

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

Investment in Mental Health Wellness Program for Children and Youth

**Third Amendment and Restatement to Resolution No. CY 2021-07
(Second Funding Round)**

County of San Mateo

December 11, 2025

PURPOSE OF THE REQUEST:

The County of San Mateo (County) is requesting the Authority approve a third amendment to Resolution Number CY 2021-07 to amend the milestone condition deadlines 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 December 31, 2025 and of submitting all disbursement documentation by February 28, 2026.

The County is renovating a portion of an existing eight-bed Psychiatric Emergency Services (PES) Unit at the San Mateo Medical Center to develop a dedicated three-bed Crisis Stabilization Unit (CSU) program for children and youth. The County has confirmed that renovation for the children and youth CSU started on January 8, 2025, and construction is expected to be completed by March 31, 2026. The County has received a Certification of Substantial Compliance from the Department of Health Care Access and Information, which confirms the project's compliance with the California Building Standards Codes, and shows completion of project at 95%. Further, the project may require clearance from the local Fire Department and/or the State Fire Marshal. Additionally, an onsite review from the California Department of Public Health (CDPH) is pending for its licensing approvals.

The County requested an extension to amend the milestone condition deadlines of being open and operational from December 31, 2025 to December 31, 2026, and of submitting all supporting disbursement documentation from February 28, 2026 to June 30, 2027, and to extend the grant period and resolution expiration dates from June 30, 2026 to June 30, 2028. This extension will give the County sufficient time needed to complete the onsite review with CDPH, address any unforeseen issues, and to be 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 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.

On July 27, 2023, the Authority approved the first amendment to the resolution extending the grant period and resolution expiration dates from April 30, 2024 to November 30, 2025 to give the County sufficient time to complete renovations to the psychiatric acute care and psychiatric emergency services units, which needed to be completed before renovation on the children and youth CSU could begin, 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 February 28, 2025 and funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff; and (2) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than August 31, 2025.

On January 30, 2025, the Authority approved the second amendment to the resolution extending the grant period and resolution expiration dates from November 30, 2025 to June 30, 2026 to complete renovations to the children and youth CSU that was delayed by staff and labor issues related to the relocation of the PES Unit and vacating the area for construction, 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, 2025, and funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff; and (2) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than February 28, 2026.

RECOMMENDATION:

Staff recommends the Authority approve a third amendment to Resolution Number CY 2021-07 to amend the milestone condition 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 2021-07

~~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 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, ~~on April 29, 2021, the 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~~ adopted Resolution No. CY 2021-07, approving a grant for the County of San Mateo (“Grantee”) in an amount not to exceed \$618,915.00 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;~~

WHEREAS, on July 27, 2023, the Authority adopted Amended Resolution No. CY 2021-07, extending the Project’s grant period to November 30, 2025 and amending the milestone conditions of: (1) being open and operational to February 28, 2025; and (2) submitting disbursement documents to August 31, 2025; and

WHEREAS, on January 30, 2025, the Authority adopted Second Amended Resolution No. CY 2021-07, 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 February 28, 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 \$618,915.00 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 ~~February 28, 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 program 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 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:

Program	Approved Grant Amount
Crisis Stabilization Unit	\$ 618,915.00