

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
COMMUNITY SERVICES INFRASTRUCTURE GRANT PROGRAM
GRANT AGREEMENT NUMBER CSI SONM-01**

COUNTY OF SONOMA

1450 NEOTOMAS AVENUE, SUITE 200, SANTA ROSA, CA 95405

THIS AGREEMENT (the "Agreement") is made this 25th day of July 2019, between County of Sonoma ("Grantee") and the California Health Facilities Financing Authority ("CHFFA" or the "Authority").

RECITALS:

- A. Grantee has applied to CHFFA for a grant from the Community Services Infrastructure 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 \$2,266,191.00 (the "Grant") to Grantee 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 for the Project.

NOW, THEREFORE, CHFFA and Grantee agree as follows:

ARTICLE I – DEFINITIONS

Section 1.1 – ACTUAL EXPENDITURES REPORT FORM means Actual Expenditures Report Form No. CHFFA 9 CSI-03 (09/2018).

Section 1.2 – GRANT DOCUMENTS means this Agreement, and the Grantee's Application, including all exhibits to such documents.

Section 1.3 – GRANT PERIOD means the period beginning on July 25, 2019 and ending on June 30, 2022, as such period may be extended upon the prior written approval of CHFFA, which shall become incorporated into this Agreement.

Section 1.4 – LEAD GRANTEE means the county designated on the Application to have the primary responsibility for the fiscal management of Grant funds, records retention, reporting and all of the other aspect of compliance with this Chapter and the Grant Agreement.

Section 1.5 – 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 Grant funds to complete the project or in the misuse of Grant funds. Any written approval of CHFFA to expand the Project shall become incorporated into this Agreement.

Section 1.6 – REGULATIONS means the Community Services Infrastructure Grant Program regulations at Sections 7413 through 7429 of Title 4, Division 10 of the California Code of Regulations, as may be amended from time to time.

Section 1.7 – REQUEST FOR DISBURSEMENT FORM means Request for Disbursement Form No. CHFFA 9 CSI-02 (09/2018).

Section 1.8 – RESOLUTION means Resolution number CSI 2019-07 adopted by CHFFA on July 25, 2019 approving a grant for \$2,266,191.00 to complete the eligible project as described in the Community Services Infrastructure Grant application and in the Resolution and attached hereto as Exhibit D. Any amendment to the Resolution shall become incorporated into this Agreement.

Section 1.9 – STATUTE means Welfare and Institutions Code Section 5848.51 as supplemented by Chapter 33, Statutes of 2016 (SB 843), Section 52, the Community Services Infrastructure Grant Program and implementing regulations (California Code of Regulations, Title 4, Division 10, Chapter 8 (commencing with Section 7413)).

Section 1.10 – 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 7414 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. Grantee will have obtained good and marketable fee title to the real property upon acquisition or prior to renovation as applicable. If the Project includes renovation located on real property to be leased by Grantee or otherwise not owned in fee title by Grantee, the requirements of Section 7426 of the Regulations will be satisfied prior to the initial disbursement of Grant funds for renovation.

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 Request for Disbursement Form.

Section 3.3 – DISBURSEMENT REQUEST. Grantee shall have delivered to CHFFA a completed Request for Disbursement Form and any other information required by Sections 7425 and 7428 of the Regulations, satisfactory to the Authority.

Section 3.4 – READINESS, FEASIBILITY, AND SUSTAINABILITY. Grantee has submitted to the Authority sufficient documentation to enable Authority staff to conclude the Project is ready, feasible, and sustainable as more particularly described in Section 7425 (a)(2) and (a)(3) of the Regulations. The Authority Staff shall determine Project readiness, feasibility, and sustainability at the time of Initial Allocation or within twelve (12) months following Final Allocation. Limited extensions beyond twelve (12) months may be granted as set forth in Regulations Section 7425(a)(3)(C). Upon request, Grantee shall provide updated information necessary for the Authority to determine Project readiness, feasibility, and sustainability. Failure to demonstrate readiness, feasibility, and sustainability 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 Request for Disbursement Form and other information required by Section 7425(a)(2) of the Regulations, satisfactory to the Authority.

(b) **Subsequent Disbursements:** Subsequent disbursements of Grant funds shall be released upon receipt of a completed Request for Disbursement Form, a status report pursuant to Section 7428(a) of the Regulations, an Actual Expenditures Report Form, and any other information required by Sections 7425 and 7428 of the Regulations, satisfactory to the Authority.

(c) **Reports and Reconciliations:** CHFFA shall notify Grantee in writing within ten (10) 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 sixty (60) days following completion of the Project, Grantee shall certify to CHFFA that the Project is complete by submitting a Certificate of Completion and Final Report Form No. CHFFA 9 CSI-04 (09/2018), and any other information required by Section 7428 of the Regulations, to the satisfaction of CHFFA.

Section 5.2 – COMPLIANCE WITH STATUTE AND REGULATIONS. Grantee shall comply with the requirements of the Community Services Infrastructure Grant Program, Welfare and Institutions Code Section 5848.51, 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 (3) 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 race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.

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, that 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;
- (3) Any 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 real 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; or

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 7427 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:

County of Sonoma

1450 Neotomas Avenue, Suite 200

Santa Rosa, CA 95405

Attention: Barbie Robinson, MPP, JD, CHC, Director

- (ii) If to the Authority

California Health Facilities Financing Authority

915 Capitol Mall, Suite 435

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 (1) 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 certifies that the Authorized Officer below is authorized to execute and deliver this Agreement, and the Authorized Officer or his or her designee is authorized to carry out and consummate all transactions contemplated hereby.

GRANTEE:

COUNTY OF SONOMA

By: _____ [Authorized Officer]

Print Name/Title: Barbie Robinson, MPP, JD, CHC, Director

Date: _____

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY:

By: _____
Executive Director

Date: _____

Exhibit A

GRANT AWARD LETTER



CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

915 Capitol Mall, Suite 435
Sacramento, CA 95814
p (916) 653-2799
f (916) 654-5362
chffa@treasurer.ca.gov
www.treasurer.ca.gov/chffa

MEMBERS

FIONA MA, CPA, CHAIR
California State Treasurer

BETTY T. YEE
State Controller

KEELY MARTIN BOSLER
Director of Finance

JUDITH N. FRANK

JAY HANSEN

ROBERT CHERRY, M.D.

OSCAR SABLAN, M.D.

KATRINA KALVODA

KERI KROPKE

EXECUTIVE DIRECTOR
Frank Moore

August 12, 2019

Bill Carter, Director
Behavioral Health Division
Department of Health Services
County of Sonoma
2227 Capricorn Way, Suite 207
Santa Rosa, CA 95407

RE: Community Services Infrastructure Grant Program
Final Allocation – First Funding Round
County of Sonoma
Total Approved Grant Award: \$2,266,191.00

Dear Mr. Carter:

I am pleased to inform you that the California Health Facilities Financing Authority (“the Authority”) approved a final allocation to the County of Sonoma (the “County”) under the Community Services Infrastructure Grant Program (the “Program”) at its July 25, 2019 meeting. The final allocation is set forth in the attachment to this letter.

Please be advised that funding of this grant is conditioned upon the County meeting certain requirements as specified in the Program regulations, including signing a grant agreement and providing requested documentation acceptable to the Authority prior to disbursement of funds. The Authority reserves the right to modify or cancel the commitment of grant funds upon failure to execute a grant agreement or other failure to comply with the Program regulations. The Authority may also modify or cancel the grant award if the Authority becomes aware of any matter which, if known at the time of Application review and approval, would have resulted in the rejection of the Application or the grant not being approved. The grant is also subject to availability of funds. The Authority is not liable in any manner whatsoever should such funding not be provided for any reason.

The grant period begins on July 25, 2019 and ends June 30, 2022. The County’s project must be determined “ready, feasible, and sustainable” as per the Program regulations by July 25, 2020. (California Code of Regulations, Title 4, Section 7419 (a)(4)). A Request for Disbursement form, with accompanying documents, per California Code of Regulations, Title 4, Section 7425, must be received by the Authority no later than March 31, 2022. Eligible costs are described in the Program regulations (California Code of Regulations, Title 4, Section 7415) and are limited to the Project as further detailed in the attachment to this letter.

Eman Hariri will serve as the grant officer to assist you throughout the grant period. The grant officer will be contacting you to discuss the next steps in the grant disbursement process, including the Authority's request for a resolution from your governing board authorizing the acceptance of the grant and all responsibilities flowing therefrom. If there are material changes to the project, please contact your grant officer immediately. Also, please feel free to contact your grant officer directly with questions or concerns by telephone at (916) 651-3886 or e-mail at Eman.Hariri@treasurer.ca.gov.

In closing, on behalf of the Authority, I want to congratulate you and wish you success with this project. We look forward to working with you to improve and expand jail diversion programs in California.

Sincerely,



Frank Moore
Executive Director

Attachment

ATTACHMENT

PROJECT DESCRIPTION

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

The Grantee must add at least six (6) new beds with service capacity for approximately 20 more participants in an expanded jail diversion program facility for mental health treatment, substance use disorder treatment, and trauma-centered services which will be provided to the Target Population as defined in program regulations Section 7413 (r) and (y). The Grantee may use grant funds to finance eligible costs in support of the Grantee's jail diversion program.

Summary of Amount:

Project	Approved Grant Amount
Diversion Transitional Housing	\$ 2,266,191.00
Total	<u>\$ 2,266,191.00</u>

Exhibit B

RESOLUTION

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

I hereby certify that the attached is a true and exact copy of Resolution No. CSI 2019-07 adopted by the California Health Facilities Financing Authority on July 25, 2019 for County of Sonoma (Community Services Infrastructure Grant Program).

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

BY

A handwritten signature in dark ink, appearing to read 'FM', is written over a horizontal line.

Frank Moore
Executive Director

Date: July 25, 2019

RESOLUTION NO. CSI 2019-07

**A RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY APPROVING
EXECUTION AND DELIVERY OF GRANT FUNDING UNDER
THE COMMUNITY SERVICES INFRASTRUCTURE GRANT PROGRAM
TO THE COUNTY OF SONOMA**

WHEREAS, The California Health Facilities Financing Authority (the "Authority"), a public instrumentality of the State of California, is authorized by the provisions of the Community Services Infrastructure Grant Program (Welfare and Institutions Code Section 5848.5) and implementing regulations (California Code of Regulations, Title 4, Division 10, Chapter 8 (commencing with Section 7413)) to award grants for capital funding to finance eligible projects; and

WHEREAS, Authority staff reviewed the application submitted by the County of Sonoma ("Grantee") against the eligibility requirements of the Community Services Infrastructure Grant Program and implementing regulations, and pursuant to the Community Services Infrastructure Grant Program and implementing regulations, recommends approval of a grant for the eligible project (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);

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 the amount of \$2,266,191.00 to complete the Project within a grant period that ends on June 30, 2022. Within this grant period, Grantee shall provide evidence acceptable to Authority staff demonstrating that the Project shall be operational on or before October 31, 2021. Funds shall not be disbursed if Grantee is unable to provide evidence acceptable to Authority staff that the Project is on track to be operational on or before October 31, 2021. Grantee must submit all capital cost disbursement requests, including required supporting documentation, to the Authority no later than March 31, 2022.

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 and extend the grant period completion date identified in Section 1. 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 Community Services Infrastructure Grant 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 Grantee's jail diversion Project as described in Exhibit A to this resolution.

Section 6. This resolution expires on June 30, 2022.

Date Approved: July 25, 2019

EXHIBIT A

PROJECT DESCRIPTION

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

The Grantee must add at least six (6) new beds with service capacity for approximately 20 more participants in an expanded jail diversion program facility for mental health treatment, substance use disorder treatment, and trauma-centered services which will be provided to the Target Population as defined in program regulations Section 7413 (r) and (y). The Grantee may use grant funds to finance eligible costs in support of the Grantee's jail diversion program.

Summary of Amount:

Project	Approved Grant Amount
Recovery Center Expansion and Revitalization	\$ 2,266,191.00

Total \$ 2,266,191.00

Exhibit C

RESOLUTION OF GRANTEE'S GOVERNING BOARD

Exhibit D

PROJECT DESCRIPTION

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

The Grantee must expand program capacity by at least 30 clients in an expanded jail diversion program facility for mental health treatment, substance use disorder treatment and trauma-centered services, which will be provided to the Target Population as defined in program regulations Section 7413 (r) and (y). The Grantee may use grant funds to finance eligible costs in support of the Grantee's jail diversion program.

Summary of Amounts:

Project	Approved Grant Amount
Diversion Transitional Housing	\$ 2,266,191.00
Total	\$ 2,266,191.00