

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY  
INVESTMENT IN MENTAL HEALTH WELLNESS GRANT PROGRAM  
GRANT AGREEMENT NUMBER SB-01**

COUNTY OF SANTA BARBARA  
300 N. SAN ANTONIO ROAD, BLDG 1, SANTA BARBARA, CA 93110

THIS AGREEMENT (the "Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 201\_\_, between County of Santa Barbara ("Grantee") and the California Health Facilities Financing Authority ("CHFFA" or the "Authority").

**RECITALS:**

- A. Grantee has applied to CHFFA for a grant from the Investment in Mental Health Wellness Grant Program to fund the hereinafter defined Project,
- B. CHFFA has determined that Grantee's Application meets eligibility requirements of the hereinafter defined Regulations.
- C. Subject to the availability of grant monies, CHFFA proposes to grant \$2,663,525.96 (the "Grant") to Grantee in consideration of, and on condition that the Grant be used for the purposes of the Project as described in Exhibit D attached hereto and on the terms and conditions contained herein.
- D. The purpose of this Agreement is to set forth the terms and conditions upon which CHFFA will provide the Grant to Grantee to undertake the Project.

NOW, THEREFORE, CHFFA and Grantee agree as follows:

**ARTICLE I – DEFINITIONS**

Section 1.1 – ACTUAL EXPENDITURES FORM means Actual Expenditures Form No. CHFFA 7 MH-03 (10/2013).

Section 1.2 – GRANT DOCUMENTS means this Agreement, the Grantee's Application, the Grant Award Letter (Exhibit A); and the Authority's Resolution (Exhibit B), including all exhibits to such documents.

Section 1.3 – GRANT PERIOD means the period beginning on April 24, 2014 and ending July 1, 2015, as such period may be extended upon the prior written approval of CHFFA, which shall become incorporated into this Agreement.

Section 1.4 – PROJECT means the project to be funded with the Grant as more particularly described in Grantee's Application and other Grant Documents, although the scope of the Project may be clarified in a report prepared by Authority Staff. The Authority may broaden the definition of the Project at its discretion to ensure the Project can provide the intended services, so long as the broadening of the definition of the Project does not result in additional County funds to complete. Any written approval of CHFFA to expand the Project shall become incorporated into this Agreement.

Section 1.5 – PROJECTED EXPENDITURES FORM means Projected Six Months of Expenditures Form No. 7 MH-02 (10/2013).

Section 1.6 – REGULATIONS means the Investment in Mental Health Wellness Grant Program regulations at sections 7113 through 7129 of title 4 of the California Code of Regulations, as may be amended from time to time.

Section 1.7 – Any capitalized terms used but not otherwise defined in this Agreement shall have the meaning set forth in the Regulations.

## **ARTICLE II – REPRESENTATIONS AND WARRANTIES**

Grantee makes the following representations and warranties to CHFFA as of the date of execution of this Agreement and throughout the Grant Period:

Section 2.1 – LEGAL STATUS. Grantee is an “eligible applicant” as described in the eligibility requirements of Section 7114 of the Regulations and has full legal right, power and authority to enter into this Agreement and the other Grant Documents to which it is a party and to carry out and consummate all transactions contemplated hereby and by the other Grant Documents as evidenced, in part, by the Resolution of Grantee’s Governing Board attached herein as Exhibit C.

Section 2.2 – VALID AND BINDING OBLIGATION. This Agreement has been duly authorized, executed and delivered by Grantee, and is a valid and binding agreement of Grantee.

Section 2.3 – PROJECT AND ELIGIBLE COSTS. The Project and the eligible costs relating to the Project meet the requirements of the Regulations.

Section 2.4 – PROPERTY OWNERSHIP. If the Project includes acquisition, construction or renovation of real property, Grantee will have obtained good and marketable fee simple title to the real property upon acquisition or prior to construction or renovation as applicable. However, if the Project includes construction or renovation located on real property to be leased by Grantee or otherwise not owned in fee simple title by Grantee, Grantee will have satisfied the requirements of Section 7126 of the Regulations prior to the initial disbursement of Grant funds.

Section 2.5 – GRANT DOCUMENTS. Grantee has access to professional advice to the extent necessary to enable Grantee to comply with the terms of the Grant Documents.

## **ARTICLE III - CONDITIONS PRECEDENT TO EACH DISBURSEMENT**

CHFFA’s obligation to make each disbursement of Grant funds during the Grant Period under this Agreement is subject to all of the following conditions:

Section 3.1 – DOCUMENTATION. This Agreement shall be fully executed and delivered by Grantee and CHFFA in form and substance satisfactory to CHFFA.

Section 3.2 – REPRESENTATIONS AND WARRANTIES. The representations and warranties contained in Article II of this Agreement are true and correct as of the date of such disbursement and as certified by Grantee in the applicable Projected Expenditures Form.

Section 3.3 – NO EVENT OF DEFAULT. There shall exist no Event of Default under this Agreement, and there shall exist no event, omission or failure of condition, which, after notice or lapse of time, would constitute an Event of Default under this Agreement.

Section 3.4 – DISBURSEMENT REQUEST. Grantee shall have delivered to CHFFA a completed Projected Expenditures Form relating to the disbursement for the ensuing six (6) month period, a completed Actual Expenditures Form relating to the disbursement for the prior six (6) month period, and any other information required by Sections 7125 and 7128 of the Regulations in form and substance satisfactory to CHFFA.

Section 3.5 – READINESS AND FEASIBILITY. Grantee has submitted to the Authority sufficient documentation to enable Authority staff to conclude the Project is ready and feasible as more particularly described in Section 7125 (a)(2) and (a)(3) of the Regulations. The Authority Staff shall determine Project readiness and feasibility at the time of Initial Allocation or within six (6) months following Final Allocation. Limited extensions beyond six (6) months may be granted as set forth in Regulations Section 7125(a)(3)(C). Upon request, Grantee shall provide updated information necessary for the Authority to determine Project readiness and feasibility. Failure to demonstrate readiness and feasibility within the timeframes dictated by the Authority may cancel the Grant. In the event Grantee fails to complete the Project by the end of the Grant Period (inclusive of any extensions permitted by the Authority), the Authority may require remedies, including forfeiture and return of the Grant to CHFFA in accordance with the Regulations as set forth in Article VI below.

## **ARTICLE IV – GRANT DISBURSEMENT PROCEDURES**

### **Section 4.1 – DISBURSEMENT PROCESS.**

- (a) **Initial Disbursements:** Initial disbursement of Grant funds shall be released upon the Authority's receipt of a completed Projected Expenditures Form and other documentation required by Section 7125(a)(2) of the Regulations, satisfactory to the Authority.
- (b) **Subsequent Disbursements:** Subsequent disbursements of Grant funds shall be released in six (6) month intervals upon receipt of a completed Projected Expenditures Form, any status reports that may be due pursuant to Section 7128(a) of the Regulations, satisfactory to the Authority, and the Authority's receipt of any Actual Expenditures Forms that may be due, and any additional information as described in Section 7125(b) of the Regulations, satisfactory to the Authority.
- (c) **Reports and Reconciliations:** CHFFA shall notify Grantee in writing within seven (7) business days of any deficiencies or discrepancies in the information, forms and reports submitted by Grantee, including any reconciliations the Authority deems necessary as may occur due to projected expenditures exceeding actual expenditures for any of the reporting periods. The Authority will not disburse any funds until Grantee addresses to the Authority's satisfaction, any deficiencies or discrepancies in the information, forms and reports submitted by Grantee. CHFFA may deduct the difference between actual expenditures and the disbursed amount from the next disbursement or the Grantee shall submit a refund for the difference.

Section 4.2 – AMOUNT OF DISBURSEMENT. The total amount of the Grant shall not exceed the amount authorized under this Agreement and may only be spent for eligible costs. Grant funds are subject to the availability of funds and may be rescinded or reduced. Grantee shall establish an account to deposit the Grant funds and shall maintain this account for purposes of payments of Project expenditures. A segregated sub-account may be used by Grantee provided the statement allows for the accounting of the receipt and expenditure of Grant funds, and the interest earned from these funds, separately from other funds in the account. Upon request, Grantee shall submit copies of all statements for such account or sub-account to CHFFA. At the end of the Grant Period (inclusive of any extensions permitted by CHFFA), any unused Grant funds, interest and investment earnings on such Grant funds revert to and shall be paid to the Authority.

## **ARTICLE V – AFFIRMATIVE AND NEGATIVE COVENANTS**

Section 5.1 – CERTIFICATE OF COMPLETION. Within 60 days following completion of the Project, Grantee shall certify to CHFFA that the Project is complete (the “Completion Certificate”) and shall provide, to the extent not already provided, supporting documentation required by Section 7128(c) of the Regulations, to the satisfaction of CHFFA.

Section 5.2 – COMPLIANCE WITH STATUTE AND REGULATIONS. Grantee shall comply with the requirements of the Investment in Mental Health Wellness Grant Program, Welfare and Institutions Code section 5848.5, the Regulations, and all other applicable laws of the State of California. Grantee agrees that continued compliance with these requirements is Grantee’s responsibility.

Section 5.3 – AUDIT AND RECORDKEEPING PROVISIONS. Grantee shall maintain satisfactory financial accounts, documents and other records for the Project and shall retain all documentation necessary to substantiate the purposes for which the Grant funds were spent for a period of three years after the certification of Project completion has been submitted. Grantee agrees that the California State Auditor and Authority Staff may conduct periodic audits and inspections to ensure that Grantee is using the Grant consistent with Program requirements and the terms of this Agreement.

Section 5.4 – NOTICE TO CHFFA. Grantee shall promptly give notice in writing to CHFFA of any pending or threatened action related to the Project in which the amount claimed is in excess of twenty-five thousand dollars (\$25,000). Grantee shall promptly give notice in writing to CHFFA of any uninsured or partially uninsured loss related to the Project through fire, theft, liability, or otherwise in excess of an aggregate of twenty-five thousand dollars (\$25,000).

Section. 5.5 – RELEASE. Grantee shall waive all claims and recourse against CHFFA including the right to contribution for loss or damage to persons or property arising from, growing out of, or in any way connected with or incident to this Agreement, Grantee’s use of the Grant funds, Grantee’s operations, or the Project. The provisions of this Section 5.5 shall survive termination of this Agreement.

Section 5.6 – INDEMNIFICATION. Grantee shall defend, indemnify and hold harmless CHFFA and the State, and all officers, trustees, agents and employees of the same, from and against any and all claims, losses, costs, damages, or liabilities of any kind or nature, whether direct or indirect, arising from or relating to the Grant, the Project or the Program. The provisions of this Section 5.6 shall survive termination of this Agreement.

Section 5.7 – NON-DISCRIMINATION CLAUSE. Grantee shall comply with state and federal laws prohibiting discrimination, including those prohibiting discrimination because of sex, race, color, ancestry, religion, creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (including cancer or genetic characteristics), sexual orientation, political affiliation, position in a labor dispute, age, marital status and denial of statutorily-required, employment-related leave.

Section 5.8 – PREVAILING WAGE. Grantee shall comply with California's prevailing wage law under Labor Code Section 1720 et seq. for public works projects.

Section 5.9 – PROJECT COMPLETION. Grantee shall assume any obligation to furnish any additional funds that may be necessary to complete the Project.

Section 5.10 – PAYMENT OF RENT. If any portion of the Project (except for equipment acquisition projects) is located on any real property leased by Grantee, Grantee shall budget for payment of rent each year (unless Grantee pays a nominal yearly rent or has paid full rent under the lease agreement).

Section 5.11 – USE OF FUNDS. Grantee will not without prior consent of CHFFA do any of the following: (1) use any Grant funds for purposes other than for the Project unless a change in the use of the Grant is approved in writing by CHFFA; (2) make any changes to the Project as described in the Application or any of the Grant Documents; or (3) dispose of a capital asset before the end of the useful life of the asset.

## **ARTICLE VI – DEFAULT AND REMEDIES**

Section 6.1 – EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

(1) Any representation or warranty made by Grantee, hereunder or under any other Grant Document, proves to be incorrect in any material respect;

(2) Grantee's failure to perform any term or condition of this Agreement, the Regulations, or any other Grant document; or

(3) Any construction or renovation portion of the Project is located on real property leased by Grantee and the lease agreement terminates before the end of the useful life of the Project and the property is not simultaneously re-leased under a new lease agreement that complies with the Regulations, or fee title to the property is not simultaneously transferred to Grantee.

Section 6.2 – NOTICE OF DEFAULT AND OPPORTUNITY TO CURE.

CHFFA shall provide written notice to Grantee of any Event of Default by specifying: (1) the nature of the event or deficiency that gave rise to the Event of Default; (2) the action required to cure the Event of Default, if an action to cure is possible; and (3) a date, which shall not be less than thirty (30) calendar days from the mailing of the notice, by which such action to cure must be taken, if an action to cure is possible, provided, however, so long as Grantee has commenced to cure within such time, then CHFFA may allow the Grantee a reasonable period thereafter within which to fully cure the Event of Default.

Section 6.3 – REMEDIES. If an Event of Default has occurred and is continuing, CHFFA shall have the right to pursue remedies in accordance with Section 7127 of the Regulations and to take any other actions in law or in equity to enforce performance and observance of any obligation, agreement or covenant of Grantee under this Agreement.

**ARTICLE VII – MISCELLANEOUS**

Section 7.1 – ENTIRE AGREEMENT. This Agreement, together with all agreements and documents incorporated by reference herein, constitutes the entire agreement of the parties and may be amended, changed or modified in a writing signed by Grantee and CHFFA.

Section 7.2 – NOTICES. Unless otherwise agreed upon in writing by CHFFA and Grantee, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first-class mail, postage prepaid and addressed as follows:

- (i) If to Grantee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention:

- (ii) If to the Authority:

California Health Facilities  
Financing Authority  
915 Capitol Mall, Suite 590  
Sacramento, California 95814  
Attention: Executive Director

Section 7.3 – COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 7.4 – GOVERNING LAW AND VENUE. This Agreement shall be construed in accordance with and governed by the laws of the State of California. This Agreement shall be enforceable in the State of California and any action arising hereunder shall (unless waived in writing by the Authority) be filed and maintained in the County of Sacramento.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first hereinabove written.

GRANTEE:

COUNTY OF SANTA BARBARA

By: \_\_\_\_\_ [Authorized Officer]

*Print Name/Title:* \_\_\_\_\_

Date: \_\_\_\_\_

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY:

By: \_\_\_\_\_  
Executive Director

Date: \_\_\_\_\_

**Exhibit A**

**GRANT AWARD LETTER**



**Exhibit B**

**RESOLUTION**

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY**

## **Exhibit C**

### **RESOLUTION OF GRANTEE'S GOVERNING BOARD**

## Exhibit D

### Project Description

The Project Description, as described in Exhibit A to the Authority's April 24, 2014 Resolution No. MH 2014-18 is as follows:

The proceeds of the grant will be used by the County of Santa Barbara as follows:

#### Crisis Residential Treatment Program

The County of Santa Barbara (the "County") will establish a non-institutional Crisis Residential Treatment Program for mental health clients to receive up to 30 days of respite, peer support, and linkages to ongoing services and resources. The program will increase capacity by adding eight new beds. A County owned low-income residence is currently under consideration for renovation. Services will be provided by a local nonprofit contract provider. The funds will be used for renovation, furnishings and equipment.

#### Crisis Stabilization Treatment Program

The County will partner with Cottage Hospital to establish its first-ever Crisis Stabilization Unit, designed to provide a safe, nurturing, short-term emergency treatment alternative to hospitalization for individuals experiencing a mental health emergency. The County will identify a suitable building that can accommodate up to 10 consumers daily for stays up to 23 hours. The environment will be designed to be comfortable and non-clinical to provide a calming experience. Services will be provided by the County in close partnership with Cottage Hospital. The funds will be used to purchase, renovate, furnish and equip a building.

#### Mobile Crisis Support Team Program

The County will establish a mobile crisis support team for the City of Lompoc, which is the only service area without a team. The program will provide rapid response in mental health emergencies. A team will consist of a peer recovery assistant, a mental health specialist, and a psychiatric nurse. Services will be provided by the County. The funds will be used to purchase two vehicles and fund the salaries of 10 staff members.

#### Summary of Amounts:

Program	Approved Grant Amount	Expected Federal Financial Participation
Crisis Residential	\$ 450,000.00	
Crisis Stabilization	\$ 1,500,000.00	
Mobile Crisis Capital	\$ 50,000.00	
Mobile Crisis Personnel	\$ 663,525.96	\$ 512,500.00

**Total** \$ 2,663,525.96