

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 2021-02
(Second Funding Round) and
Second Amendment and Restatement to Resolution No. CY 2023-01
(Fifth Funding Round)
County of Humboldt
January 29, 2026

PURPOSE OF THE REQUEST:

The County of Humboldt (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) Third amended and restated Resolution No. CY 2021-02 to amend the milestone condition deadlines and extend the grant period and resolution expiration dates; and
- (2) Second amended and restated Resolution No. CY 2023-01 to amend the milestone condition deadlines and extend the grant period and resolution expiration dates.

ISSUE:

The County will not be able to meet the milestone condition deadlines of: (1) being open and operational by February 28, 2026; and (2) of submitting all disbursement documentation by March 31, 2026 for its two CY program grants, that combined, fund the purchase and renovation of a 12-bed crisis residential treatment (CRT) facility.

The County and Sorrel Leaf Healing Center, the County's non-profit designated grantee (Designated Grantee), need additional time to complete construction, hire staffing, and obtain its Children's Crisis Residential Program (CCRP) license.

Approximately 87% of construction for the CY program's main facility has been completed, and additional time is required to finalize painting, flooring, interior finishes, and courtyard improvements. An eagles' nest on the approximate 13-acre CRT facility property, delayed the start of construction from the beginning, due to the National Resource Management Corporation (NRMC) eagles' nesting season restriction, which runs annually from February 1 to August 31, impacting the outdoor construction. This restriction was lifted around February 2025, after the NRMC determined there was sufficient distance between the facility and the eagles' nest, allowing construction to resume without pauses.

To date a total of \$2,138,230.50 (\$62,127.30 for the Mobile Crisis Support Team (MCST) and the rest for the CRT) in capital funding has been disbursed from the first grant for property acquisition and construction. However, program changes, additional contemplated project changes, several changes in proportionate share calculations of square footage of eligible

spaces, and delayed submission of required documentation contributed to delayed Authority staff reconciliation and subsequent grant disbursement approval. Construction was temporarily paused beginning October 31, 2025 due to the exhaustion of available liquidity. However, since then, Authority staff has approved an advance on the construction contract and reimbursement of construction costs in the amount of \$1,398,051.80 from the first grant, and \$1,440,157.53 from the second grant, and the disbursement is expected to be received by the Grantee by January 30, 2026. The Designated Grantee has confirmed arrangements will be made with the construction contractor to resume construction once the disbursement is received.

The County also needs additional time to obtain its CCRP license, which it is actively working towards obtaining. The CCRP licensure is a requirement of the CY Program and necessitates sign offs from the California Department of Health Care Services and the Department of Social Services. The amount of time needed to obtain a CCRP license is still undetermined due to the fact that no CY program CRT project has obtained licensing as of yet.

After receipt of the current disbursement advance being processed by the 30th of January, the first grant in the amount of \$3,536,282.30 (\$272.70 in capital funds for the MCST project has been forfeited because the project has no other expenses) will be fully disbursed. A total amount of \$1,440,157.53 from the second grant will have been disbursed, with \$1,069,147.87 remaining to be disbursed.

The County is requesting to amend the milestone condition deadlines of being open and operational from February 28, 2026 to May 31, 2027, of submitting all disbursement documentation from March 31, 2026 to November 30, 2027, and of extending the grant period and resolution expiration dates to from June 30, 2026 to November 30, 2028 for both resolutions. These extensions will give the County time to complete construction, obtain CCRP licensing, 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, allowing this extension request to be granted upon Authority approval.

BACKGROUND:

The County was approved by the Authority for two CY grants during two funding rounds to develop a twelve-bed CRT program and one MCST to provide mental health crisis services for children and youth.

1st CY Grant (Round 2):

On April 29, 2021, the Authority approved Resolution No. CY 2021-02, authorizing a CY grant for the County in the amount of \$5,104,321.00 to add a 9-bed CRT program, a 3-bed Crisis Stabilization Unit (CSU), and one MCST. Of the total approved grant funds, \$4,944,161 is for capital funding (CRT: \$3,474,155; CSU: \$1,407,606; and MCST: \$62,400) and \$160,160 is for annual personnel funding for up to five years subject to the availability of appropriations for

this purpose in the Legislature's annual Budget Act. The resolution was approved with a grant period expiration date of April 30, 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 April 30, 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 April 30, 2023; and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than October 31, 2023.

On February 23, 2023, the Authority approved a first amendment to Resolution No. CY 2021-02, amending the milestone conditions and extending the grant period expiration date to give the County additional time needed to finish the renovation of the CRT facility. The Authority also approved an amendment in the project description in the resolution to remove the CSU project and all associated funding, reducing the total grant amount from \$4,944,161 to \$3,536,555. The amendment to the resolution was approved, with a grant period expiration date of April 30, 2026, and the following milestones conditions: (1) the County shall provide evidence acceptable to Authority staff demonstrating that the project shall be operational on or before April 30, 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 operational on or before April 30, 2025, and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than August 31, 2025.

The MCST began providing services on July 1, 2023.

On March 27, 2025, the Authority approved a second amendment to the resolution, amending the milestone conditions and extending the grant expiration date to give the County additional time to finish the renovation of the CRT facility. The authority also approved an amendment to the project description in the resolution, modifying the age range of client populations served to children and youth ages seven to 17. The amendment to the resolution was approved, with a grant period expiration date of June 30, 2026, and the following milestones conditions: (1) the County shall provide evidence acceptable to Authority staff demonstrating that the project shall be operational on or before February 28, 2026, (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 February 28, 2026, and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than March 31, 2026.

2nd CY Grant (Round 5):

On December 7, 2023, the Authority approved Resolution No. CY 2023-01, authorizing a CY grant for the County in the amount of \$2,509,305.40 to add three new beds to the nine-bed CRT project approved for funding with the grant Resolution No. CY 2021-02, to serve children and youth ages seven to 18 experiencing a mental health crisis. The additional three CRT beds were to serve approximately 108 clients annually. The resolution was approved with a grant

period 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 July 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 December 31, 2025.

On March 27, 2025, the Authority approved a first amendment to the resolution, amending the milestone conditions to give the County additional time to finish the renovation of the CRT facility. The authority also approved an amendment to the project description in the resolution to modify the age range of client populations served, serving children and youth from seven to 17. The amendment to the resolution was approved 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 February 28, 2026; 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 March 31, 2026.

RECOMMENDATION:

Staff recommends the Authority approve a third amended and restated Resolution No. CY 2021-02 and a second amended and restated Resolution No. CY 2023-01 to amend the project descriptions and the milestone condition deadlines and extend the grant period and resolution expiration dates to November 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 May 31, 2027, 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 November 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 2021-02

~~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 HUMBOLDT

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 Humboldt (“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 2021-02, approving a grant for the County of Humboldt (“Grantee”) in an amount not to exceed \$5,104,321.00 for the eligible project (the “Project”), which consists of crisis residential treatment capital costs, crisis stabilization capital costs, mobile crisis support team capital costs and mobile crisis support team personnel 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 2021-02, extending the Project’s grant period to April 30, 2026, amending the milestone conditions of: (1) being open and operational to April 30, 2025; and (2) submitting disbursement documents to August 30, 2025, and amending the project description to remove the Crisis Stabilization Unit and reducing the total grant amount from \$4,944,161.00 to \$3,536,555.00 ; and

WHEREAS, on March 27, 2025, the Authority adopted Second Amended Resolution No. CY 2021-02, extending the Project’s grant period to June 30, 2026 and amending the milestone conditions of: (1) being open and operational to February 28, 2026; and (2) submitting disbursement documents to March 31, 2026, and amending the project description to change the eligible youth population served from ages seven through 21 to ages seven through 17; and

WHEREAS, the Legislature has and may continue to appropriate funds for mobile crisis support team personnel costs in future fiscal years;

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 the amount of \$3,536,555.00 to the Grantee to complete the Project within a grant period that ends on ~~June 30, 2026~~ November 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 ~~February 28, 2026~~ May 31, 2027, and funds shall not be disbursed if Grantee is unable to provide evidence acceptable to Authority staff. Grantee must submit all capital costs disbursement requests, including required supporting documentation, to the Authority no later than ~~March 31, 2026~~ November 30, 2027.

Section 2. The Authority hereby approves a grant for mobile crisis support team personnel costs in the annual amount of \$160,160.00 for up to five years. Annual grant amounts subsequent to the initial amount granted are subject to availability of annual budget appropriations by the Legislature. The Executive Director, or the Deputy Executive Director, are hereby authorized and directed, for and on behalf of the Authority, to continue to disburse those funds as may be available under the State Budget Act for each fiscal year.

Section 3. 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 4. 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 5. 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 6. All funds from this grant must be used in support of the County's crisis residential treatment and mobile crisis support team programs for children and youth.

Date Approved: _____

EXHIBIT A
PROJECT DESCRIPTION

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

Crisis Residential Treatment

The County will develop a new Crisis Residential Treatment (CRT) program with at least nine beds to provide mental health crisis services for children and youth ages seven to 17. 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 residential treatment program for children and youth.

Mobile Crisis Support Team

The County will add at least one new mobile crisis support team by purchasing one new vehicle and hiring two new full-time equivalent staff that may include a licensed clinical social worker and a medical assistant to provide mental health crisis services for children and youth ages seven to 21. 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 mobile crisis support team program for children and youth.

Summary of Amounts:

Program	Approved Grant Amounts
Crisis Residential Treatment Program	\$ 3,474,155.00
Mobile Crisis Support Team – Capital Funding	\$ 62,400.00
Mobile Crisis Support Team – Personnel Funding	\$ 160,160.00
Total	\$ 3,696,715.00

~~AMENDMENT TO SECOND AMENDED AND RESTATED~~
RESOLUTION NO. CY 2023-01

~~A~~ SECOND 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 HUMBOLDT

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 Humboldt (“Grantee”) qualifies as an eligible entity under Welfare and Institutions Code section 5848.5(f); and

WHEREAS, on December 7, 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 2023-01, approving a grant for the Grantee in an amount not to exceed \$2,509,305.40 of one-time capital funding for the eligible project (the “Project”), 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

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 ~~\$2,509,350.40~~ \$2,509,305.40 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 hereby incorporated by reference), by ~~June 30, 2026~~ November 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 ~~February 28, 2026~~ May 31, 2027, 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, 2026~~ November 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 residential treatment 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~~ November 30, 2028.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Crisis Residential Treatment

The Grantee will add at least three new beds to an existing nine-bed crisis residential treatment program that will provide mental health services for children and youth ages seven to 17. The Grantee may use the grant funding, consistent with California Code of Regulations, title 4, section 7315 of the Children and Youth Program regulations, to finance eligible costs in support of the Grantee's crisis residential treatment program for children and youth.

Summary of Amounts:

Program	Approved Grant Amount
Crisis Residential Treatment – Capital Funding	\$ 2,509,305.40