



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Behavioral Wellness
Department No.: 043
For Agenda Of: June 15, 2021
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Alice Gleghorn, PhD, Director
Director(s) Department of Behavioral Wellness 805.681.5220
Contact Info: Chris Ribeiro, Chief Financial Officer
Department of Behavioral Wellness 805.681.5220

SUBJECT: **First Amended Memorandum of Understanding between Crestwood Behavioral Health Center and the County of Santa Barbara Related to the Champion Healing Center**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management and General Services

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Approve, ratify, and authorize the Chair to execute the attached First Amended Memorandum of Understanding between the County of Santa Barbara and **Crestwood Behavioral Health Center, Inc.** (not a local vendor) to extend the period of time to December 31, 2021 for the contribution of up to \$1 million in County funds for tenant improvements to convert the existing medical facility located at 303 South C Street, Lompoc, California, into an in-county Mental Health Rehabilitation Center, known as the “**Champion Healing Center**,” and
- B. Determine that the recommended action is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 (Existing Facilities), as set forth in the Notice of Exemption, filed with the Clerk of the Board on that basis on March 11, 2020, and that the recommended action is within the scope of the Notice of Exemption.

Summary Text:

This item is on the Board agenda to request approval to enter into a First Amended Memorandum of Understanding (“MOU”) with Crestwood Behavioral Health Center, Inc. (“Crestwood”) to extend the period of time to December 31, 2021 for the contribution of up to \$1 million (“\$1M”) in County funds for tenant improvements (“TIs”) to convert the existing medical facility located at 303 South C Street, Lompoc, California, into an in-county Mental Health Rehabilitation Center (“MHRC”). This First Amendment to the MOU would allow Crestwood additional time to complete the TIs and process the reimbursement of claims. As of January 25, 2021, forty-two percent (42%) of the TIs have been completed.

Background:

The Board authorized the County to enter into a MOU with Crestwood, referred to as BC19481, on March 10, 2020, for the contribution of up to \$1M in County funds for TIs to convert the existing medical facility located at 303 South C Street, Lompoc, California, into an in-county MHRC, known as the Champion Healing Center (the “Property”).

Crestwood entered into a lease with the Lompoc Valley Medical Center (“LVMC”) and University Partners, LLC. University Partners sublets the entire leased premises to Crestwood to operate an 80-bed (+/-) MHRC, licensed by the Department of Health Care Services, at the Property. The County needs MHRC beds and is contributing funds towards a portion of the TIs in order for MHRC beds to be available to County at the Property. Certain TIs need to be performed for the Property to be licensed as an MHRC.

Crestwood anticipated that the TIs would be completed and the facility operational by approximately November 1, 2020. Due to the COVID-19 pandemic, Crestwood has experienced delays that prevented the TIs from being completed by the anticipated date. This First Amendment to the MOU would extend the period of time to December 31, 2021 for the contribution of up to \$1M in County funds for the TIs and allow Crestwood additional time to complete and invoice the County for the TIs.

Performance Measures and Outcomes:

A County representative has meet with Crestwood monthly, or as needed, upon receipt of change orders or progress payment invoices, to review the status of the TIs, review and agree upon any change orders, and to review and approve all bills for the TIs.

Fiscal and Facilities Impacts:

Budgeted: Included in FY 20-21 Budget.

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			\$ 1,000,000.00
Federal			
Fees			
Other:			
Total			\$ 1,000,000.00

Narrative: The funding sources are included in the FY 2020-2021 Budget.

Key Contract Risks:

Approval of the First Amended MOU poses medium risk for the County given the potential amount of the County's contribution, the contribution is cost reimbursable over an estimated 4-year period, and the tenant improvements are controlled by Crestwood. These risks have been mitigated by the following: prior to entering into the MOU, the Auditor-Controller reviewed Crestwood's financials and was of the belief that Crestwood would be able to cover costs for the TIs in excess of the County's \$1M contribution or in the event Crestwood is not able to provide the services as contemplated; Crestwood has more experience than the County in constructing and operating MHRC facilities; the County and Crestwood will continue to meet frequently to monitor the costs and status of the project; the project is bonded with performance and payment bonds; and Crestwood and the construction contractor maintain insurance on the project and indemnify the County for any incident arising out of the MOU. The County may terminate the MOU for cause or nonappropriation of funds. In the event of a dispute as to the reasonable costs of the TIs, the dispute shall be resolved by non-binding third party mediation.

Special Instructions:

Please email one (1) complete executed MOU and one (1) minute order to mejohanson@sbcbswell.org and bswellcontractsstaff@co.santa-barbara.ca.us.

Attachments:

Attachment A: First Amended Champion Healing Center Memorandum of Understanding

Attachment B: Champion Healing Center Memorandum of Understanding (BC19481)

Attachment C: CEQA Notice of Exemption filed on March 11, 2020

Authored by:

Melanie Johnson