

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

Peer Respite Care Grant Program

Amendment to Resolution Number PR 2016-02 (Santa Cruz County)

January 26, 2016

PURPOSE OF THE REQUEST:

The Authority approved a grant for Santa Cruz County (the “County”) in an amount not to exceed \$1,126,828.00 at its May 26, 2016 meeting. In its application, the County planned to purchase and renovate real property to expand its current Peer Respite Care Program (“PRCP”) from six to eight beds. The County’s designated non-profit service provider in the current PRCP, Encompass Community Services (“Encompass”), will continue to provide peer respite services at the new facility.

Since the approval of the grant by the Authority, the County has struggled to purchase property due to several issues such as (1) Not in My Backyard “NIMBY” concerns, the (2) hot housing market in which houses are listed and sold within a few days, and (3) properties that remain on the market longer require renovations that would cost more than budgeted to complete. Therefore, the County decided to request that its non-profit service provider purchase the property to better address or avoid the issues above altogether. The County would avoid the timely process of gaining Board of Supervisors’ approval to submit a purchase offer and run the risk of losing the property. Encompass’ board approval process is much quicker than the County’s, and the faster process would allow the County to avoid having to purchase property that requires costly renovation. The County also believes that Encompass can better address NIMBY concerns due to its positive reputation gained through the immense behavioral health and social services it provides.

The County is requesting an amendment to its project description to allow its non-profit service provider to purchase property using grant funds. With this amendment, the County will be able to implement its PRCP more quickly and efficiently while maintaining the same six to eight-bed expansion. A revised project description will allow the County’s nonprofit service provider, Encompass, to use grant funds to purchase and hold title to property for the PRCP. Encompass will be required to execute a Grant Agreement and enter into a lease agreement with the County, which must contain the provisions required under the Program regulations (e.g. term of the lease shall be at least as long as the useful life of the project, sale of the property shall be subject to the lease agreement, the property shall be used only for the PRCP, etc.) to help ensure the grant funds will be solely used for the PRCP as outlined in the Grant Agreement. The County plans to complete this project and be operational with no changes to the original timeframe.

The requested changes to Resolution Number PR 2016-02 are attached as Exhibit A in track changes.

RECOMMENDATION:

Staff recommends the Authority approve the Amendment to Resolution Number PR 2016-02 to revise the project description to allow the County’s designated non-profit organization to purchase and renovate real property. All other conditions in the Resolution shall remain the same and in full effect.

AMENDMENT TO RESOLUTION NO. PR 2016-02

**A RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
EXECUTION AND DELIVERY OF GRANT FUNDING UNDER
THE PEER RESPITE CARE GRANT PROGRAM
TO THE COUNTY OF SANTA CRUZ**

WHEREAS, the California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by SB 75 (Stats. 2015, Ch. 18, Sec. 55) and implementing regulations (California Code of Regulations, Title 4, Division 10, Chapter 6 (commencing with Section 7210)) to award grants for capital funding to finance eligible projects for peer respite care; and

WHEREAS, Authority staff reviewed the application submitted by the County of Santa Cruz (“Grantee”) against the eligibility requirements of the Peer Respite Care Grant Program and recommends approval of a grant in an amount not to exceed \$1,126,828.00 for the eligible project (the “Project”);

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 \$1,126,828.00 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 December 31, 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 Peer Respite Care Grant Program. 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 Peer Respite Care Grant Program.

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 December 31, 2017.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Peer Respite Care Program

The County of Santa Cruz (the “County”) will ~~purchase and renovate real property to~~ expand its Peer Respite Program from 6 beds to 8 beds. The program, also known as 2nd Story, was launched in 2010 as the first peer respite program in the State of California and one of the first in the country. 2nd Story is operated by Encompass Community Services (“Encompass”), a [nonprofit corporation](#), and overseen by the Santa Cruz County Mental Health and Substance Abuse Services Division. 2nd Story provides short-term residential support in a home-like environment for six individuals at a time and will increase to eight individuals with the new facility. The program is staffed entirely by peers trained in Intentional Peer Support, which focuses on community orientated supports rather than formal service relationships. 2nd Story serves adults 18 years and older experiencing sub-acute psychotic symptoms and potentially at risk of hospitalization. The program will operate 24 hours a day, seven days per week and is expected to provide services for more than 273 stays per year. ~~Grant funds will be used for purchase of real property and renovation.~~ [Encompass, as the County’s nonprofit service provider, will use grant funds for real property acquisition and construction/renovation.](#)

Summary of Amounts:

Program	Approved Grant Amount
Peer Respite Care	\$ 1,126,828.00