

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

Investment in Mental Health Wellness Grant Program (“IMHWGP”) – 2nd Round

Second Amendment to Resolution Number MH 2014-23 (Fresno County)

May 25, 2017

PURPOSE OF THE REQUEST:

Fresno County (the “County”) is requesting the Authority approve a second amendment to Resolution Number MH 2014-23 (second funding round) to extend the resolution and grant period expiration date from June 30, 2017 to May 31, 2018.

BACKGROUND:

On December 4, 2014, the Authority approved a Final Allocation for the County in an amount not to exceed \$3,100,714.60 to establish a 16-bed Crisis Residential Treatment (“CRT”) program as part of the second funding round. Grant funds were approved for costs associated with construction or renovation only.

The County expects to build on a vacant parcel of land they currently own. A construction contract including all required regulatory provisions has been executed, all engineering and architectural designs have been completed, and a construction schedule of seven months has been provided. Additionally, all permits required for construction have been issued and copies have been submitted to the Authority. Construction began in April 2017 and is expected to be completed by the end of December 2017. The County expects the facility to be operational in April 2018.

The County was previously awarded an extension in February 2015 to June 30, 2017 due to delays the County attributed to staffing reductions in the public works department, a change in how construction items are presented to the Board of Supervisors, and a reallocation of staff towards completing the County’s CSU project, which was awarded in the first funding round..

ISSUE:

Due to unforeseen events and other factors, the project timeline for the CRT program was further delayed. According to the County, the project delay was due to an increase in construction costs, which exceeded the original budget by approximately 24%. To bring the project back within budget, an outside architect was contracted to review and redesign portions of the building, thus lowering costs. The design changes suggested by the architect caused a three month delay in the project schedule but brought the construction costs to within the budgeted amounts.

Also, in an effort to avoid further delays and minimize additional costs, the County executed a separate agreement, prior to bidding or awarding the general construction contract, for other work required at the project location including demolition, investigation of the site for any unknown buried pipes or wires, and marking the locations of existing and future utilities. This work is ongoing and expected to be completed by May 31, 2017. Coordination of construction of the building itself has begun and construction on the building is expected to begin by May 31, 2017.

In an effort to avoid project delays in the construction phase, the County has allowed a buffer period within the construction schedule to accommodate any unforeseen delays due to weather or other factors. Additionally, County staff is coordinating with the utility company that is expected to provide electric and gas service for the site to confirm the locations of utility connections for the project. Finally, before occupancy, the facility will require approval by the fire department. The County has been working closely with the fire department in developing the building plans, has inspectors on site to ensure that the approved plans are being adhered to, and expects final approval for occupancy of the building to be granted without issue.

Beyond construction, in order for the project to become operational, the County will need to select a service provider, obtain licensure and receive Medi-Cal certification. The County expects the service provider to be selected by August 2017 and Board of Supervisors approval completed such that a contract can be executed by September 2017. Selecting a service provider months in advance of the facility opening for services will allow the provider sufficient time to hire and train staff. During that time period, County staff will also be finalizing Medi-Cal certification and licensure which are anticipated by mid-March 2018.

RECOMMENDATION:

Staff recommends the Authority approve an Amendment to Resolution Number MH 2014-23 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 of the CRT by June 30, 2017, (b) execution of a contract with a service provider by October 2017, and (c) the CRT shall be operational by May 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 May 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.

SECOND AMENDMENT TO RESOLUTION NO. MH 2014-23

**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 FRESNO**

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 Fresno (“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 \$3,100,714.60 for the eligible project (the “Project”), which consists of no more than \$3,100,714.60 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 \$3,100,714.60 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 June 30, 2017, (b) execution of a contract with a service provider by October 2017, and (c) the Project shall be operational by May 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 May 1, 2018. Grantee must submit all disbursement requests, including 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 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~~ [May 31, 2018](#).

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

The County of Fresno (the “County”) will establish its only Crisis Residential Treatment (“CRT”) Program to prevent acute inpatient psychiatric placements, reduce lengths of stay in more intensive inpatient settings, and improve immediate and long-term outcomes for adults in crisis. The CRT Program will expand capacity by adding 16 new beds. As a result, approximately 194 consumers annually will have access to CRT services. The CRT Program will fill a gap in the County’s continuum of care for crisis services that includes a Crisis Stabilization Program approved for a Grant in the first funding round. Grant funds will be used for construction only.

Summary of Amount:

Program	Approved Grant Amount
Crisis Residential Treatment	\$ 3,100,714.60