

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

Investment in Mental Health Wellness Grant Program (“IMHWGP”) – 4th Round

Amendment to Resolution Number MH 2015-10 (San Luis Obispo County)

April 27, 2017

PURPOSE OF THE REQUEST:

San Luis Obispo County (the “County”) is requesting the Authority approve an amendment to Resolution Number MH 2015-10 (fourth funding round) to extend the grant period and resolution expiration date from June 30, 2017 to May 31, 2018.

BACKGROUND:

On December 3, 2015, the Authority approved a Final Allocation for a grant for the County in an amount not to exceed \$971,070.00 to establish a 4-bed Crisis Stabilization Unit program (“CSU”). Grant funds were approved for costs associated with purchase of real property, construction or renovation, furnishings or equipment, information technology, and three months of program startup costs. The County’s proposed plan for constructing a new 4-bed modular building to serve adults aged 18 and older will provide it with its first crisis stabilization option.

The project has been approved by the San Luis Obispo County Board of Supervisors (“SLOCBS”) and has been through the City and County planning process. Additionally, the County has a complete set of bidding documents, has acquired the grading and foundation building permits, and a construction contract with construction to begin in August 2017 will be presented to SLOCBS at its meeting on May 2, 2017. The County is seeking approval from the Authority prior to its May 2nd meeting in order to ensure its IMHWGP award funding is available. Additionally, the County expects to have an executed contract in place with a vendor to provide staffing for the CSU by the end of October 2017 and begin serving clients by February 2018.

ISSUE:

In the County’s initial proposal to the Authority, the County proposed a timeframe where the project would begin serving clients within nine months from Authority approval. Instead of providing services in September of 2016, the County now expects to complete its project and provide services to clients no later than February 2018.

On September 1, 2016, the County informed the Authority that unforeseen factors had resulted in delays, which would make it unable to complete the project in the initially proposed timeline. According to the County, the cause for delay in services was due to a change in the County’s Public Works Department project management process, which requires the County to follow the same permitting process as the general public. This change occurred in January 2016, one month after the resolution was approved by the Authority, and required the County to submit design and construction documents to the County Building Department for plan check and

permit processing. Some hurdles encountered by the County included adherence to the City of San Luis Obispo's (the "City") zoning and design compliance, which include a use permit application, architectural review, and requirement for the County to hire an independent architect. These additional steps significantly delayed the County's timeline, but they have been resolved by the County.

On February 3, 2017, the County initially requested an extension of the resolution expiration date from June 30, 2017 to June 30, 2018 to provide the County with the necessary additional time to complete its project and request disbursement of grant funds. However, after discussion with Authority staff, the County agreed that a May 31, 2018 expiration date would suffice to complete its project and request disbursement of grant funds.

The requested changes to Resolution Number MH 2015-10 are attached in track changes.

RECOMMENDATION:

Staff recommends the Authority approve an Amendment to Resolution Number MH 2015-10 to extend the grant period and resolution expiration date to May 31, 2018, subject to the following additional conditions:

1. The County must provide evidence acceptable to Authority staff demonstrating (a) start of construction on the CSU by September 30, 2017, and (b) the CSU shall be operational by April 1, 2018.
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 April 1, 2018.
3. The County must submit all grant disbursement requests, including required supporting documentation, to the Authority no later than April 30, 2018.

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

AMENDMENT TO RESOLUTION NO. MH 2015-10

**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 SAN LUIS OBISPO**

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 San Luis Obispo (“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 \$971,070.00 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 \$971,070.00 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~~ May 31, 2018. Within this project period, Grantee shall provide evidence acceptable to Authority staff demonstrating (a) start of construction on the Project by September 30, 2017 and (b) the Project shall be operational on or before April 1, 2018. Funds shall not be disbursed if Grantee is unable to provide evidence acceptable to Authority staff that the Project is on track to be operational on or before April 30, 2018. Grantee must submit all disbursement requests, including required supporting documentation, to the Authority no later than April 30, 2018.

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~~ May 31, 2018.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

The proceeds of the grant will be used by the County of San Luis Obispo as follows:

The County of San Luis Obispo (the “County”) plans to develop and create a Crisis Stabilization Unit (“CSU”) for the county by constructing a new 4-bed modular building to serve adults in crisis who are aged 18 and older in the County. The CSU services will specialize in providing crisis intervention for individuals and offering alternatives to hospitalization in a home-like environment to those suffering from psychiatric emergencies. The CSU Program will provide 23-hour stabilization to those in need of acute care. Currently, the County has no crisis stabilization options, but it estimates the CSU Program will provide 750 bed stays annually, serving 375 individuals, and reducing the strain on inpatient psychiatric services in the County. The County estimates that the CSU Program should reduce disposition time for visits to emergency rooms and psychiatric inpatient utilization rates, as well as decrease law enforcement involvement in mental health crisis calls. Grant funds will be used for the purchase of real property, construction or renovation of the project site, the purchase of furnishings and equipment, information technology costs, and three months of program startup or expansion costs.

Summary of Amount:

Program	Approved Grant Amount
Crisis Stabilization	\$ 971,070.00