

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)
Investment in Mental Health Wellness Grant Program for Children and Youth

Third Amendment and Restatement to Resolution No. CY 2021-03
(Second Funding Round)

and

First Amendment and Restatement to Resolution No. CY 2023-03
(Fifth Funding Round)

County of Los Angeles

December 11, 2025

PURPOSE OF THE REQUEST:

The County of Los Angeles (County) is requesting the Authority approve amendments for its two Investment in Mental Health Wellness Grant Program for Children and Youth (Welf. & Inst. Code, §5848.5) (CY) projects, as follows:

- 1) a third amended and restated Resolution Number CY 2021-03 to amend the milestone condition deadlines and extend the grant period and resolution expiration dates for the projects located at the Martin Luther King, Jr. Healthcare Campus (MLK) and Olive View-UCLA Medical Center Campus (Olive View); and
- 2) a first amended and restated Resolution Number CY 2023-03 to amend the milestone condition deadlines and extend the grant period and resolution expiration dates for the projects located at the MLK, Olive View, and High Desert Restorative Care Village (High Desert).

ISSUE:

The County will not be able to meet the milestone condition deadlines of: (1) being open and operational by December 31, 2025; and (2) submitting all disbursement documentation by January 31, 2026 for both grants at the three project site locations. The County was awarded two CY program grants, that together would fund three new Crisis Stabilization Unit (CSU) programs on County-owned properties at MLK, Olive View, and High Desert.

The County is experiencing delays in selecting a service provider for each of the three site locations, as the initial solicitation for proposals received no response. A revised request for proposal, for service providers, was reissued on August 1, 2025, and received multiple interested responses. Additional time is needed to finalize the selection of the service providers and obtain Medi-Cal certification. Construction for the CSUs located at MLK and Olive View was completed in June 2025, and construction for the High Desert CSU was completed in October 2025. The County anticipates that all facilities will be open and operational by December 2026.

The County has submitted an updated timeline and is requesting to amend its milestone condition deadlines of being open and operational from December 31, 2025 to December 31, 2026 and of submitting all disbursement documentation from January 31, 2026 to June 30, 2027. These extensions will give the County time execute the service provider agreements, obtain Medi-Cal certification, address any unforeseen issues, and become open and operational.

On September 17, 2025, the Governor signed Senate Bill 105, which extended the CY encumbrance deadline from June 30, 2026 to June 30, 2028, which results in a June 30, 2030 disbursement deadline.

BACKGROUND:

The County was approved by the Authority for two CY grants during two funding rounds to develop three CSU programs with nine beds each to provide mental health crisis services for children and youth.

1st Grant: Resolution No. CY 2021-03 (Second Funding Round) – MLK and Olive View locations:

On April 29, 2021, the Authority approved Resolution No. CY 2021-03, awarding the County grant funds in an amount not to exceed \$2,953,847.15 to add two new six-bed crisis stabilization unit programs that will provide mental health care services to children and youth ages three to 12 experiencing a mental health crisis or distress. The County expects that the two new CSU programs will serve an additional 4,380 children and youth annually. Grant funds will be used to finance renovation and furnishings and equipment costs.

The resolution was approved with a grant period and resolution expiration date of March 31, 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 March 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 March 31, 2023; and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than September 30, 2023.

On February 23, 2023, the Authority approved a first amendment to the resolution extending the grant period and resolution expiration dates from March 31, 2024 to August 31, 2025 to give the County sufficient time to complete renovations, execute the service provider contracts, obtain licensing and Medi-Cal certification, and to become open and operational 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 December 31, 2024; (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 open and operational on or before December 31, 2024; and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than March 31, 2025.

On September 26, 2024, the Authority approved a second amendment to the resolution extending the grant period and resolution expiration dates from August 31, 2025 to June 30, 2026 to give the County time to complete renovations, execute service provider contracts, obtain licensing and Medi-Cal certifications, and to become open and operation with the following milestone conditions: (1) the County shall provide evidence acceptable to Authority staff demonstrating that the project shall be open and operational on or before December 31, 2025; (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 open and operational on or before December 31, 2025; and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than January 31, 2026.

2nd Grant: Resolution No. CY 2023-03 (Fifth Funding Round) – MLK, Olive View, and High Desert locations:

On December 7, 2023, the Authority approved Resolution No. CY 2023-03, authorizing a CY grant for the County in an amount not to exceed \$3,970,442.53 to develop a new nine-bed CSU on County-owned property at the High Desert Restorative Care Village (High Desert), and add three beds to each of its existing six-bed CSU projects approved for funding with grant Resolution No. CY 2021-03, located at the MLK and Olive View campuses. The CSUs will provide 24/7 mental health assessment and crisis stabilization to approximately 9,855 children and youth ages three to 12 experiencing mental health crisis or distress annually. The resolution was approved with a grant period and resolution expiration date of June 30, 2026, 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 December 31, 2025; and funds shall not be disbursed if the Grantee is not able to provide evidence acceptable to the Authority staff and (2) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than January 31, 2026.

RECOMMENDATION:

Staff recommends the Authority approve a third amendment and restatement to Resolution Number CY 2021-03 and a first amendment and restatement to Resolution Number CY 2023 03 to amend the milestone conditions deadlines and extend the grant period and resolution expiration dates to June 30, 2028, 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 December 31, 2026, 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 June 30, 2027.

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

~~SECOND AMENDMENT TO~~ THIRD AMENDED AND RESTATED
RESOLUTION NO. CY 2021-03

~~A-THIRD AMENDED AND RESTATED~~ 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 LOS ANGELES

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, on April 29, 2021, the Authority ~~staff reviewed the application submitted by County of Los Angeles (“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 adopted Resolution No. CY 2021-03, approving a grant for the County of Los Angeles (“Grantee”) in an amount not to exceed \$2,953,847.15~~ 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, on February 23, 2023, the Authority adopted Amended Resolution No. CY 2021-03, extending the Project’s grant period to August 31, 2025 and amending the milestone conditions of: (1) being open and operational to December 31, 2024; and (2) submitting disbursement documents to March 31, 2025; and

WHEREAS, on September 24, 2024, the Authority adopted Second Amended Resolution No. CY 2021-03, extending the Project’s grant period to June 30, 2026 and amending the milestone conditions of: (1) being open and operational to December 31, 2025; and (2) submitting disbursement documents to January 31, 2026; and

WHEREAS, the Grantee requests an additional extension of the milestone conditions to complete the project.

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 \$2,953,847.15 to the Grantee to complete the Project within a grant period that ends on ~~June 30, 2026~~ June 30, 2028. Within this grant period, Grantee shall provide evidence acceptable to Authority staff demonstrating the Project shall be open and

operational on or before ~~December 31, 2025~~ December 31, 2026, and funds shall not be disbursed if Grantee is unable to provide evidence acceptable to Authority staff. Grantee must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than ~~January 31, 2026~~ June 30, 2027.

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 programs for children and youth.

Section 6. This resolution expires on ~~June 30, 2026~~ June 30, 2028.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Crisis Stabilization Unit

The County will add at least twelve new beds to develop two new crisis stabilization unit programs that will provide mental health services for children and youth ages three to 12. 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 unit program for children and youth.

Summary of Amount:

Program	Approved Grant Amount
Crisis Stabilization Unit	\$ 2,953,847.15

FIRST AMENDED AND RESTATED RESOLUTION NO. CY 2023-03

**~~A~~ FIRST AMENDED AND RESTATED 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 LOS ANGELES**

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 (Welf. & Inst. Code, § 5848.5) to implement the Investment in Mental Health Wellness Grant Program for Children and Youth (Cal. Code Regs., tit. 4 § 7313 et seq.) (“Children and Youth Program”) to award grants for capital funding and personnel 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 children and youth 21 years of age and under; and

WHEREAS, The County of Los Angeles (“Grantee”) qualifies as an eligible entity under Welfare and Institutions Code section 5848.5(f); and

WHEREAS, on December 23, 2023, the Authority ~~staff reviewed the Grantee’s application against the eligibility requirements of the Children and Youth Program, and pursuant to the Children and Youth Program, recommends the approval of a grant~~ adopted Resolution No. CY 2023-03 approving a grant for the Grantee in an amount not to exceed \$3,970,442.53 of one-time capital funding for the eligible project (the “Project”), as described in the Grantee’s application; and

WHEREAS, the Grantee requests an additional extension of the milestone conditions to complete the project.

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 \$3,970,442.53 to the Grantee to complete the Project as described in the Children and Youth Program application and Exhibit A to this Resolution (Exhibit A is here by incorporated by reference), by ~~June 30, 2026~~ June 30, 2028 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 ~~December 31, 2025~~ December 31, 2026, 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 ~~January 31, 2026~~ June 30, 2027.

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 Children and Youth 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 3. All funding from this grant shall be used in support of the Grantee's crisis stabilization program for children and youth, as described in the Children and Youth Program application and Exhibit A to this Resolution.

Section 4. This Resolution shall repeal on ~~June 30, 2026~~ June 30, 2028.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Crisis Stabilization

The County will add at least 15 new Crisis Stabilization (CS) beds by developing a new, at least 9 bed, CS program and expanding, by at least three beds each, two of its existing CS programs that will provide mental health services for children and youth ages 3-12. 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 unit program for children and youth.

Summary of Amount:

Program	Approved Grant Amount
Crisis Stabilization – Capital Funding	\$ 3,970,442.53