

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

Investment in Mental Health Wellness Grant Program

Second Amendment to Resolution Number MH 2014-06 (Los Angeles County)

April 9, 2015

PURPOSE OF THE REQUEST:

The Authority approved a grant for Los Angeles County (“Los Angeles”) in an amount not to exceed \$40,892,700.49 at its April 24, 2014 meeting. Los Angeles planned to use the funds to purchase real property; construct, furnish, and equip real property; finance information technology; and finance three months of startup costs for 35 new Crisis Residential Treatment Programs (“CRTPs”) and three new Crisis Stabilization Units also known as Urgent Care Centers (“UCCs”), for a total of 614 new beds to serve adults with mental illness in psychiatric crisis, including those with co-occurring substance abuse disorders.

At the February 26, 2015 meeting, the Authority approved a resolution to allow private non-profit organizations to purchase and construct or renovate real property using grant funds. As a result of this recent change, Los Angeles is requesting to incorporate this flexibility into its CRTPs’ and UCCs’ Request for Proposal.

In order to implement this change, the Grant Agreement and project description need to be revised. A revised Grant Agreement will allow Los Angeles’ designated nonprofit service providers to use grant funds to purchase and construct/renovate real property for the CRTPs and UCCs and lease the property to Los Angeles. The lease agreement will contain certain provisions (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 CRT Program, etc.) to help ensure the grant funds will be solely used for the CRTPs and UCCs as outlined in the Grant Agreement.

A revised project description will allow Los Angeles to give grant funds directly to a designated private nonprofit organization to purchase, and construct/renovate real property. With this amendment, Los Angeles will have the flexibility to implement its CRTP and UCC programs more quickly and efficiently while maintaining the same 614-bed capacity.

The requested changes to Resolution Number MH 2014-06 are attached as Exhibit A in track changes.

RECOMMENDATION:

Staff recommends the Authority approve the Second Amendment to Resolution Number MH 2014-06 to revise the Grant Agreement and project description. All other conditions in the Resolution shall remain the same and in full effect.

SECOND AMENDMENT TO RESOLUTION NO. MH 2014-06

**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 LOS ANGELES**

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 Los Angeles (“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 \$40,892,700.49 for the eligible project (the “Project”), which consists of no more than \$35,000,000.00 for crisis residential treatment capital costs, \$4,210,526.31 for crisis stabilization capital costs, \$559,233.00 for mobile crisis capital costs, and \$1,122,941.18 for mobile crisis personnel 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 \$40,892,700.49 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 April 24, 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 April 24, 2016.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Crisis Residential

The County of Los Angeles (the "County"), will implement 35 new Crisis Residential Treatment Programs ("CRTPs") with a capacity of 16 residents each located throughout the county for a total of 560 new beds to serve adults with mental illness in psychiatric crisis, including those with co-occurring substance abuse disorders. CRTPs will be located throughout the County, and provide a safe home-like environment. The funds will be used to purchase land/~~building facility~~, construct/~~renovate the facility~~, furnish and equip ~~a building the facility~~, finance information technology, and finance three months of startup costs. Grant funds for the Acquisition and construction/-renovation funds of real property may be given directly to a designated private nonprofit organization/corporation.

Crisis Stabilization

The County will establish three additional Crisis Stabilization Units aka Urgent Care Centers ("UCCs") in areas that do not have UCCs at this time. The three new UCCs will expand access and capacity throughout the region and will be located in the Antelope Valley area, San Gabriel Valley/Tri City area, and the South Bay/Harbor area. Each UCC will provide services for 12 adults and six adolescent beds with the ability to treat up to 45 individuals per day whose problems can be met with short-term (under 24 hours), immediate care and connections to community-based resources. The program will emulate the four existing UCCs, providing 24 hour stabilization services, 365 days a year in a home-like environment and will add 54 new Crisis Stabilization beds. The funds will be used to purchase land/~~building facility~~, construct/~~renovate the facility~~, furnish and equip ~~the facility-a building~~, finance information technology and finance three months of startup costs. Grant funds for the Acquisition and construction/-renovation funds of real property may be given directly to a designated private nonprofit organization/corporation.

Mobile Crisis Support

The County will establish 14 mobile crisis support teams and 1 clerical staff to provide field based crisis intervention services to children, adolescents, and adults throughout the county. The program's objectives are to expand access and capacity throughout the region, which decreases the need for inpatient psychiatric hospitalizations by providing immediate field based services. The teams will include partnerships with law enforcement agencies throughout the county in which law enforcement officers, along with one licensed clinician, will respond to 911 calls for assistance involving persons experiencing a mental illness. This program will partner with nine law enforcement agencies. Also the law enforcement agencies will contribute unmarked police vehicles (for the teams to respond to calls), office space, furniture, training, and personnel to partner with licensed clinicians. Planned psychiatric mobile response teams will provide two licensed mental health clinicians to respond to community calls to persons of all ages with various acute mental health issues. The project will be operational by March 2015. The funds will be used to purchase four vehicles, information technology equipment, three months of program expansion costs, and to hire the new personnel.

Summary of Amounts

Programs	Approved Grant Amount	Expected Federal Financial Participation
Crisis Residential	\$ 35,000,000.00	
Crisis Stabilization	\$ 4,210,526.31	
Mobile Crisis Capital	\$ 559,233.00	
Mobile Crisis Personnel	\$ 1,122,941.18	\$ 784,561.65

Total \$ 40,892,700.49