1, 2023~~. Grantee must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than ~~August 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 jail diversion Project as described in Exhibit A to this resolution.

Section 6. This resolution expires on ~~November 30, 2023~~ June 30 2024.

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:**

<b>Project</b>	<b>Approved Grant Amount</b>
Recovery Center Expansion and Revitalization	\$ 2,266,191.00

**Total**      \$      2,266, 191.00