

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (the “Authority”)
 INVESTMENT IN MENTAL HEALTH WELLNESS ACT OF 2013
 Resolution No. 2016-02**

January 5, 2016

REQUEST:

Staff seeks approval for flexibility in funding Investment in Mental Health Wellness Grant Program (“Program”) grant applications for the Fifth Funding Round tentatively scheduled to open January 8th and close March 8th. Currently, the Authority has approximately \$31 million in Program funds remaining. The below table shows, by program area, the funds available for the statewide competition (the regional maximums will be eliminated). Capital funding may increase due to the forfeiture of additional unused grant funds allocated in previous funding rounds.

Capital Funds Available Before Forfeiture

Crisis Residential	Crisis Stabilization	Mobile Crisis	Total Available
\$ 25,870,110.19	\$ 5,629,915.14	\$ 221,340.14	\$ 31,721,365.47

Capital Funds Available After Forfeiture

Crisis Residential	Crisis Stabilization	Mobile Crisis	Total Available
\$ 25,870,110.19	\$ 5,629,915.14	<u>\$ 276,182.77</u>	<u>\$ 31,776,208.10</u>

Staff’s recommendation foreshadows counties’ needs not fully aligning with the capital funds available in each program and the desire to award all remaining funds by the June 30, 2016 deadline. After June 30, 2016, all unawarded funds revert back to the General Fund.

Staff seeks authority to have flexibility to reallocate remaining program grant funds to award meritorious applications while, to the extent possible, maintaining the integrity of the Program allocations in the chart above. The flexibility requested would allow any remaining funds in the Crisis Residential Treatment program be reallocated to award any meritorious Crisis Stabilization grant applications. If funding remains, moneys would then be reallocated to the Mobile Crisis Support Team program to fund meritorious applications. If approved by the Authority, eligible programs may include Peer Respite Care, up to \$3,000,000, and would be awarded only if funds remain after all the Crisis Residential Treatment, Crisis Stabilization and Mobile Crisis Support Team programs are evaluated, scored and funded.

Staff will make Initial Allocations¹ to Counties taking into consideration their total scores, readiness scores, costs per bed, any previous awards, and project statuses of previous awards. The Program regulations allow Authority staff to award Initial Allocations that may be less than the amount requested in the Application to fund more grants, control project costs, or achieve the statewide objective of a minimum of 2,000 new Crisis Stabilization and Crisis Residential Treatment beds and 25 new Mobile Crisis Support Teams.

¹ Initial Allocation is defined in regulations as, “the Grant amount the Authority staff recommends the Authority approve for final allocation . . .” and Final Allocation is defined as “the grant amount approved by the Authority.”

Previously, the Authority approved programmatic changes, including reallocating \$15 million in Program funds from the Crisis Residential Treatment program to the Crisis Stabilization program in response to county needs expressed in the California Behavioral Health Directors Association's ("CBHDA") survey on how to address the remaining Program funds. Also, staff noted the oversubscription of Crisis Stabilization applications in the first and fourth funding rounds and received indications from the CBHDA of the need for additional funding for Crisis Stabilization.

The Department of Finance advised Authority staff that since the Budget Act appropriation was made at the program level, the Authority can reallocate funds among the programs.

RECOMMENDATION:

Staff recommends the Authority approve the flexibility to reallocate remaining Program funds to maximize the likelihood of awarding all Program funds while, to the extent possible, maintaining the integrity of the Program allocations in the chart above.

RESOLUTION NO. 2016-02

**RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING
AUTHORITY APPROVING FLEXIBILITY OF FUNDING FOR THE INVESTMENT
IN MENTAL HEALTH WELLNESS ACT OF 2013 GRANT PROGRAM**

WHEREAS, the Investment in Mental Health Wellness Act of 2013 (the “Act”) established a grant program for mental health crisis services with funding from various sources and authorized the California Health Facilities Financing Authority (the “Authority”) to, among other things, develop specified selection criteria and maximum grant amounts for awarding grants to eligible applicants which are counties, counties acting jointly, or counties with private non-profit corporations or public agencies counties may designate;

WHEREAS, since the grant awards for the first and second funding rounds, the Authority has authorized the reallocation of \$15 million of program funds remaining after the third funding round awards from funding available for the development of Crisis Residential Treatment programs to funding available for the development of Crisis Stabilization programs;

WHEREAS, since the reallocation of grant awards for the first through fourth funding rounds, Authority staff has identified the need for the flexibility to reallocate remaining Program funds to maximize the potential that all funds will be encumbered in the fifth funding round; and

WHEREAS, the Authority must act to reallocate funds for the improved implementation and operation of the Investment in Mental Health Wellness Grant Program;

BE IT RESOLVED, by the California Health Facilities Financing Authority as follows:

Section 1. Flexibility for the reallocation of program funds is hereby approved as presented by Authority staff and attached hereto as Attachment A. The Chair, any Deputy to the Chair, Executive Director and Deputy Executive Director are each hereby authorized, for and on behalf of the Authority, to do any and all things as required by the Department of Finance to provide flexibility to reallocate remaining funds. The Chair, any Deputy to the Chair, Executive Director and Deputy Executive Director are each hereby authorized and directed to do any and all things and to execute and deliver any and all documents which the Executive Director deems necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby including making or causing to be made such changes to the allocation of program funds.

Section 2. This Resolution shall take effect immediately upon its approval.

Date Approved: _____

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