

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)**

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

**Amendments to Resolution Nos. MH 2014-19 (Santa Clara County),**

**MH 2015-08 (Napa County), and MH 2015-11 (Solano County)**

**June 16, 2017**

**PURPOSE OF THE REQUEST:**

Santa Clara County (“Santa Clara”), Napa County (“Napa”), and Solano County (“Solano”) are each requesting the Authority approve amendments to extend their respective resolution and grant period expiration date from June 30, 2017 to December 31, 2017 in order to provide all of the completed facilities additional time to request 3-month start-up costs and submit all of the necessary documentation for disbursement of grant funds.

**SUMMARY:**

The IMHWGP regulations require grant funds to be disbursed, projects to become operational, and expenses paid for with grant funds to be incurred during the grant period and before the expiration of the resolution. In order to comply with the IMHWGP regulations and to receive their full grant awards, Santa Clara, Napa, and Solano are each requesting an extension to their respective grant period and resolution expiration date.

**Santa Clara County, MH 2014-19 – 1<sup>st</sup> Round**

On April 24, 2014, the Authority approved a Final Allocation for Santa Clara in an amount not to exceed \$3,963,106 for two 15-bed Crisis Residential Treatment (“CRT”) programs and \$736,842.11 for one 8-bed Crisis Stabilization Unit (“CSU”) program for a total grant amount not to exceed \$4,699,948.11. Construction for all three projects began in November 2015, but Santa Clara experienced several delays due to various unforeseen complications, such as the need for a new dedicated fire protection water tank that needed to be designed, approved, and installed as well as additional underground work and the installation of a fire pump system. Also, Pacific Gas and Electric Company required additional meters to meet the building capacity and new codes. All projects are now fully constructed and awaiting completion of final inspections and the licensing process. Services are expected to begin in July 2017 with a 3-month startup period of July 2017 – September 2017, which extends beyond the current resolution and grant period expiration date. Santa Clara is requesting an extension to ensure all eligible costs will be incurred within the grant period and to allow the Authority to disburse the remaining grant funds within the resolution period.

**Napa County, MH 2015-08 – 4<sup>th</sup> Round**

On December 3, 2015, the Authority approved a Final Allocation for Napa in an amount not to exceed \$1,998,183.38 to develop a 4-bed CSU program. The CSU would be the first one in the county and is anticipated to serve approximately 2,190 clients annually. In order to ensure the sustainability of the CSU program, Napa has redesigned their continuum of mental health crisis services to support program

operating expenses. As of May 3, 2017, Napa's CSU has begun offering services to the community. Grant funds will be disbursed for renovation, furnishings and equipment, IT, and 3-month start-up costs. Napa's 3-month start-up period is April 2017 – June 2017. Napa is requesting an extension to ensure that there is ample time to submit the necessary documentation for disbursement of all eligible costs and to allow the Authority the necessary time to review and approve the documentation submitted within the resolution period.

**Solano County, MH 2015-11 – 4<sup>th</sup> Round**

On December 3, 2015, the Authority approved a Final Allocation for Solano in an amount not to exceed \$2,000,000 to develop a new 16-bed CRT program. Solano expects the CRT program to enhance the County's CSU capacity, decrease re-hospitalization due to lack of substantive follow-up care, and decrease discharge back into the community before the individual is ready. At the beginning of the grant period, Solano ran into complications with the purchase of real property, which caused delays to the rest of the project (delayed construction, etc.). Solano has been working diligently to stay on track and to continue meeting deadlines. As of June 1, 2017, Solano's CRT has begun offering services to the community. Grant funds have already been disbursed for the purchase of real property and a portion of the construction and renovation costs. The remaining grant funds will be disbursed for the outstanding portion of the construction and renovation, furniture and equipment, IT, and 3-month start-up costs. Solano's 3-month start-up period is April 2017 – June 2017. Solano is requesting an extension to ensure that there is ample time to submit the necessary documentation for disbursement of the remaining grant funds for all eligible costs and to allow the Authority the necessary time to review and approve the documentation submitted within the resolution period.

**RECOMMENDATION:**

Staff recommends the Authority approve the amendments to Resolution Numbers MH 2014-19 for Santa Clara County, MH 2015-08 for Napa County, and MH 2015-11 for Solano County to extend the respective grant period and resolution expiration dates to December 31, 2017 with the condition that the counties must meet the following milestone deadline:

All grant disbursement requests, including all required supporting documentation, must be submitted to the Authority no later than October 31, 2017.

All other conditions in the Resolutions shall remain the same and in full effect.

**FOURTH AMENDMENT TO RESOLUTION NO. MH 2014-19**

**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 SANTA CLARA**

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, “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 Santa Clara (“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 \$4,699,948.11 for the eligible project (the “Project”), which consists of no more than \$3,963,106.00 for crisis residential treatment capital costs and \$736,842.11 for crisis stabilization 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 \$4,699,948.11 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, 2017~~ December 31, 2017. All grant disbursement requests, including all supporting documentation, must be submitted to the Authority no later than October 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 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, 2017~~ December 31, 2017.

Date Approved: \_\_\_\_\_

**EXHIBIT A**

**PROJECT DESCRIPTION**

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

Crisis Residential Treatment Program

The County of Santa Clara (the “County”) will establish two new Crisis Residential Programs (“CR”), one in an underserved area of San Jose and one in South County, which includes the cities of Morgan Hill, San Martin, and Gilroy. Both the San Jose and South County sites will be 15 bed residences. The programs will serve adults 365 days a year in unlocked, welcoming, and homelike environments. The new program will increase crisis residential capacity from 39 to 69 beds. Grant funds will be used to purchase real property, renovate building, furnishings and equipment, information technology costs, and for three months of program startup costs.

Crisis Stabilization Treatment Program

The County will add an 8-bed Crisis Stabilization Program (“CS”) to purchase and renovate property in South County, located within the same building as the CR program. The program will serve adults 365 days a year in an unlocked, welcoming, and homelike environment. The new CS program will increase crisis stabilization capacity from 30 to 38 beds, and is expected to increase annual capacity to serve an additional 2,920 individuals. The site has been chosen. Grant funds will be used to purchase real property, renovate the building, furnishings and equipment, information technology costs, and for three months of program startup costs.

**Summary of Amounts:**

<b>Program</b>	<b>Approved Grant Amount</b>
Crisis Residential	\$ 3,963,106.00
Crisis Stabilization	\$ 736,842.11

**Total** \$ 4,699,948.11

**AMENDMENT TO RESOLUTION NO. MH 2015-08**

**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 NAPA**

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 Napa (“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 \$1,998,183.38 for the eligible project (the “Project”) for crisis stabilization 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 \$1,998,183.38 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, 2017~~ December 31, 2017. All grant disbursement requests, including all required supporting documentation, must be submitted to the Authority no later than October 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 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 the amount 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, 2017~~ December 31, 2017.

Date Approved: \_\_\_\_\_

**EXHIBIT A**

**PROJECT DESCRIPTION**

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

The County of Napa (the “County”) plans to develop a 4-bed Crisis Stabilization Unit (“CSU”) to serve individuals experiencing a mental health crisis. The CSU will be the first one in the County and will fill in existing gaps in the County’s continuum of care by providing access to emergency psychiatric services complimentary to current resources. The County is anticipating that the new CSU will serve approximately 2,190 clients on an annual basis. Grant funds will be used for construction or renovation, to purchase furnishings and equipment, and for information technology costs.

**Summary of Amount:**

<b>Program</b>	<b>Approved Grant Amount</b>
Crisis Stabilization	\$ 1,998,183.38

**AMENDMENT TO RESOLUTION NO. MH 2015-11**

**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 SOLANO**

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 Solano (“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 \$2,000,000.00 for the eligible project (the “Project”) 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 \$2,000,000.00 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 ~~June 30, 2017~~ December 31, 2017. All grant disbursement requests, including all required supporting documentation, must be submitted to the Authority no later than October 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 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 the amount 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, 2017~~ December 31, 2017.

Date Approved: \_\_\_\_\_

**EXHIBIT A**

**PROJECT DESCRIPTION**

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

The County of Solano (the “County”) plans to develop a new 16-bed Crisis Residential Treatment (“CRT”) facility to serve adults ages 18 and older. The County’s proposed CRT Program will treat individuals with co-occurring substance use and mental health disorders in a safe home-like environment. Bay Area Community Services, a private nonprofit corporation, was awarded the County’s contract to provide CRT Program services as well as locate and secure a property in collaboration with the County. The County expects the CRT Program to enhance the County’s Crisis Stabilization Unit capacity, decrease re-hospitalization due to lack of substantive follow-up care, and decrease discharge back into the community before the individual is ready. Grant funds will be used for the purchase of real property, construction or renovation costs, furniture and equipment, information technology costs, and three months of program startup or expansion costs.

**Summary of Amount:**

<b>Program</b>	<b>Approved Grant Amount</b>
Crisis Residential Treatment	\$ 2,000,000.00