

RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION AUTHORIZING: A) THE COUNTY TO PROVIDE LOANS TOTALING UP TO \$5 MILLION IN MEASURE A FUNDS TO FIVE NONPROFIT ORGANIZATIONS WHICH OWN, LEASE AND OPERATE RESIDENTIAL SUBSTANCE USE TREATMENT CENTERS, IN ORDER TO REDUCE MORTGAGE AND LEASE PAYMENTS AND ADDRESS IMMEDIATE CAPITAL NEEDS, INCLUDING ALLOCATING A PORTION FOR ADMINISTRATIVE COSTS; B) THE COUNTY TO RESTRUCTURE EXISTING COUNTY LOANS MADE TO THE ORGANIZATIONS; AND C) THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR THE DIRECTOR'S DESIGNEE, TO EXECUTE CONTRACTS WITH EACH OF THE FIVE NONPROFIT ORGANIZATIONS TO PROVIDE NEW LOANS AND FORGIVE OR RESTRUCTURE EXISTING COUNTY LOANS AS NECESSARY.

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, substance use treatment providers in San Mateo County are under increasing financial stress due to decreasing revenues and increasing operating costs; and

WHEREAS, some providers that own properties are struggling to make mortgage payments and contemplating selling property to relieve financial pressures; and

WHEREAS, prospects are good for increased operating funding for residential treatment under the Medi-Cal program that received Federal approval in August 2015, but timing for relief through the program is unclear; and

WHEREAS, in August 2015, the Board of Supervisors approved the creation of a \$1 million Measure A emergency fund and authorized an additional \$4 million of Measure A funds in September 2015 to stabilize providers in the long term; and

WHEREAS, the Division of Behavioral Health and Recovery Services (BHRS) of the Health System and the Department of Housing (DOH) solicited interest from providers and received five responses; and

WHEREAS, DOH and BHRS considered a variety of strategies for supporting the applicants and have made recommendations to the Board of Supervisors for allocation of the \$5 million previously allocated by the Board for these purposes.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors, County of San Mateo, State of California, hereby adopts this Resolution authorizing: A) County to provide loans totaling up to \$5 million in Measure A funds to five nonprofit organizations which own, lease and operate residential substance use treatment centers, in order to reduce mortgage and lease payments and address immediate capital needs, including allocating a portion for administrative costs; B) County to restructure existing County loans made to the organizations; and C) The Director of the Department of Housing, or the Director's designee, to execute contracts with each of the five nonprofit organizations to provide new loans and forgive or restructure existing County loans as necessary.

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