

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)
Investment in Mental Health Wellness Grant Program (IMHWGP)
Ninth Amendment to Resolution Number MH 2014-06 (First Funding Round)
County of Los Angeles
December 12, 2024

PURPOSE OF THE REQUEST:

The County of Los Angeles (County) is requesting the Authority approve an amendment to Resolution Number MH 2014-06 to amend a milestone condition and extend the grant period and resolution expiration dates of its Investment in Mental Health Wellness Grant Program (Welf. & Inst. Code, §5848.5) (IMHWGP) projects.

ISSUE:

The County will not be able to meet the milestone condition deadline of being open and operational by December 31, 2024, for two out of its 15 Crisis Residential Treatment Program (CRTP) projects, due to further delays.

The County has completed the construction and furnishing of the 15 CRTP projects, and 13 of the CRTPs are open and operational. The two remaining CRTP projects are located at the LAC+USC and the Olive View campuses. The LAC+USC CRTP is still pending fire clearance, CCL approval, Medi-Cal certification, and staffing, and the County anticipates obtaining fire clearance and complete staffing by December 31, 2024, obtaining CCL approval and Medi-Cal certification by March 31, 2025, and to be open and operational by July 31, 2025. The Olive View CRTP obtained CCL approval on September 9, 2024 and is fully staffed but is still pending Medi-Cal certification approval, and the County anticipates to receive Medi-Cal Certification by December 31, 2024 and to be open and operational by January 31, 2025. The County does not have any concerns with the completion of the outstanding items.

The County is requesting to amend its milestone condition deadline of being open and operational from December 31, 2024 to July 31, 2025. The County is also requesting to extend the grant period and resolution expiration dates from March 31, 2025 to October 31, 2025. The extension will give the County time to obtain fire clearance, CCL approval, Medi-Cal certification, recruit staff, address any unforeseen delays, and begin providing services.

BACKGROUND:

On February 22, 2018, the Authority approved a reinstatement of, and a fourth amendment to, Resolution Number MH 2014-06, with grant period and resolution expiration dates of December 31, 2021, for the County's Department of Mental Health IMHWGP grant in an amount not to exceed \$40,892,700.49 for 240 beds to serve adults in 15 new CRTPs; eight new beds in one expanded Crisis Stabilization Unit (CSU) also known as a UCC; 14 Mobile Crisis Support Teams; and one clerical staff to provide field-based crisis intervention services to children, adolescents, and adults throughout the county. As a condition of the approval, the County was required to submit quarterly reports detailing information on milestones achieved, progress, and obstacles or challenges related to the completion of the CRTP and UCC programs, and the County was required to meet milestone condition deadlines.

Previous amendments to Resolution Number MH 2014-06 were: (1) the Authority approved amendments to the project description on May 29, 2014; (2) the Authority approved amendments to the project description on April 9, 2015; and (3) the Authority approved an amendment extending the grant period and resolution expiration dates on December 3, 2015.

On October 28, 2021, the Authority approved a fifth amendment to Resolution Number MH 2014-06 to amend the milestone conditions and extend the grant period and resolution expiration dates to December 31, 2022, to give the County time to complete all projects and address any potential new construction delays at LAC-USC, furniture procurement delays as well as any other unforeseen delays that could arise.

On September 29, 2022, the Authority approved a sixth amendment to Resolution Number MH 2014-06 to amend a milestone condition and extend the grant period and resolution expiration dates to July 31, 2023, to give the County time to execute the remaining three service provider agreements, obtain CCL approvals for all projects, address any unforeseen delays, and begin providing services. The amended milestone condition was the following: (1) the County must provide evidence acceptable to Authority staff demonstrating the CRTP and UCC programs shall be operational by April 30, 2023, and funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff.

On April 27, 2023, the Authority approved a seventh amendment to Resolution Number MH 2014-06 to amend a milestone condition and extend the grant period and resolution expiration dates to July 31, 2024, to give the County time to select a service provider for one of the LAC+USC CRTP facilities, execute the remaining three service provider agreements, obtain CCL approvals for the remaining three projects, address staff recruitment challenges, address any unforeseen delays, and begin providing services. The amended milestone condition was the following: (1) the County must provide evidence acceptable to Authority staff demonstrating the CRTP programs shall be operational by March 31, 2024, and funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff.

On February 29, 2024, the Authority approved an eighth amendment to Resolution Number MH 2014-06 to amend a milestone condition and to extend the grant period and resolution dates to March 31, 2025, to give the County time to execute the one remaining service provider agreement, obtain CCL approval, recruit staff, address any unforeseen delays, and begin providing services. The amended milestone condition was the following: (1) the County must provide evidence acceptable to Authority staff demonstrating the CRTP programs shall be operational by December 31, 2024, and funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff.

RECOMMENDATION:

Staff recommends the Authority approve a ninth amendment to Resolution Number MH 2014-06 to amend a milestone condition and extend the grant period and resolution expiration dates to October 31, 2025, subject to the following amended milestone condition:

- 1) The County must provide evidence acceptable to Authority staff demonstrating that the CRTP programs shall be operational by July 31, 2025, and funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff.

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

EXHIBITS:

A. Crisis Residential Treatment Program Status

Exhibit A

Crisis Residential Treatment Program Status

| Service Providers | LAC+USC Campus (4 CRTPs, 64 beds) | MLK Campus (1 CRTP, 16 beds) | Olive View Campus (5 CRTPs, 80 beds) | Rancho Los Amigos Campus (5 CRTPs, 80 beds) |
|--------------------------------|--|---------------------------------|---|--|
| Telecare | Open and operational | | Open and operational | Open and operational |
| Central Star Behavioral Health | Open and operational | | Open and operational | Open and operational |
| Valley Star Behavioral Health | Open and operational | Open and operational | Open and operational | Open and operational |
| Stars Behavioral Health | | | Open and operational | Open and operational |
| CRT Program, Inc. | | | Pending Medi-Cal certification and open and operational | Open and operational |
| Exodus Recovery, Inc. | Pending fire clearance, CCL licensing, Medi-Cal certification and open and operational | | | |

~~EIGHTH~~ NINTH 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 grant period that ends on ~~March 31, 2025~~ October 31, 2025. The Grantee shall provide evidence acceptable to Authority staff demonstrating that the crisis residential treatment programs shall be open and operational by ~~December 31, 2024~~ July 31, 2025, and funds shall not be disbursed if the Grantee is unable to provide evidence acceptable to Authority staff. The Grantee shall meet the ~~conditions~~ in addition to all other applicable requirements for the LAC+USC Medical Center Campus, Olive View-UCLA Medical Center Campus, Rancho Los Amigos National Rehabilitation Center, and Martin Luther King Jr. Medical Campus.;

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 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 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 Act and implementing regulations.

Section 4. The Executive Director or the 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. The Authority hereby requires the County of Los Angeles to submit quarterly reports with detailed information on milestones achieved, progress, and obstacles or challenges related to the completion of the Project as described in the Grantee's application.

Section 6. This Resolution expires ~~March 31, 2025~~ October 31, 2025.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Crisis Residential

The County will implement 15 new Crisis Residential Treatment Programs (CRTPs) with a capacity of 16 residents each located throughout the county for a total of 240 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 for acquisition of real property, construction/renovation, furniture and equipment, information technology, and three months of startup costs. Grant funds for the acquisition and construction/renovation of real property may be provided directly to a designated private nonprofit corporation.

Crisis Stabilization

The County will establish one expanded 16-bed Crisis Stabilization Unit aka Urgent Care Center (UCC) adding eight (8) new beds. The expanded UCC will increase access and capacity throughout the region. The UCC will provide services for adults and adolescents whose issues 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. The funds will be used for acquisition of real property, construction/renovation, furniture and equipment, information technology, and three months of startup costs. Grant funds for the acquisition and construction/renovation of real property may be provided directly to a designated private nonprofit 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 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