

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

Investment in Mental Health Wellness Grant Program

Second Amendment to Resolution Number MH 2015-01 (Kings County)

November 10, 2016

PURPOSE OF THE REQUEST:

On June 25, 2015, the Authority approved a Final Allocation for a grant for Kings County (the “County”) in amount not to exceed \$995,903.84 to establish an 8-bed Crisis Residential Treatment program (“CRT”).

The first amendment to the resolution was approved at the April 28, 2016 Authority meeting to extend the County’s resolution expiration date from June 30, 2016 to December 31, 2016. The County’s deliberation of whether the County or the non-profit service provider would hold title to real property caused a delay to the execution of the grant agreement. Ultimately, the County decided to hold title to real property and executed the grant agreement on January 28, 2016.

Since then, the County awarded Stars Behavioral Health Group (“STARS”) the service provider contract and completed the selection process for a real estate agent. The County is actively working with its real estate agent, the County Planning Department, and STARS to identify real property. In the process of identifying property and obtaining Board of Supervisors’ approval, the County has encountered a few obstacles.

Residential properties that could accommodate an 8-bed facility would mostly be two story homes, and the residential zoning for such an accommodation has been difficult to obtain. The County’s preference is a single story home, which would limit the search to ranch-style homes in rural communities. As the County identified a few single story homes, it faced issues such as strict water supply regulations, limited sewage capacity, and NIMBY (“Not in My Back Yard”) concerns. Kings County is located in the Central Valley region where residents depend on wells as their main water supply. A scarcity of wells, many of which have dried up during the drought in recent years, has caused the County to impose strict water regulations. Homes in these areas also have limited sewage capacity due to the original home designs of smaller septic systems. NIMBY concerns have been raised by the Board of Supervisors regarding the location of the CRT facility. Some members have expressed that certain residents in their districts would be very resistant to having a CRT facility in their neighborhood. The County is struggling to find a residential property that ideally would be within a neighborhood community.

The County is currently working with its realtor to identify other possible properties that would provide a similar community setting and home-like feel. Due to delays in locating suitable property, the County requests an extension of the resolution expiration date from December 31, 2016 to December 31, 2017 to provide the County with necessary additional time to purchase property, complete its project, and request disbursement of grant funds.

The requested changes to Resolution Number MH 2015-01 are attached in track changes.

RECOMMENDATION:

Staff recommends the Authority approve a second Amendment to Resolution Number MH 2015-01 to extend the resolution expiration date, with the condition that the County must meet the following two milestone deadlines: (1) the County shall be in escrow by June 1, 2017 to purchase real property, and (2) the County's 8-bed CRT facility shall be operational by December 1, 2017. All other conditions in the resolution shall remain the same and in full effect.

SECOND AMENDMENT TO RESOLUTION NO. MH 2015-01

**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 KINGS**

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 Kings (“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 \$995,903.84 for the eligible project (the “Project”), which consists of no more than \$995,903.84 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 \$995,903.84 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. Within this project period, Grantee shall be in escrow by June 1, 2017 to purchase real property and the Project shall be operational by December 1, 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 Kings as follows:

The County of Kings (the “County”) will establish its first Crisis Residential Treatment (“CRT”) Program to provide services to adults ages 18 to 59, who are experiencing a psychiatric crisis including those with co-occurring substance use. The CRT Program will expand the County’s capacity by adding 8 new beds, which will enhance the current continuum of care that heavily relies on law enforcement, hospital emergency departments and out-of-county placements. The proposed CRT Program will provide a supportive, recovery-oriented, voluntary intervention in a home-like environment. Grant funds will be used to purchase real property, construct, purchase furnishings and equipment, for information technology costs, and to finance three months of start-up costs. Staff has evaluated the plan and determined it is likely both feasible and sustainable.

Summary of Amounts:

Program	Approved Grant Amount
Crisis Residential Treatment	\$ 995,903.84