

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

Investment in Mental Health Wellness Grant Program (“IMHWGP”)

**Amendment to Resolution Numbers
MH 2014-23 and MH 2014-25**

February 25, 2016

PURPOSE OF THE REQUEST:

At the February 26, 2015 and December 3, 2015 Authority meetings, the Authority approved extensions to resolution expiration dates for a number of counties in the first and second funding rounds due to various delays in obtaining County Board of Supervisors approval on projects as well as other documentation required for completion of the project. At the December 3, 2015 meeting, staff also indicated to the Authority that additional extensions may be needed.

Staff is now seeking Authority approval to extend the resolution expiration dates as outlined in Table 1 for the reasons explained below for each County.

Fresno County

On December 4, 2014, the Authority awarded the County of Fresno (“Fresno”) \$3,100,714.60 to construct its first Crisis Residential Treatment program (“CRT”). Fresno’s original timeline anticipated completing the construction of the CRT by December 2015 and projected services to begin by April 2016. However, Fresno has experienced several procedural delays, which extended the project timeline, and is therefore requesting an extension of the resolution expiration date to June 30, 2017.

The causes for Fresno’s delay include staffing reductions in its Public Works (Capital Projects Division) during the recession, process changes in how construction related items are presented to the Board of Supervisors, disagreements in contract liability language, and allocation of resources to the successful completion of Fresno’s Adult and Youth Crisis Stabilization Unit (first funding round award).

Fresno has implemented several corrective actions. In December 2015, it added two architectural assistants to help facilitate the completion of the project and assigned a division manager to directly supervise the construction, overcome delays, and move the CRT project toward readiness and completion. Also, on January 29, 2016, Fresno executed the architectural design and engineering contract. Additionally, it provided an updated CRT project completion timeline with the request for proposal for construction expected to be released in June of 2016. Fresno expects to begin construction of the CRT in August 2016 and complete construction between April and June of 2017.

Sacramento County

On December 4, 2014, the Authority awarded the County of Sacramento (“Sacramento”) \$1,212,720.00 for a new CRT program. Sacramento’s original timeline anticipated completing the project within nine months of the grant award. On April 28, 2015, Sacramento, in collaboration with its non-profit service provider Turning Point Community Programs (“TPCP”), purchased a building located at 505 M Street in Rio Linda for the CRT Program.

Sacramento was the first grantee to implement the model that allows grant funds to be used directly by a private nonprofit service provider for property acquisition and renovation costs. The IMHWGP regulations required certain provisions be in place prior to disbursing funds for renovations. Section 7225.1 of the IMHWGP regulations required Sacramento and TPCP to enter into a lease agreement, which then needed to be recorded in the chain of title through a Deed of Trust. After several conversations with the Authority and its counsel as well as experiencing numerous unanticipated delays in the development of the lease agreement, Sacramento and TCPC executed the lease agreement in December 2015.

Sacramento and TCPC have satisfied the requirements of Section 7225.1, and funds have been requested for the renovation portion of the project. The renovations will begin as soon as funds are disbursed, and TPCP anticipates renovations will be completed in three months at which point Sacramento would request funds for furniture, equipment, IT and startup. Sacramento has requested an extension of the Resolution to December 31, 2016 to ensure Sacramento will be able to complete its project and request all necessary funding.

RECOMMENDATION:

Staff recommends the Authority approve amendments to the resolution expiration dates as identified below in Table 1. All other conditions in the resolutions shall remain the same and in full effect.

Table 1 – Second Funding Round Extensions

Resolution Number	County	Current Expiration Date	Recommended Resolution Date
MH 2014-23	Fresno	6/30/2016	06/30/2017
MH 2014-25	Sacramento	3/31/2016	12/31/2016

AMENDMENT TO RESOLUTION NO. MH 2014-23

**A RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
EXECUTION AND DELIVERY OF GRANT FUNDING UNDER
THE INVESTMENT IN MENTAL HEALTH WELLNESS GRANT PROGRAM
TO THE COUNTY OF FRESNO**

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, the “Act”) and implementing regulations (California Code of Regulations Title 4, Division 10, Chapter 5 (commencing with Section 7113)) to award grants for capital funding and personnel funding to finance eligible projects; and

WHEREAS, Authority staff reviewed the application submitted by County of Fresno (“Grantee”) against the eligibility requirements of the Act and implementing regulations and, pursuant to the Act and implementing regulations, recommends approval of a grant in an amount not to exceed \$3,100,714.60 for the eligible project (the “Project”), which consists of no more than \$3,100,714.60 for crisis residential treatment capital costs;

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

Section 1. The Authority hereby approves a grant in a total amount not to exceed \$3,100,714.60 to complete 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) within a project period that ends on ~~June 30, 2016~~June 30, 2017.

Section 2. The Executive Director is hereby authorized 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 and extend the project period completion date identified in Section 1 as authorized under the Act and implementing regulations. Nothing in this Resolution shall be construed to require the Authority to provide any additional funding, even if more grants are approved than there is 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 completed for any reason whatsoever.

Section 3. The Executive Director is 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 is 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 Act and implementing regulations.

Section 4. The Executive Director of the Authority is 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.

| Section 5. This Resolution expires ~~June 30, 2016~~June 30, 2017.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by the County of Fresno as follows:

The County of Fresno (the “County”) will establish its only Crisis Residential Treatment (“CRT”) Program to prevent acute inpatient psychiatric placements, reduce lengths of stay in more intensive inpatient settings, and improve immediate and long-term outcomes for adults in crisis. The CRT Program will expand capacity by adding 16 new beds. As a result, approximately 194 consumers annually will have access to CRT services. The CRT Program will fill a gap in the County’s continuum of care for crisis services that includes a Crisis Stabilization Program approved for a Grant in the first funding round. ~~The County anticipates that the CRT Program will be operational by April 2016.~~ Grant funds will be used for construction only.

Summary of Amount:

Program	Approved Grant Amount
Crisis Residential Treatment	\$ 3,100,714.60

SECOND AMENDMENT TO RESOLUTION NO. MH 2014-25

**A RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
EXECUTION AND DELIVERY OF GRANT FUNDING UNDER
THE INVESTMENT IN MENTAL HEALTH WELLNESS GRANT PROGRAM
TO THE COUNTY OF SACRAMENTO**

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, the “Act”) and implementing regulations (California Code of Regulations Title 4, Division 10, Chapter 5 (commencing with Section 7113)) to award grants for capital funding and personnel funding to finance eligible projects; and

WHEREAS, Authority staff reviewed the application submitted by County of Sacramento (“Grantee”) against the eligibility requirements of the Act and implementing regulations and, pursuant to the Act and implementing regulations, recommends approval of a grant in an amount not to exceed \$1,212,720.00 for the eligible project (the “Project”), which consists of no more than \$1,212,720.00 for crisis residential treatment capital costs;

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

Section 1. The Authority hereby approves a grant in a total amount not to exceed \$1,212,720.00 to complete 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) within a project period that ends on ~~March 31, 2016~~December 31, 2016.

Section 2. The Executive Director is hereby authorized 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 and extend the project period completion date identified in Section 1 as authorized under the Act and implementing regulations. Nothing in this Resolution shall be construed to require the Authority to provide any additional funding, even if more grants are approved than there is 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 completed for any reason whatsoever.

Section 3. The Executive Director is 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 is 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 Act and implementing regulations.

Section 4. The Executive Director of the Authority is 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.

| Section 5. This Resolution expires ~~March 31, 2016~~ December 31, 2016.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by the County of Sacramento as follows:

The County of Sacramento (the “County”) will implement a new 15-bed Crisis Residential Treatment (“CRT”) Program to expand alternatives to inpatient psychiatric services for individuals experiencing an acute mental health crisis between the ages of 18 and 59. The County will improve access to crisis services by coordinating the services of the proposed new CRT Program, the new Triage/Peer Navigators program, the Mobile Crisis Support Teams Program approved for a Grant in the first funding round, and an existing 12-bed Crisis Residential Treatment program. The additional 15 beds will increase the County’s capacity for CRT services by 125%. The existing 12-bed CRT program currently serves 177 individuals annually and it is anticipated that the new CRT Program will serve an additional 231 individuals annually, increasing total individuals served to 408 annually. ~~The County expects to begin providing CRT services within nine months of Final Allocation.~~ Grant funds will be used to renovate an existing building, purchase furnishings, equipment, and information technology, and to finance three months of start-up costs.

Summary of Amounts:

Program	Approved Grant Amount
Crisis Residential Treatment	\$ 1,212,720.00