

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

Investment in Mental Health Wellness Program for Children and Youth

Second Amendment to Resolution No. CY 2021-03 (Second Funding Round)

County of Los Angeles

September 26, 2024

PURPOSE OF THE REQUEST:

The County of Los Angeles (County) is requesting the Authority approve a second amendment to Resolution No. CY 2021-03 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 deadline of being open and operational by December 31, 2024 and of submitting all disbursement documentation by March 31, 2025.

The County anticipates the renovation of the two buildings to house the two Crisis Stabilization Unit (CSU) programs will be completed by October 31, 2024. However, the solicitation for the service providers was delayed due to the lengthy internal county processes and county staff shortages. The County anticipates the solicitation for the service provider to be released by October 31, 2024 with an estimated award date by February 28, 2025. Additionally, the County anticipates the service providers will complete staffing and obtain Medi-Cal certification by December 15, 2025, and that the CSU projects will be open and operational by December 31, 2025.

The County is requesting to amend its milestone condition deadlines of being open and operational from December 31, 2024 to December 31, 2025 and of submitting all disbursement documentation from March 31, 2025 to January 31, 2026. The County is also requesting to extend the grant period and resolution expiration dates from August 31, 2025 to June 30, 2026. The extension will give the County sufficient time to complete renovations, execute the service provider contracts, obtain licensing and Medi-Cal certification, and to become open and operational.

BACKGROUND:

On April 29, 2021, the Authority approved Resolution No. CY 2021-03, awarding a final allocation in an amount of \$2,953,847.15 in grant funds to add twelve new beds to develop two new crisis stabilization unit programs that will provide mental health care services to children and youth ages three to 12 experiencing a mental health crisis or distress. The County expects that the two new CSU programs will serve an additional 4,380 children and youth annually. Grant funds will be used to finance renovation and furnishings and equipment costs.

The grant was approved, with grant period and resolution expiration dates of March 31, 2024, and the following milestones conditions: (1) the County shall provide evidence acceptable to Authority staff demonstrating that the project shall be open and operational on or before March 31, 2023; (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 March 31, 2023; and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than September 30, 2023.

On February 23, 2023, the Authority approved an amendment to the resolution extending the grant period and resolution expiration dates from March 31, 2024 to August 31, 2025 to give the County sufficient time to complete renovations, execute the service provider contracts, obtain licensing and Medi-Cal certification, and to become open and operational with 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, 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 open and operational on or before December 31, 2024; and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than March 31, 2025.

RECOMMENDATION:

Staff recommends the Authority approve a second amendment to Resolution No. CY 2021-03 to amend the milestones 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 must 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.

SECOND AMENDMENT TO RESOLUTION NO. CY 2021-03

**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 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) 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 Los Angeles (“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 crisis stabilization 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 \$2,953,847.15 to the Grantee to complete the Project within a grant period that ends on ~~August 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 ~~December 31, 2024~~ December 31, 2025, and funds shall not be disbursed if Grantee is unable to provide evidence acceptable to Authority staff. Grantee must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than ~~March 31, 2025~~ 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 Crisis Stabilization programs for children and youth.

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

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Crisis Stabilization Unit

The County will add at least twelve new beds to develop two new crisis stabilization unit programs that will provide mental health services for children and youth ages three to 12. The County may use the grant funds, in accordance with Section 7315 of the Children and Youth Program regulations, to finance eligible costs in support of the County’s crisis stabilization unit program for children and youth.

Summary of Amount:

Program	Approved Grant Amount
Crisis Stabilization Unit	\$ 2,953,847.15