

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

Investment in Mental Health Wellness Program for Children and Youth

**Second Amendment and Restatement to Resolution No. CY 2022-03
(Third Funding Round)**

County of Monterey

December 11, 2025

PURPOSE OF THE REQUEST:

The County of Monterey (County) is requesting the Authority approve an amendment to Resolution No. CY 2022-03 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, 2025 and of submitting all disbursement documentation by February 28, 2026 due to delays in obtaining their Children's Crisis Residential Program (CCRP) license.

The County is renovating a facility owned by Seneca Family of Agencies, the selected service provider, to implement two new CY programs, a crisis residential treatment (CRT) program and a crisis stabilization (CS) program. The renovation of the CS unit and the CRT center was completed on May 16, 2025, and the CS unit is already providing services for children and youth. The County is currently applying for their CCRP license for the CRT program, as statutorily required under the CY Program, but has faced delays due to the lengthy application process. The lengthy application process includes, but is not limited to, attending an on-line orientation hosted by the CA Department of Social Services (CDSS), obtaining a Short-Term Residential Treatment Program license through CDSS, completing and submitting the CCRP application to DHCS, which needs to include a CCRP Mental Health Program Statement and supporting documentation.

The County requested an extension to amend the milestone condition deadlines of being open and operational to from December 31, 2025 to December 31, 2026, of submitting all disbursement documentation from February 28, 2026 to June 30, 2027, and of extending the grant period and resolution expiration dates to from June 30, 2026 to June 30, 2028. This extension will give the County the time needed to obtain their CCRP license, address any unforeseen issues, and to become open and operational.

On September 17, 2025, the Governor signed Senate Bill 105, which extended the CY encumbrance deadline from June 30, 2026 to June 30, 2028, which results in a June 30, 2030 disbursement deadline.

BACKGROUND:

On February 24, 2022, the Authority approved Resolution No. CY 2022-03, awarding a final allocation in the amount of \$1,851,546.21 in grant funds to develop a new CRT program and a CS program by renovating an existing facility owned by the service provider, Seneca Family of Agencies. Of the total approved grant funding, \$1,072,023.21 is for the CRT program and \$779,523.00 is for the CS program. The CRT program is expected to serve approximately 10-20 clients annually, by developing four new beds that will provide mental health services for children and youth ages 18 and under. The CS program, co-located in the same building as the CRT program, is expected to serve approximately 200-300 clients annually, by developing four new beds that will provide mental health treatment and comprehensive psychological evaluation for children and youth ages 18 and under. Grant funds are expected to be used for renovation, furnishings, equipment, information technology, and three months of program startup or expansion costs. Resolution Number CY 2022-03 was approved with a grant period expiration date of June 30, 2024, and the following milestone conditions: (1) the County shall provide evidence acceptable to Authority staff demonstrating that the project shall be operational on or before September 30, 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 September 30, 2023; and (3) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than February 29, 2024.

On July 27, 2023, the Authority approved a first amendment to the resolution extending the grant period and resolution expiration dates from June 30, 2024 to June 30, 2026 to give the County sufficient time to complete renovations, execute a lease agreement, complete renovations, obtain licensure, and provide adequate time to staff the program 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, 2025; and funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff; and (2) the County must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than February 28, 2026.

RECOMMENDATION:

Staff recommends the Authority approve a second amendment to Resolution No. CY 2022-03 to amend the milestone conditions and extend the grant period and resolution expiration dates to June 30, 2028, subject to the following amended milestone conditions:

- 1) The County shall provide evidence acceptable to Authority staff demonstrating that the project shall be operational on or before December 31, 2026, and funds shall not be disbursed if the County is unable to provide evidence acceptable to Authority staff.
- 2) The County shall submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than June 30, 2027.

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

~~FIRST AMENDMENT TO~~ SECOND AMENDED AND RESTATED
RESOLUTION NO. CY 2022-03

~~A-~~ SECOND AMENDED AND RESTATED 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 MONTEREY

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, on February 24, 2022, the Authority ~~staff reviewed the application submitted by County of Monterey (“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 adopted Resolution No. CY 2022-03, approving a grant for the County of Monterey (“Grantee”) in an amount not to exceed \$1,851,546.21~~ for the eligible project (the “Project”), which consists of crisis residential treatment 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); and

WHEREAS, on July 27, 2023, the Authority adopted Amended Resolution No. CY 2022-03, extending the Project’s grant period to June 30, 2026 and amending the milestone conditions of: (1) being open and operational to December 31, 2025; and (2) submitting disbursement documents to February 28, 2026; and

WHEREAS, the Grantee requests an additional extension of the milestone conditions to complete the project;

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 \$1,851,546.21 to the Grantee to complete the Project within a grant period that ends on ~~June 30, 2026~~ June 30, 2028. 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, 2025~~ December 31, 2026, 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 ~~February 28, 2026~~ June 30, 2027.

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 residential treatment program for children and youth.

Section 6. This resolution expires on ~~June 30, 2026~~ June 30, 2028.

Date Approved: _____

EXHIBIT A

PROJECT DESCRIPTION

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

Crisis Residential Treatment

The County will develop a new crisis residential treatment program with at least four new beds that will provide mental health services for children and youth ages 18 and under. 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 residential treatment program for children and youth.

Crisis Stabilization

The County will develop a new crisis stabilization program with at least four new beds that will provide mental health services for children and youth ages 18 and under. 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 program for children and youth.

Summary of Amount:

| Program | Approved Grant Amount |
|------------------------------|------------------------------|
| Crisis Residential Treatment | \$ 1,072,023.21 |
| Crisis Stabilization | \$ 779,523.00 |

Total: \$ 1,851,546.21