

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

Investment in Mental Health Wellness Program for Children and Youth

First Amendment to Resolution No. CY 2021-05 (Second Funding Round)

County of Sacramento

January 25, 2024

PURPOSE OF THE REQUEST:

The County of Sacramento (County) is requesting the Authority approve an amendment to Resolution Number CY 2021-05 to amend the milestone conditions and extend the grant period and resolution expiration dates for its Investment in Mental Health Wellness Grant Program for Children and Youth (Welf. & Inst. Code, §5848.5) (CY) project.

ISSUE:

The County will not be able to meet the milestone condition deadlines of being open and operational by January 31, 2024, and of submitting all disbursement documentation by July 31, 2024.

The County initially planned to purchase and renovate a facility to develop a Family Respite Care (FRC) program to provide 24/7 respite care for children and youth, ages six to 17 and their families. In November 2022, after having difficulty in identifying a site for the FRC, the County entered into an agreement with a qualified service provider, who dually agreed to provide services for the FRC and was charged with the responsibility of locating a property for the FRC. The service provider selected a property it already owned, and in October 2023, the service provider completed the site design for new construction on its existing property and presented an initial cost estimate of \$7,500,000.00 for a 7,500-square-foot project, surpassing the \$2,950,000.00 CY grant award. To stay within the CHFFA grant award budget, the County and the service provider decided to construct a 2,500-square-foot extension at another one of the service provider's facilities to accommodate the FRC. The County now anticipates that the service provider will go to bid and select a construction contractor by April 2024 and complete construction by September 2025.

The County has submitted an updated timeline and is requesting to amend its milestone condition deadlines of being open and operational from January 31, 2024 to December 31, 2025, and of submitting all disbursement documentation from July 31, 2024 to January 31, 2026. The County is also requesting to extend the grant period and resolution expiration dates from January 31, 2025 to June 30, 2026. This extension will give the County sufficient time to prepare the FRC project building plans, complete construction, and begin providing services.

BACKGROUND:

The Authority approved a final allocation on April 29, 2021, awarding the County grant funds in an amount not to exceed \$2,950,000.00, to develop a new FRC facility. The FRC facility aims to offer prompt face-to-face response for youth facing the risk of hospitalization, ER visits, or law enforcement involvement, addressing the behavioral and mental health service needs of children, youth, and families through crisis assessment, intervention, screening, coaching, and

resource linkage, with a projected annual service capacity of 960 families in crisis. Resolution Number CY 2021-05 was approved, with a grant period expiration date of January 31, 2025, 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 January 31, 2024; (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 January 31, 2024; and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than July 31, 2024.

RECOMMENDATION:

Staff recommends the Authority approve a first amendment to Resolution Number CY 2021-05 to amend the milestone conditions and extend the grant period and resolution expiration dates to June 30, 2026, subject to the following amended milestone conditions:

- 1) The County shall provide evidence acceptable to Authority staff demonstrating that the Project shall be open and operational on or before December 31, 2025, 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 January 31, 2026.

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

FIRST AMENDMENT TO RESOLUTION NO. CY 2021-05

**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
FOR CHILDREN AND YOUTH
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) 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, Authority staff reviewed the application submitted by County of Sacramento (“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 for the eligible project (the “Project”), which consists of family respite care capital 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);

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 \$2,950,000.00 to the Grantee to complete the Project within a grant period that ends on ~~January 31, 2025~~ June 30, 2026. Within this grant period, Grantee shall provide evidence acceptable to Authority staff demonstrating the Project shall be open and operational on or before ~~January 31, 2024~~ December 31, 2025, and ~~F~~ funds shall not be disbursed if Grantee is unable to provide evidence acceptable to Authority staff. ~~that the Project is on track to be open and operational on or before January 31, 2024. Grantee must~~ shall submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than ~~July 31, 2024~~ January 31, 2026.

Section 2. 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 3. 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 4. 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 5. All funds from this grant must be used in support of the County's family respite care program for children and youth.

Section 6. This resolution expires on ~~January 31, 2025~~ June 30, 2026.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Family Respite Care

The County will expand family respite care services available in the County for children and youth ages six to 17 and their families by developing and operating a new family respite care facility. The County may use grant funds, in accordance with Section 7315 of the Children and Youth Program regulations, to finance eligible costs in support of the County's family respite care program for children and youth.

Summary of Amount:

Program	Approved Grant Amount
Family Respite Care	\$ 2,950,000.00