

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

**Community Services Infrastructure Grant Program**

**Amendment to Resolution No. CSI 2023-01 (Third Funding Round)**

**County of Merced**

**January 30, 2025**

**PURPOSE OF THE REQUEST:**

The County of Merced, Probation Department (County) is requesting the Authority approve an amendment to Resolution No. CSI 2023-01 to amend a milestone condition for its Community Services Infrastructure Grant Program (Welf. & Inst. Code, §5848.51) (CSI) project.

**ISSUE:**

The County did not meet the milestone condition deadline of being open and operational by January 29, 2025 as extended by the Executive Director under delegated authority from November 30, 2024 to January 29, 2025.

The County completed the majority of renovations on a facility to develop a new jail diversion facility to provide a community treatment space for justice-involved individuals experiencing co-occurring disorders. However, the County is currently pending approval of an encroachment permit from the City of Merced as well as completion of the remaining renovations (painting, installation of flooring, plumbing hardware, and information technology, and furnishing), which are anticipated to be completed within the next 60 days. The County has confirmed that CSI program services began in August 2023 and are temporarily being housed in a probation office. Once the facility is completed, the CSI program will move into the new facility.

The County is now requesting to extend the open and operational milestone condition deadline from January 29, 2025 to March 31, 2025, allowing them extra time to obtain the encroachment permit, to complete the remaining renovations, and to move the program services into the new facility.

**BACKGROUND:**

On January 26, 2023, the Authority approved Resolution No. CSI 2023-01, awarding the County grant funds in an amount not to exceed \$2,500,000.00 to develop a new jail diversion facility to provide a community treatment space for justice-involved individuals experiencing co-occurring disorders, serving approximately 75 clients annually. Grant funds will be used for facility renovation.

On November 20, 2024, the Executive Director approved, under delegated authority, a 60-day extension of the milestone condition deadline of being open and operational from November 30, 2024 to January 29, 2025 to give the County sufficient time to overcome setbacks, which included the theft of two HVAC units and County Department of Public Works concerns over parts of the electrical system.

**RECOMMENDATION:**

Given the great progress in nearing successful completion of the milestone conditions, staff recommends the Authority approve an amendment to Resolution No. CSI 2023-01 to amend the following milestone condition:

- 1) The County shall provide evidence acceptable to Authority staff demonstrating that the project shall be open and operational on or before March 31, 2025, and funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff.

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

**AMENDMENT TO RESOLUTION NO. CSI 2023-01**

**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 MERCED**

WHEREAS, The California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Community Services Infrastructure Grant Program (Welf. & Inst. Code, § 5848.51) to implement the Community Services Infrastructure Grant Program (Cal. Code Regs., tit. 4 § 7413 et seq.) to award grants for capital funding to expand local resources for the development, capital, equipment acquisition, and applicable program startup or expansion costs to increase capacity for client assistance and services for jail diversion programs; and

WHEREAS, The County of Merced (“Grantee”) qualifies as an eligible entity under Welfare and Institutions Code section 5848.51(h); and

WHEREAS, Authority staff reviewed the Grantee’s application against the eligibility requirements of the Community Services Infrastructure Grant Program, and pursuant to the Community Services Infrastructure Grant Program and implementing regulations, recommends the approval of a grant in an amount not to exceed \$2,500,000.00 for the eligible project (the “Project”), as described in the Grantee’s application;

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 \$2,500,000.00 to the Grantee to complete the Project as described in the Community Services Infrastructure Grant Program application and Exhibit A to this Resolution (Exhibit A is here by incorporated by reference), by June 30, 2025, the end of the grant period. Within this grant period, Grantee shall provide evidence acceptable to Authority staff demonstrating the Project shall be open and operational by ~~November 31, 2024~~ March 31, 2025, and funding shall not be disbursed if the Grantee is unable to provide evidence acceptable to Authority staff. The Grantee shall submit all capital cost disbursement requests, including required supporting documentation, to the Authority by March 31, 2025.

Section 2. For and on behalf of the Authority, the Executive Director and the Deputy Executive Director are hereby authorized and directed to do all of the following:

(a) 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 that funding not be available for any reason whatsoever.

(b) Allocate funding not to exceed those amounts approved by the Authority for the Grantee.

(c) Execute and deliver to the Grantee any and all documents necessary to complete the transfer of moneys that are consistent with the Community Services Infrastructure Grant Program.

(d) Do any and all things and to execute and deliver any and all documents that the Executive Director, or the Deputy Executive Director, deems necessary or advisable to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 4. All funding from this grant shall be used in support of the Grantee's jail diversion Project, as described in the Community Services Infrastructure Grant Program application and Exhibit A to this Resolution.

Section 5. This Resolution shall repeal on June 30, 2025, unless extended by action of the Authority prior to that date.

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

## EXHIBIT A

### PROJECT DESCRIPTION

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

The County must develop a new jail diversion facility to provide mental health treatment, substance use disorder treatment services and trauma centered 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 California Code of Regulations, title 4, section 7413(p), (q), (r), and (y) of the Community Services Infrastructure Grant Program regulations.

#### Summary of Amounts:

Project	Approved Grant Amounts
Pathways to Wellness Program	\$ 2,500,000.00
<b>Total</b>	<b>\$ 2,500,000.00</b>