

California Health Facilities Financing Authority Community Services Infrastructure Grant Program (SB 843)

Report to the Legislature – March 2021

Background

Chapter 33 of the Statutes of 2016 (SB843), Section 52 established the Community Services Infrastructure Grant Program (CSI Grant Program), a one-time competitive grant program intended to create and expand community alternatives to incarceration. The CSI Grant Program seeks to expand access to jail and prison diversion programs and services for those with mental health illness, substance use disorders, or who have suffered from trauma through the creation or expansion of mental health treatment facilities, substance use disorder treatment facilities, and trauma-centered service facilities for justice-involved individuals in local communities.

The CSI Grant Program grants funds to counties for infrastructure projects and may utilize awarded funds for facility acquisition, renovation, equipment acquisition, and applicable startup or expansion costs. The California Health Facilities Financing Authority (Authority) was assigned the responsibility for developing the program as well as awarding and administering the grants.

Program Funding

The CSI Grant Program was initially allocated funding in the enacted 2016-17 budget (SB 826). This allocation included a one-time General Fund appropriation of \$67,500,000, of which \$1,687,000 was allocated for administrative costs.

The Authority temporarily postponed the development of the program pending resolution of funding availability after it was notified that the Governor's proposed 2017-18 budget recommended reverting the \$67,500,000 appropriation allocated from the General Fund in the 2016-17 budget.

The enacted 2017-18 budget (AB 97) restored funding for the CSI Grant Program, re-allocating \$67,500,000 in a one-time General Fund appropriation, including \$1,687,000 for administrative costs. According to AB 97, all funds must be encumbered by June 30, 2020, and funds must be fully disbursed by June 30, 2022; therefore, projects must also be operational by June 30, 2022.

Program Development

Authority staff began working on the structure and development of the program shortly after the 2017-18 budget was approved in June 2017. Authority staff worked closely with the Authority's technical advisor, the California Institute for Behavioral Health Solutions, and consulted with several stakeholders, including the Council on Criminal Justice and Behavioral Health, the California Department of Corrections and Rehabilitation, the County Behavioral Health Directors Association of California, the Council of State Governments Justice Center, the Board of State and Community Corrections, California State Senate and Assembly legislative staff, the San Francisco District Attorney's Office and various county behavioral health departments.

On August 15, 2018, Authority staff presented a webinar to approximately 100 interested stakeholders, providing an overview of the CSI Grant Program and the proposed regulations, and giving stakeholders the opportunity for input and feedback on the regulations.

The Authority developed emergency regulations that were approved by the Office of Administrative Law on November 15, 2018, and permanent regulations became effective on October 3, 2019.

The Authority held two funding rounds where counties had the opportunity to apply for CSI Grant funding. The first funding round opened on November 30, 2018 and closed on April 30, 2019. The second funding round opened on June 3, 2019 and closed on December 2, 2019.

Authority staff held two informational technical assistance webinars, on December 13, 2018, and October 30, 2019, providing an overview of the program and specifics regarding the preparation of an application. Additionally, on September 29, 2020 the Authority staff held a “Next Steps” webinar for the CSI Grant Program grantees providing an overview of the disbursement process and the reporting requirements.

Summary of Grant Awards

After the completion of two funding rounds, the Authority approved 17 CSI Grant awards for the benefit of 12 counties and for new treatment facilities and services to serve approximately 2,910 justice-involved individuals annually. Grant awards totaling \$65,813,000 were awarded.

During the first funding round, the Authority received 10 applications, and on July 25, 2019, the Authority awarded \$18,190,823.55 for eight projects in eight counties. Two of the eight counties forfeited their grant awards in the amount of \$1,568,800.55, and those funds were made available in the second funding round. One county forfeited its grant award due to the financial impact of the COVID-19 pandemic, and the second county forfeited its grant award because another county agency was already implementing a similar program funded through a different grant, and the county determined that both projects would not be sustainable.

During the second funding round, the Authority received 12 applications, and on March 26, 2020 and June 25, 2020, the Authority awarded \$49,190,977.00 for nine projects in eight counties. Due to the financial impact of the COVID-19 pandemic and challenges in locating a suitable property for the CSI project, another county forfeited its grant award in the amount of \$1,150,018.20.

A detailed summary of all the awards conferred by the board, a description of the projects funded for each county, the amount of each grant awarded, a description of other sources of funding for each project, and the target population to be served by the counties, are included in Exhibit A.

Projects Statuses

As of March 2021, the CSI Grant Program has 14 active projects for a total of \$64,662,981.80 in grant funds that are under development with no disbursements having been made, as reflected in Exhibit B.

The COVID-19 pandemic caused challenges for the grantees, including, but not limited to: delays in identifying a property for the project; additional time needed to meet the readiness, feasibility, and sustainability requirement deadlines; and financial strains on budgets causing requests for changes to the scope of projects and grant forfeitures.

Because of the COVID-19 impact on county budgets, counties have requested, and may continue to request, changes to their approved project scopes/descriptions. The Authority will continue to consider project scope/description change requests on a case-by-case basis. On August 27, 2020, the Authority approved procedures on how to address future requests for project scope/description changes that Authority staff will utilize to ensure consistent reviews and recommendations. In such instances, Authority staff will work closely with the grantees that request a project scope/description change to obtain updated information and determine whether the project scope/description change continues to meet the intent of the statute and Grant Program regulations, would have scored appropriately to be awarded, was feasible and sustainable, and would have been originally approved had the change been submitted in the original application, before presenting a recommendation to the Authority.

Authority staff will continue to work closely with each county to ensure timely completion of projects and that all funds are disbursed before the program and funding expiration date of June 30, 2022. As a result of lessons learned from previous grant programs, the Authority placed milestone conditions in each grant approval Authority resolution that are tailored to each individual project and include stipulations, such as deadlines for the projects to become open and operational and to submit requests for disbursement of grant funds along with supporting documentation. The milestone conditions act as triggers to identify possible issues in meeting the grant deadline, and a county would have to go before the Authority board if they face challenges in meeting their milestone conditions to get extensions of those deadlines beyond 60 days.

Additionally, although awarded counties still believe they can complete their projects before the program sunset deadline of June 30, 2022, about three awarded counties have indicated that additional time to complete projects may be beneficial due to the COVID-19 pandemic impact on project timelines.

Exhibit A: Summary of Awards

Exhibit B: Grant Funding Details

**California Health Facilities Financing Authority
Community Service Infrastructure Grant Program**

Applicant		Funding Round	Project Title	Capital Funding Awarded	Expected Program Capacity (Beds/ Clients)	Expected Number of Clients Served Annually	Other Funding Sources for the Project	Project and Target Population
1	Los Angeles	1	Bell Recuperative Care Center	\$ 6,000,000.00	75	225	Local County Funds	The Bell Recuperative Care Center is expected to provide mental health and substance use disorder treatment, as an alternative to jail or prison incarceration, for justice-involved individuals who are also at risk of homelessness.
2	*Plumas	1	Plumas County Day Reporting Center	568,940.00	30	625	MHSA, Realignment Funds, Medi-Cal, Federal Financial Participation, Proposition 47 Cohort 1, Collaborative Partner Staffing, SAMHSA Block Grant, Realignment Funds	The Plumas County Day Reporting Center is expected to provide mental health treatment, substance use disorder treatment, and trauma-centered services, as an alternative to jail or prison incarceration for justice-involved individuals ages 18 and over, who participate in a pre-trial diversion program.
3	Riverside	1	Arlington Recovery Community Program	4,000,000.00	54	648	MHSA Funds, Realignment Funds, Medi-Cal Federal Financial Participation, AB109 Grant, Substance Abuse Prevention & Treatment Block Grant	The Arlington Recovery Community Program is expected to provide mental health and substance use disorder treatment, as an alternative to jail or prison incarceration, for justice-involved individuals.
4	San Joaquin	1	Adult Mental Health Residential Treatment Services for Individuals with Co-occurring Disorders	2,500,000.00	16	32	MHSA Funds	The Adult Residential Treatment Services for Individuals with Co-occurring Disorders facility is expected to provide mental health and substance use disorder treatment, as an alternative to jail or prison incarceration for male adults ages 18 and over, who are suffering from serious mental illnesses and co-occurring disorders.
5	San Luis Obispo	1	San Luis Obispo Behavioral Health Department Diversion Facility Renovation Project	855,832.00	33	40	None	The San Luis Obispo Behavioral Health Diversion Facility Renovation Project is expected to provide mental health and substance use disorder treatment, as an alternative to jail or prison incarceration, for justice-involved individuals ages 26-59 and individuals who are at risk of being or deemed mentally incompetent to stand trial.
6	*Santa Cruz	1	Recovery Center Expansion and Revitalization	999,860.55	20	430	None	The Recovery Center Expansion and Revitalization is expected to provide substance use disorder treatment, as an alternative to jail or prison incarceration for justice-involved individuals ages 18 and over.
7	Sonoma	1	Diversion Transitional Housing	2,266,191.00	6	20	MHSA Funds, Realignments, Medical, and DHS Felony Incompetent to Stand Trial Grant Funds	The Diversion Transitional Housing program is expected to provide mental health treatment, substance use disorder treatment, and trauma-centered services, as an alternative to jail or prison incarceration, for justice-involved individuals diverted from county jail pre- and post-conviction, including individuals deemed incompetent to stand trial.
8	Yolo	1	Yolo County Community Corrections Diversionary Housing Project	1,000,000.00	10	20	Medi-Cal, Federal Financial Participation	Yolo County Community Corrections Diversionary Housing Project is expected to provide mental health and substance use disorder treatment, as an alternative to jail or prison incarceration, for justice-involved individuals who are also at risk of homelessness.
Funding Round 1 Subtotal				\$ 18,190,823.55	244	2,040		

*Plumas County and Santa Cruz County forfeited their CSI grant awards, and the funds were made available in the second funding round.

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Applicant	Funding Round	Project Title	Capital Funding Awarded	Expected Program Capacity (Beds/ Clients)	Expected Number of Clients Served Annually	Other Funding Sources for the Project	Project and Target Population	
9	**Contra Costa	2	Forensic Mental Health Diversion Program	\$ 1,150,018.20	50	50	None	The Forensic Mental Health Diversion Program is expected to provide mental health treatment, as an alternative to jail or prison incarceration, for justice-involved individuals with felony or misdemeanor charges deemed incompetent to stand trial, and/or who are also at risk of homelessness.
10	Los Angeles	2	MLK Behavioral Health Center Renovation	\$ 10,125,415.13	81	164	Realignment Funds	The MLK Behavioral Health Center Renovation is expected to provide mental health and substance use disorder treatment, as an alternative to jail or prison incarceration, for justice-involved individuals suffering from complex behavioral health conditions and are in frequent contact with the criminal justice system.
11	Los Angeles	2	Olive View - UCLA Medical Center Psychiatric Bed Expansion	5,300,945.00	25	340	None	The Olive View - UCLA Medical Center Psychiatric Bed Expansion is expected to provide mental health and substance use disorder treatment, and trauma-centered services, as an alternative to jail or prison incarceration for justice-involved individuals ages 18 and over.
12	Nevada	2	Diversion House Project	1,085,664.00	4	6	None	The Diversion House Project is expected to provide mental health and substance use disorder treatment, as an alternative to jail or prison incarceration, for justice-involved individuals who are also at risk of homelessness.
13	Riverside	2	Restorative Transformation Center	18,984,848.00	30	32	MHSA Funds	The Restorative Transformation Center is expected to provide mental health treatment for justice-involved individuals, who are found incompetent to stand trial and are being diverted from incarceration. Following completion of services, criminal charges may be dismissed, and the justice-involved individuals may reside in their community with ongoing supportive mental health treatment.
14	Sacramento	2	Jail Diversion Treatment Resource Center	1,690,542.67	150	150	None	The Jail Diversion Treatment Resource Center is expected to provide mental health treatment, substance use disorder treatment, and trauma-centered services, as an alternative to jail or prison incarceration, for justice-involved individuals arrested on misdemeanor charges. Following completion of services, criminal charges may be dismissed and the justice-involved individuals may reside in their community with ongoing supportive mental health treatment.
15	San Joaquin	2	Adult Mental Health Residential Treatment Services for Individuals with Co-occurring Disorders	2,930,186.00	16	32	None	The Adult Mental Health Residential Treatment Services for Individuals with Co-occurring Disorders facility is expected to provide mental health and substance use disorder treatment, as an alternative to jail or prison incarceration, for female adults ages 18 and over, who are suffering from serious mental illnesses and co-occurring disorders.
16	Solano	2	Residential Mental Health Diversion Program	6,301,108.00	16	16	Realignment Funds	The Residential Mental Health Diversion Program is expected to provide mental health treatment, as an alternative to jail or prison incarceration, for adult justice-involved individuals with co-occurring disorders.
17	Yolo	2	Ellen's House	1,622,250.00	8	80	None	Ellen's House is expected to provide substance use disorder treatment and connection/linkage to mental health services, as an alternative to jail or prison incarceration, for justice-involved individuals who have co-occurring disorders and who are also at risk of homelessness.
Funding Round 2 Subtotal			\$ 49,190,977.00	380	870			
Forfeited Funds Awarded in Funding Round 2			\$ 1,568,800.55					
Grand Total			\$ 65,813,000.00	624	2,910			

County and Funding Round		Award Amount	Amount Disbursed	Amount Forfeited	Amount Remaining	Expected Program Capacity (Beds/ Clients)	Project Status
Los Angeles - ODR	1	\$ 6,000,000.00	\$ -		\$ 6,000,000.00	75	Project Change Request
Riverside	1	\$ 4,000,000.00	\$ -		\$ 4,000,000.00	54	Planning Stage
San Joaquin	1	\$ 2,500,000.00	\$ -		\$ 2,500,000.00	16	Site Secured
San Luis Obispo	1	\$ 855,832.00	\$ -		\$ 855,832.00	33	Planning Stage
Sonoma	1	\$ 2,266,191.00	\$ -		\$ 2,266,191.00	6	Planning Stage
Yolo	1	\$ 1,000,000.00	\$ -		\$ 1,000,000.00	10	Planning Stage
Contra Costa	2	\$ 1,150,018.20	\$ -	\$ 1,150,018.20	\$ -	0	Forfeited
Los Angeles - DMH	2	\$ 10,125,415.13	\$ -		\$ 10,125,415.13	81	Site Secured
Los Angeles - ODR	2	\$ 5,300,945.00	\$ -		\$ 5,300,945.00	25	Project Change Request
Nevada	2	\$ 1,085,664.00	\$ -		\$ 1,085,664.00	4	Site Secured
Riverside	2	\$ 18,984,848.00	\$ -		\$ 18,984,848.00	30	Planning Stage
Sacramento	2	\$ 1,690,542.67	\$ -		\$ 1,690,542.67	150	Site Secured
San Joaquin	2	\$ 2,930,186.00	\$ -		\$ 2,930,186.00	16	Site Secured
Solano	2	\$ 6,301,108.00	\$ -		\$ 6,301,108.00	16	Planning Stage
Yolo	2	\$ 1,622,250.00	\$ -		\$ 1,622,250.00	8	Planning Stage
GRAND TOTAL		\$ 65,813,000.00	\$ -	\$ 1,150,018.20	\$ 64,662,981.80	524	

The projects are all in various stages of progression. Each project has been assigned a status ranking based on their advancement towards completion.

- 1) "Planning Stage" - Projects that have not yet acquired a facility.
- 2) "Site Secured" - Projects that have secured control of a site through lease or purchase but have not yet started construction.
- 3) "Forfeited" - County was unable to complete the project and forfeited the grant and all associated funding.
- 4) "Project Change Request" - County has requested a change in the project scope.