

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)**

**Investment in Mental Health Wellness Program for Children and Youth**

**First Amendment to Resolution No. CY 2021-07 (Second Funding Round)**

**County of San Mateo**

**July 27, 2023**

**PURPOSE OF THE REQUEST:**

The County of San Mateo (County) is requesting the Authority approve an amendment to Resolution Number CY 2021-07 to amend the milestone conditions and extend the grant period and resolution expiration dates 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 deadlines of being open and operational by August 31, 2023, and submitting all disbursement documentation by February 28, 2024.

The County is renovating a portion of the existing eight-bed Psychiatric Emergency Services Unit at the San Mateo Medical Center to develop a dedicated three-bed Crisis Stabilization Unit (CSU) program for children and youth. The County executed the architectural contract in March 2022; construction documents were approved by the Department of Health Care Access and Information (HCAI) in January 2023; and the request for proposals for the construction contract opened in February 2023. However, completion of the other renovation project to the County's psychiatric acute care units and psychiatric emergency services, which have to be completed prior to starting the renovation of the children and youth CSU, has been impacted by excessive flooding and power outages throughout the county, along with supply chain delays and a non-stable workforce. The County anticipates awarding the construction contract for the children and youth CSU renovation project by August 2023, completing the other renovation project of the psychiatric acute care units and psychiatric emergency services by February 2024, and starting the children and youth CSU renovation project in February 2024.

The County has submitted an updated timeline and is requesting to amend its milestone condition deadline of being open and operational to February 28, 2025, to amend its milestone condition deadline to submit all disbursement documentation to August 31, 2025, and to extend the grant period and resolution expiration dates to November 30, 2025. This extension will give the County sufficient time needed to complete the renovation of the psychiatric acute care and psychiatric emergency services units, complete the renovation of the CSU facility, and begin providing services.

**BACKGROUND:**

The Authority approved a final allocation on April 29, 2021, awarding the County grant funds in the amount of \$618,915.00, to add a three-bed CSU program. The County plans to serve children and youth ages 18 years and younger by providing safe, age-appropriate, family-

friendly, crisis services to approximately 400 children and youth annually. Resolution Number CY 2021-07 was approved, with a grant period expiration date of April 30, 2024, 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 August 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 August 31, 2023; and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than February 28, 2024.

**RECOMMENDATION:**

Staff recommends the Authority approve a first amendment to Resolution Number CY 2021-07 to amend the milestone conditions and extend the grant period and resolution expiration dates to November 30, 2025, 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 February 28, 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 2021-07**

**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 SAN MATEO**

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 San Mateo (“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 stabilization capital 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 crisis stabilization 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 a total amount not to exceed \$618,915.00 to the Grantee to complete the Project within a grant period that ends on ~~August 31, 2024~~ November 30, 2025. Within this grant period, Grantee shall provide evidence acceptable to Authority staff demonstrating the Project shall be open and operational on or before ~~August 31, 2023~~ February 28, 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 August 31, 2023~~. Grantee must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than ~~February 28, 2024~~ August 31, 2025.

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. 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 Children and Youth 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 County's crisis stabilization program for children and youth.

Section 6. This resolution expires on ~~August 31, 2024~~ November 30, 2025.

Date Approved: \_\_\_\_\_

## **EXHIBIT A**

### **PROJECT DESCRIPTION**

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

#### **Crisis Stabilization Unit**

The County will add at least three new beds to develop a dedicated crisis stabilization unit program that will provide mental health services for children and youth 18 years and younger. The County may use the grant funds, in accordance with Section 7315 of the Program regulations, to finance eligible costs in support of the County's crisis stabilization unit program for children and youth.

#### **Summary of Amount:**

<b>Program</b>	<b>Approved Grant Amount</b>
Crisis Stabilization Unit	\$ 618,915.00