

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

Delegation of Powers, Resolution No. 2019-03

Investment in Mental Health Wellness Grant Program for Children and Youth (CY)

**County of Santa Cruz, Resolution Nos. CY 2022-04 and CY 2023-05
(Third and Fifth Funding Rounds)**

January 29, 2026

BACKGROUND: On February 24, 2022, the Authority approved a CY grant award for the County of Santa Cruz (County) in the amount of \$7,597,706.36 to develop a new 16-bed crisis residential treatment (CRT) facility to provide mental health services for children and youth (Reso No. CY 2022-04). On December 7, 2023, the Authority approved a CY grant award for the County in the amount of \$2,125,000 to renovate a County owned facility to develop an 8-bed crisis stabilization (CS) program to provide mental health care services for children and youth (Resolution No. CY 2023-05).

The Authority received a request from the County dated October 10, 2025 to extend its milestone condition deadlines for Resolution No. CY 2022-04, to be open and operational from December 31, 2025 to March 1, 2026, and an additional request dated December 3, 2025 to extend its milestone condition deadlines for Resolution No. CY 2023-05 to be open and operational from December 31, 2025, to March 1, 2026, and to submit all disbursement requests from January 31, 2026, to April 1, 2026, a 60-day extension for both resolutions' noted milestone conditions.

The County confirmed that construction for the facility was complete, and a service provider contract was approved but that additional time was required to obtain the Children's Crisis Residential Program license required for its CRT facility. The County is collaborating with the Department of Health Care Services and Department of Social Services to complete licensing. Additional time was also required to obtain Medi-Cal certification for its CS program, which is pending a walkthrough inspection by the Department of Health Care Services. The County reported that it anticipates both programs will be open and operational by March 1, 2026.

The County's grant period and resolution expiration dates for both grants is June 30, 2026.

ACTION: In consultation with STO legal counsel, who confirmed that the action fell within the Executive Director's delegated authority under Resolution No. 2019-03, the Executive Director executed the milestone condition extensions on December 18, 2025.