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Tri-City Mental Health Authority
Administration Office
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Founded by Pomona, Claremont, and La Verne
in 1960



Jed Leano (Claremont), Chair
John Nolte (Pomona), Vice-Chair
Carolyn Cockrell (La Verne), Board Member
Paula Lantz (Pomona), Board Member
Wendy Lau (La Verne), Board Member
Elizabeth Ontiveros-Cole (Pomona), Board Member
Ronald T. Vera (Claremont), Board Member

GOVERNING BOARD AGENDA

WEDNESDAY, OCTOBER 19, 2022
5:00 P.M.

MEETING LOCATION

There will be no in-person public meeting location. On September 16, 2021, the Legislature amended the Brown Act provisions regarding teleconferencing through Assembly Bill No. 361, codified under Government Code § 54953. Accordingly, the Governing Board will hold this public meeting via teleconference and the public seeking to observe and to address the Governing Board may participate telephonically or otherwise electronically.

Please click the link below to join the meeting:

<https://tricitymhs-org.zoom.us/j/82384488925?pwd=N0JSUngvNkJKHU0U2bVhkSTRKU2wrUT09>

Passcode: awFL+Wy4

Or Telephone: 1-213-338-8477

Webinar ID: 861 1017 8861

Passcode: 20685375

Public Participation. Section 54954.3 of the Brown Act provides an opportunity for members of the public to address the Governing Board on any item of interest to the public, before or during the consideration of the item, that is within the subject matter jurisdiction of the Governing Board. Therefore, members of the public are invited to speak on any matter on or off the agenda.

The public can make a comment during the meeting by using the 'raised hand' feature, or by calling in, if they wish to address a particular agenda item or to make a general comment on a matter within the subject matter jurisdiction of the Governing Board. The Chair will call on the member of the public at the appropriate time and allow the person to provide live comment. The public can also submit a comment by writing an email to molmos@tricitymhs.org. All email messages received by 3:30 p.m. will be shared with the Governing Board before the meeting. No action shall be taken on any item not appearing on the Agenda. The Chair reserves the right to place limits on duration of comments.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by Tri-City Mental Health Authority to all or a majority of the Tri-City Governing Board less than 72 hours prior to this meeting, are available for public inspection at <http://www.tricitymhs.org>

CALL TO ORDER

Chair Leano calls the meeting to Order.

ROLL CALL

Board Member Cockrell, Board Member Lantz, Board Member Lau, Board Member Ontiveros-Cole, and Board Member Vera; Vice-Chair Nolte; and Chair Leano.

POSTING OF AGENDA

The Agenda is posted 72 hours prior to each meeting at the following Tri-City locations: Clinical Facility, 2008 N. Garey Avenue in Pomona; Wellness Center, 1403 N. Garey Avenue in Pomona; Royalty Offices, 1900 Royalty Drive #180/280 in Pomona; MHSA Office, 2001 N. Garey Avenue in Pomona; and on the Tri-City’s website: <http://www.tricitymhs.org>

CONSENT CALENDAR

1. CONSIDERATION OF RESOLUTION NO. 672 AUTHORIZING THE IMPLEMENTATION OF TELECONFERENCING REQUIREMENTS DURING A PROCLAIMED STATE OF EMERGENCY UNDER GOVERNMENT CODE SECTION 54953 (AB 361)

Recommendation: “A motion to adopt Resolution No. 672 finding and declaring that it is unsafe to meet in person during the proclaimed state of emergency as a result of the continued threat of COVID-19, and authorizes the Executive Director, or her designee, to continue utilizing teleconferencing accessibility to conduct the Authority’s public meetings pursuant to Government Code § 54953.”

2. APPROVAL OF MINUTES FROM THE SEPTEMBER 21, 2022 GOVERNING BOARD REGULAR MEETING

Recommendation: “A motion to approve the Minutes of the Governing Board Regular Meeting of September 21, 2022.”

3. CONSIDERATION OF RESOLUTION NO. 673 ADOPTING REVISED POLICY AND PROCEDURE NO. PP-13, DOCUMENTATION OF DISCLOSURES AND HIPAA/PRIVACY RECORDS RETENTION, EFFECTIVE OCTOBER 19, 2022

Recommendation: “A motion to adopt Resolution No. 673 revising the Authority’s Policy and Procedure No. PP-13: Documentation of Disclosures and HIPAA/Privacy Records Retention, Effective October 19, 2022.”

4. CONSIDERATION OF RESOLUTION NO. 674 ADOPTING REVISED POLICY AND PROCEDURE NO. II-18, WORKFORCE MEMBERS ABILITY TO PROVIDE GOODS AND SERVICES UNDER FEDERALLY FUNDED HEALTH CARE PROGRAMS, EFFECTIVE OCTOBER 19, 2022

Recommendation: “A motion to adopt Resolution No. 674 revising the Authority’s Policy and Procedure No. II-18: Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs, Effective October 19, 2022.”

NEW BUSINESS

5. **CONSIDERATION OF RESOLUTION NO. 675 AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO PARTICIPANT AGREEMENT WITH THE CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY (CALMHSA) TO PROVIDE SUPPORTIVE SERVICES, MATERIALS, AND RESOURCES UNDER TRI-CITY’S MHSA PREVENTION AND EARLY INTERVENTION PLAN (PEI)**

Recommendation: “A motion to adopt Resolution No. 675 authorizing the Executive Director to execute the Participant Agreement with CalMHSA.”

6. **CONSIDERATION OF RESOLUTION NO. 676 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDMENT TO THE DISPOSITION AND DEVELOPMENT (DDA) AGREEMENT WITH RESTORE NEIGHBORHOODS, LA, INC. (RNLA) FOR THE CLAREMONT GARDENS SENIOR HOUSING PROJECT AT 956 W BASELINE ROAD IN CLAREMONT, CALIFORNIA**

Recommendation: “A motion to adopt Resolution No. 676 authorizing the Executive Director to execute an Amendment to the DDA with RNLA to extend the escrow closing deadline and approve a “Subordination and Intercreditor Agreement” for the Claremont Garden senior housing project, at 956 W. Baseline Road in Claremont, California.

7. **CONSIDERATION OF RESOLUTION NO. 677 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE BONITA UNIFIED SCHOOL DISTRICT (BUSD) TO PROVIDE DROP-IN MENTAL HEALTH SERVICES TO STUDENTS IN ITS DISTRICT**

Recommendation: “A motion to adopt Resolution No. 677 approving the MOU with the BUSD and authorizing Executive Director to execute the MOU.”

8. **CONSIDERATION OF RESOLUTION NO. 678 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE MEMORANDUM OF UNDERSTANDING WITH NATIONAL ALLIANCE OF MENTAL HEALTH GREATER LOS ANGELES COUNTY (NAMI GLAC) TO PROVIDE PEER-LED SUPPORT SERVICES AND EDUCATION CLASSES UNDER TCMHA’S MHSA COMMUNITY SERVICES AND SUPPORTS (CSS) PLAN**

Recommendation: “A motion to adopt Resolution No. 678 authorizing the Executive Director to execute a MOU with NAMI GLAC for Peer-Led Support Services Classes.”

9. CONSIDERATION OF RESOLUTION NO. 779 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH NATIONAL ALLIANCE OF MENTAL HEALTH GREATER LOS ANGELES COUNTY (NAMI GLAC) TO PROVIDE PRESENTATIONS AND TRAINING ON MENTAL HEALTH UNDER TCMHA MENTAL HEALTH SERVICES ACT (MHSA) PREVENTION AND EARLY INTERVENTION PLAN

Recommendation: “A motion to adopt Resolution No. 679 authorizing the Executive Director to execute a MOU with NAMI GLAC to provide presentations and training on Mental Health under TCMHA MHSA PEI Plan.”

MONTHLY STAFF REPORTS

- 10. RIMMI HUNDAL, EXECUTIVE DIRECTOR REPORT**
- 11. DIANA ACOSTA, CHIEF FINANCIAL OFFICER REPORT**
- 12. LIZ RENTERIA, CHIEF CLINICAL OFFICER REPORT**
- 13. SEEYAM TEIMOORI, MEDICAL DIRECTOR REPORT**
- 14. DANA BARFORD, DIRECTOR OF MHSA AND ETHNIC SERVICES REPORT**
- 15. NATALIE MAJORS-STEWART, CHIEF COMPLIANCE OFFICER REPORT**

Recommendation: “A motion to receive and file the month of October staff reports.”

GOVERNING BOARD COMMENTS

Members of the Governing Board may make brief comments or request information about mental health needs, services, facilities, or special problems that may need to be placed on a future Governing Board Agenda.

PUBLIC COMMENT

The public can make a comment during the open meeting by using the ‘raised hand’ feature, or by calling-in, if they wish to make a general comment on a matter within the subject matter jurisdiction of the Governing Board. The public can also make a comment before the meeting by writing an email to molmos@tricitymhs.org. All emails received by 3:30 p.m. will be shared with the Governing Board before the meeting. No action shall be taken on any item not appearing on the Agenda. The Chair reserves the right to place limits on duration of comments.

ADJOURNMENT

The next Regular Meeting of the Governing Board will be held on **Wednesday, November 15, 2022 at 5:00 p.m.**, via teleconference pursuant to Government Code § 54953.

MICAELA P. OLMOS
JPA ADMINISTRATOR/CLERK



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: October 19, 2022

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

BY: Mica Olmos, JPA Administrator/Clerk

SUBJECT: Consideration of Resolution No. 672 Authorizing the Implementation of Teleconferencing Requirements during a Proclaimed State of Emergency Under Government Code Section 54953 (AB 361)

Summary:

On Tuesday, March 1, 2022, the California Department of Public Health (CDPH) relaxed the masking requirement for unvaccinated individuals; however, it did not lift the state of emergency. The following day, Cal-OSHA announced its intent to mirror CDPH's recommendations except in certain industries, such as healthcare settings. Per Cal-OSHA regulations, masking and 6-foot physical distancing will continue to be required in healthcare settings until further notice. Accordingly, Tri-City Mental Health Authority must follow Cal-OSHA requirements.

Therefore, TCMHA will continue to hold virtual meetings per Assembly Bill No. 361 (AB 361) enacted on September 16, 2021, which amended the Brown Act by waiving certain provisions regarding teleconferencing; and effectively authorizing public agencies to hold its public meetings via teleconference under a proclaimed state of emergency which makes it unsafe to meet in person, provided that it allows the public, seeking to observe and to address the legislative body, to participate in real time telephonically or an internet-based service option during a virtual meeting; and the legislative body makes additional findings every 30 days in order to continue such teleconferencing pursuant to AB 361.

Background:

The Ralph M. Brown Act requires that all meetings of a legislative body of a local agency be open and public and that any person may attend and participate in such meetings; and allows for legislative bodies to hold meetings by teleconference, but imposes the following requirements for doing so:

1. The public agency must give notice of each teleconference location from which a member will be participating in a public meeting.
2. Each teleconference location must be specifically identified in the meeting notice and agenda, including full address and room number.
3. Each teleconference location must be accessible to the public.
4. Members of the public must be able to address the body at each teleconference location.

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On March 17, 2020, Governor Newsom issued Executive Order No. N-29-20, suspending the Brown Act's teleconferencing requirements (enumerated above) in order to address the need for public meetings during the present public health emergency (COVID-19) and allow legislative bodies to meet virtually as long as certain notice and accessibility requirements were met; and on June 11, 2021, Governor Newsom issued Executive Order No. N-8-21 continuing the suspension of the Brown Act's teleconferencing requirements through September 30, 2021.

On September 16, 2021, the State Legislature amended the Brown Act through Assembly Bill No. 361 (AB 361), codified under Government Code § 54953, waiving certain provisions of the Brown Act in order to allow local agencies to continue to meet using teleconferencing without complying with the regular teleconferencing requirements of the Brown Act when a legislative body holds a meeting during a proclaimed state of emergency and it unsafe to meet in person.

In addition, Government Code section 54953 adds new procedures and clarifies the requirements for conducting remote (virtual) meetings, including the following:

- Public Comment Opportunities in Real Time – a legislative body that meets remotely pursuant to AB 361, must allow members of the public to access the meeting via a call-in option or an internet-based service option, and the agenda for the remote meeting must provide an opportunity for members of the public to directly address the body in real time. A legislative body cannot require public comments to be submitted in advance of the meeting.
- No Action During Disruptions – in the event of a disruption that prevents the local agency from broadcasting the remote meeting, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, AB 361 prohibits the legislative body from taking any further action on items appearing on the meeting agenda until public access is restored.
- Periodic Findings – Government Code § 54953(e)(B) requires the legislative body to hold a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risk to the health or safety of attendees.

The Governing Board must make these findings no later than 30 days after the first teleconferenced meeting is held after September 30, 2021, and must also make these findings every 30 days thereafter, in order to continue to allow teleconference accessibility for conducting public meetings (Government Code § 54953(e)(3).) AB 361 will sunset on January 1, 2024.

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Tri-City Mental Health Authority (TCMHA) has already implemented the above stated requirements for conducting public meetings and is in compliance with AB 361, thus there will be no change of the currently established procedures. Teleconference accessibility is available via call-in option or through via Zoom or RingCentral Webinars platform (internet-based service option) and both the telephone number and meeting link are listed on the published agenda for each meeting as well as on TCMHA's buildings and website.

The JPA Administrator/Clerk monitors public comment submitted via email correspondence (as published on the agenda); and designated staff monitors comment via teleconference throughout each public meeting and provides access for public comment opportunities in real time both verbally (via call-in or by using the 'raised hand' feature) and in writing (in the 'chat' and 'Q & A' options.)

Funding:

None required.

Recommendation:

Staff recommends that the Governing Board approve and adopt Resolution No. 772 finding and declaring that it is unsafe to meet in person during the proclaimed state of emergency as a result of the continued threat of COVID-19, and authorizes the Executive Director, or her designee, to continue utilizing teleconferencing accessibility to conduct the Authority's public meetings pursuant to Government Code § 54953.

Attachments:

Attachment 1-A: Resolution No. 672 - DRAFT

RESOLUTION NO. 672

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO IMPLEMENT TELECONFERENCING REQUIREMENTS FOR CONDUCTING PUBLIC MEETINGS DURING A PROCLAIMED STATE OF EMERGENCY PURSUANT TO GOVERNMENT CODE SECTION 54953 (AB 361)

The Governing Board of the Tri-City Mental Health Authority does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“Authority” or “TCMHA”) wishes to continue using teleconferencing to conduct public meetings as allowed under Government Code § 54953, since a state of emergency as a result of the threat of COVID-19 still exists and continues to impact the ability of members of the Governing Board, Mental Health Commission, Tri-City staff, and public to meet safely in person.

B. The State of California and the Authority continue to follow safety measures in response to COVID-19 as ordered or recommended by the Centers for Disease Control and Prevention (CDC), California Department of Public Health (DPH), California Occupational Safety and Health Administration (Cal/OSHA), and/or County of Los Angeles, as applicable, including facial coverings when required and social distancing.

C. The Authority will make these findings every 30 days in order to continue such teleconferencing pursuant to Government Code § 54953 (AB 361), which will sunset on January 1, 2024.

D. The Executive Director, or her designee, are authorized to continue utilizing teleconferencing accessibility to conduct public meetings, and implement teleconference requirements in compliance with AB 361 (Stats. 2021, ch. 165) and Government Code § 54953 (as amended), effective immediately.

2. Action

The Governing Board finds and declares that it is unsafe to meet in person during the proclaimed state of emergency as a result of the continued threat of COVID-19, and authorizes the Executive Director, or her designee, to continue utilizing teleconferencing accessibility to conduct the Authority’s public meetings pursuant to Government Code § 54953.

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3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on October 19, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By:_____

By:_____

DRAFT



MINUTES

REGULAR MEETING OF THE GOVERNING BOARD SEPTEMBER 21, 2022 – 5:00 P.M.

The Governing Board held on Wednesday, September 21, 2022 at 5:01 p.m. a Regular Meeting Via Teleconference pursuant to Government Code § 54953, which allows the continuation to hold meetings without gathering in a room in an effort to minimize the spread and mitigate the effects of COVID-19 (Corona Virus Disease of 2019).

CALL TO ORDER Chair Leano called the meeting to order at 5:01 p.m.

ROLL CALL Roll call was taken by JPA Administrator/Clerk Olmos.

GOVERNING BOARD

PRESENT: Jed Leano, City of Claremont, Chair
John Nolte, City of Pomona, Vice-Chair
Carolyn Cockrell, City of La Verne, Board Member
Paula Lantz, City of Pomona, Board Member
Wendy Lau, City of La Verne, Board Member
Elizabeth Ontiveros-Cole, City of Pomona, Board Member (joined at 5:09 pm)

ABSENT: Ronald T. Vera, City of Claremont, Board Member

STAFF: Rimmi Hundal, Executive Director
Darold Pieper, General Counsel
Diana Acosta, Chief Financial Officer
Liz Renteria, Chief Clinical Officer
Seeyam Teimoori, Medical Director
Dana Barford, Director of MHSA & Ethnic Services
Natalie Majors-Stewart, Chief Compliance Officer
Mica Olmos, JPA Administrator/Clerk

OATH OF OFFICE

Agency Counsel Darold Pieper administered an Oath of Office to newly appointed Governing Board Member Wendy Lau, City of La Verne Council Member.

Board Member Lau shared that she has personal experience with family members who have had suffered with mental health; that she knows how important it is to care for the people in our communities and ourselves, specially through this pandemic which highlighted the importance even more; that it is necessary to be taking that into account and looking after our mental and physical well-being; and that she was excited to be part of this illustrious group and be able to be part of the community here.

CONSENT CALENDAR

Chair Leano opened the meeting for public comment; and there was no public comment.

There being no comment, Vice-Chair Nolte moved, and Board Member Cockrell seconded, to approve the Consent Calendar. The motion was carried by the following vote, with Board Member Lantz abstaining from approval of Items Nos. 2 and 3: AYES: Board Members Cockrell, Lantz, and Lau; Vice-Chair Nolte; and Chair Leano. NOES: None. ABSTAIN: None. ABSENT: Board Members Ontiveros-Cole, and Vera.

1. CONSIDERATION OF RESOLUTION NO. 667 AUTHORIZING THE IMPLEMENTATION OF TELECONFERENCING REQUIREMENTS DURING A PROCLAIMED STATE OF EMERGENCY UNDER GOVERNMENT CODE SECTION 54953 (AB 361)

Recommendation: “A motion to adopt Resolution No. 667 finding and declaring that it is unsafe to meet in person during the proclaimed state of emergency as a result of the continued threat of COVID-19, and authorizes the Executive Director, or her designee, to continue utilizing teleconferencing accessibility to conduct the Authority’s public meetings pursuant to Government Code § 54953.”

2. APPROVAL OF MINUTES FROM THE JULY 20, 2022 GOVERNING BOARD REGULAR MEETING

Recommendation: “A motion to approve the Minutes of the Governing Board Regular Meeting of July 20, 2022.”

3. APPROVAL OF MINUTES FROM THE AUGUST 17, 2022 GOVERNING BOARD REGULAR MEETING

Recommendation: “A motion to approve the Minutes of the Governing Board Special Meeting of August 17, 2022.”

NEW BUSINESS

4. CONSIDERATION OF RESOLUTION NO. 668 APPROVING A BUSINESS ASSOCIATE AGREEMENT (BAA) WITH THE CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY (CALMHS) AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE BAA

Executive Director Hundal reported that TCMHA has an agreement with CalMHS as project manager for Help@Hand, TCMHA’s innovation project, and that they will also train TCMHA staff on CalAIM and Peer Certification; therefore, CalMHS was asking for TCMHA to sign a Business Associate Agreement (BAA) which will serve as an umbrella agreement to all the agreements that TCMHA enters into with CalMHS, and avoid having to request a new one every time we need conduct business with them.

At 5:09 p.m., Board Member Elizabeth Ontiveros-Cole joined the meeting.

Chair Leano opened the meeting for public comment; and there was no public comment.

There being no further comment, Board Member Cockrell moved, and Board Member Lau seconded, to adopt Resolution No. 668 authorizing the Executive Director to execute the Business Associate Agreement with CalMHSA. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Lau, and Ontiveros-Cole; Vice-Chair Nolte; and Chair Leano. NOES: None. ABSTAIN: None. ABSENT: Board Member Vera.

5. CONSIDERATION OF RESOLUTION NO. 669 ADOPTING REVISED POLICY AND PROCEDURE NO. I.04, USE OF PERSONAL AND AGENCY VEHICLES FOR AGENCY BUSINESS, EFFECTIVE SEPTEMBER 21, 2022

Chief Financial Officer Acosta stated that staff is asking for the approval of a revised vehicle policy which had been in existence; that modifications were made to the policy to indicate that GPS equipment will be installed in all of Tri-City vehicles, as required by the insurance carrier; and that the insurance carrier will be responsible for supplying and installing the equipment into each of the Tri-City owned vehicles at no cost to Tri-City.

Board Member Lau inquired if the insurance carrier had any requirement or recommended any protective measures to prevent the theft of the catalytic converters. Chief Financial Officer Acosta replied that at this time, the insurance carrier only asked to install the GPS in all Tri-City owned vehicles.

Chair Leano opened the meeting for public comment; and there was no public comment.

There being no further comment, Board Lantz moved, and Board Member Cockrell seconded, to adopt Resolution No. 669 revising the Authority's Policy and Procedure No. I.04, Use of Personal and Agency Vehicles for Agency Business, Effective September 21, 2022. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Lau, and Ontiveros-Cole; Vice-Chair Nolte; and Chair Leano. NOES: None. ABSTAIN: None. ABSENT: Board Member Vera.

6. CONSIDERATION OF RESOLUTION NO. 670 APPROVING THE SUBCONTRACTOR AGREEMENT FOR THE HUD CONTINUUM OF CARE PROGRAM WITH THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY (LACDA); AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT

Chief Clinical Officer Renteria stated that staff was recommending the Governing Board authorize a Subcontractor Agreement with the Los Angeles County Development Authority (LACDA) for the HUD Continuing of Care (CoC) Program, noting that this was a renewal of the long-standing agreement that Tri-City has with LACDA to provide care coordination supportive services to thirteen Tri-City clients that receive a HUD CoC housing voucher.

Chair Leano opened the meeting for public comment; and there was no public comment.

There being no further comment, Board Member Nolte moved, and Board Member Ontiveros - Cole seconded, to adopt Resolution No. 670 Authorizing the Executive Director to execute the Subcontractor Amendment with LACDA for the HUD Continuum of Care Program. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Lau, and Ontiveros-Cole; Vice-Chair Nolte; and Chair Leano. NOES: None. ABSTAIN: None. ABSENT: Board Member Vera.

7. CONSIDERATION OF RESOLUTION NO. 671 AUTHORIZING TO ACCEPT THE AUTHORITY'S NON-COMPETITIVE ALLOCATION AWARD IN THE AMOUNT OF \$1,140,000 UNDER THE NO PLACE LIKE HOME (NPLH) PROGRAM FOR THE CLAREMONT GARDENS PROJECT

Executive Director Hundal reported that on August 29, 2022, the California Department for Housing and Community Development (CDHCD) notified Tri-City of the designation of No Place Like Home (NPLH) Program funds in the amount of \$1,140,000 for the Claremont Gardens Project. Accordingly, the CDHCD requested an updated Resolution that shows all the Notice of Funds Available (NOFA) dates to continue to move forward with the Standard Agreement required for the distribution of Tri-City's NPLH Non-Competitive Funds. She then indicated that Tri-City will assign its \$1,140,000 in NPLH funds to the Claremont Gardens Housing Project; and staff recommends that the governing Board authorizes Resolution No. 671 to receive Tri-City's non-comparative allocation funds under the NPLH program.

Board Member Ontiveros-Cole inquired for the location of the project.

Chair Leano replied that the project would be at 956 W Baseline Road in Claremont. He then opened the meeting for public comment; and there was no public comment.

There being no further comment, Board Member Lantz moved, and Board Member Lau seconded, to adopt Resolution No. 671 authorizing the Executive Director to act on behalf of TCMHA, to enter into, execute, and deliver and all documents required to be awarded, and for receipt of, Noncompetitive Allocation funds in the amount of \$1,140,000 under the No Place Like Home Program. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Lau, and Ontiveros-Cole; Vice-Chair Nolte; and Chair Leano. NOES: None. ABSTAIN: None. ABSENT: Board Member Vera.

AGENDA ITEM NO. 8 WAS PULLED FROM THE AGENDA.

MONTHLY STAFF REPORTS

9. RIMMI HUNDAL, EXECUTIVE DIRECTOR REPORT

Executive Director Hundal introduced and welcomed Tri-City's new Director of MHSA and Ethnic Services, Dana Barford, noting that she is not new to Tri-City and has been working here for twelve years, and had taken care of MHSA public hearings and stakeholder meetings, and also written the MHSA plans and the cultural competency plans. She then reported that the former Chief Information Officer was not in attendance as he had resigned due to personal reasons; and that Brian Cesario will be taking the lead in the IT Department until a new CIO is hired, and that Brian has been with Tri-City approximately seventeen years. She then provided an update on 988, the new 3-digit number for mental health, substance use, and suicide crisis lifeline that was launched for active use on July 16, 2022, known as the Suicide and Crisis Lifeline; that in support of the launch, PEI program staff has created social media postings and a blog article that is posted on Tri-City's website that informs community members about 988, what to expect when you call/text/chat 988, and the vision for 988. She also reported that for the past two months, she has been out in the community; that she has met with the three city managers of the three cities to ask them what would they would like to see it for mental health services and their residents; that she attended a regular NAMI meeting and met with community members and had given the her cell phone number and email address; that she, Chief Clinical Officer Renteria, and Director of

MHSA and Ethnic Services Barford did a presentation to the Police Commission in Claremont, in partnership with Moms Demand Action, noting that it was very well received by the Police Commission and the audience in that evening.

Chair Leano congratulated Executive Director on hiring Ms. Barford, and inquired when her former position will be filled. Executive Director Hundal replied that the position had been posted and to date only three applications had been received.

10. DIANA ACOSTA, CHIEF FINANCIAL OFFICER REPORT

Chief Financial Officer Acosta reported that Tri-City is in the middle of its annual independent external audit of financial statements; that because of a new Governmental Accounting Standard Board (GASB 87) there is a new liability implemented this year on the financial statements for the Royalty Building Lease, which has been in existence for several years, and leases are required to be disclosed as an actual liability, instead of just being disclosed as a lease. She also stated that there was a significant decrease to salaries and benefits expense as a result of GASB 68, which requires the net pension liability to be recorded on the face of our financial statements; she explained that although there was not an actual decrease in salaries and benefits, this was as a result of a decrease in actuarial calculations that are prepared in about a year in arrears, that experienced a significant benefit or an increase in the investment returns, which resulted in a decrease in the liability, which means that the salaries and benefits expense also decreases.

11. LIZ RENTERIA, CHIEF CLINICAL OFFICER REPORT

Chief Clinical Officer Renteria stated that Tri-City is transitioning to its new Electronic Health Record Cerner, which when it is finalized, staff will be able to report on some of the data. She also reported that included in her report is the finished product of Octopod Solutions stakeholder engagement process, noting that staff members Erin Sapinoso, Program Analyst, and Debbie Johnson, Program Manager for Children and Family Services, would share and provide an overview of the reports. She indicated that Tri-City was the recipient of two grants: 1) the Crisis Care Mobile Unit Grant, a planning grant set to sunset in February 14, 2023, in the amount of \$200,000 was earmarked for Tri-City to engage in a planning process, which was facilitated by Octopod solutions; and the 2) the Mental Health Student Services Act.

Program Analyst Erin Sapinoso stated that the Crisis Care Mobile Units (CCMU) was a \$200,000 grant for 1-year long planning set to end February 14, 2023, when Tri-City should have submitted an Action Plan for what we are going to do for a local CCMU Project. She then explained that the grant and project focuses on youth, individuals ages 25 and younger; that its purpose is to provide mobile behavioral health crisis services to prevent and divert involvement in the criminal justice system; and that the second grant for Mental Health Student Services Act (MHSSA), Tri-City received \$3.8 million dollars; however, an additional \$1.03 million dollars, granted earlier this year totaling \$4.8 million from the Mental Health Services Oversight and Accountability Commission (MHSOAC); that this grant is a four-year planning and implementation Grant project for children, youth and young adults, and also to foster school and community partnerships to provide access to mental health services where they feel comfortable, such as at the schools sites, noting that the three school districts and charter schools, are Tri-City's major partners for this Grant project. She stated that Tri-City contracted Consultant Octopod Solutions to facilitate community stakeholder engagement, which was required under the grants, and explained the engagement process and mentioned the target groups that participated.

Deborah Johnson, Children's Program Manager, reported that Consultant Octopod Solutions wrote a final report about the community stakeholder engagement for each of the two Grants which included finding major themes, key findings, what works and does not work, potential initiatives, and plausible next steps, noting that these reports will be posted in Tri-City's Website. She then discussed some of the themes, such as difficulty navigating the mental health system and crisis response; mental health systems and services need to be more inclusive and accessible to provide culturally competent services and response; efforts to reduce stigma and criminalization around in mental health and behavioral health crisis; and location-based and co-located peer support programs and services. Accordingly, Tri-City has been having partner meetings, continuing to collect data, and has met with other grantees, stating that discussions include assessing how the landscape/community looks, what resources there are, where gaps exist, and how to utilize these grants to help improve these findings; and shared that design of project plans are in progress with community partners and internal Tri-City staff.

Board Member Lantz stated that one of the recurring themes was the need for emergency assistance outside of regular business hours for both youth and adults, and inquired if part of the planning process for the mobile unit will be to include services outside normal business hours as part of their program.

Chief Clinical Officer Renteria replied in the affirmative, pointing out the plan requirement is for a 365, 24/7 mobile crisis unit, which is the reason for a long planning process to make sure to think about future of a crisis response for our communities that hopefully be able to provide the most top-notch service to the three cities.

Board Member Lantz commented that she noticed that parochial High Schools did not participate in the community process, noting that parochial schools in the area do serve large numbers of our community and she wants to make sure that they are included in the school assessment component.

Children Program Manager Johnson asked Board Member Lantz to share if she had connections with the other schools in the three cities, pointing out that in addition to the grant funding, we have a solution program to be the bridge for students in the three cities to Tri-City mental health services, which includes outreach and engagement, communication, and collaboration with our schools, noting that it was an ongoing process.

Chief Clinical Officer Renteria commented that one the biggest gains of having a planning process is the collaboration, the buy-in, and the relationships that are being formed in the community; thus, it would be great to have more schools from the three cities involved in the community process.

12. SEEYAM TEIMOORI, MEDICAL DIRECTOR REPORT

Hundal reported that Medical Director Teimoori was not in today, but she can answer any questions about his report.

13. DANA BARFORD, DIRECTOR OF MHSA AND ETHNIC SERVICES REPORT

Director of MHSA and Ethnic Services Barford thanked everyone for the warm welcome and stated that she was honored to have this position and expressed excitement about it. She then shared a couple of success stories, point out the perseverance of community navigators; she also

provided an under ethnic services stating that our previous Cultural Advisory Councils have been struggling to re-establish and re-build their membership, decided to host an event in celebration Hispanic Heritage month and of Suicide Prevention month with fun activities and games, which was a great success. She then reported that in September, Tri-City launched its MyStrength app, and thanked Chair Leano, who helped staff by creating his own PSA by personally talking to the audience, stating how easy it was to download the app, sharing the results of his assessment, and indicating how it is for everyone not just for someone with a diagnosis; she noted that it was a very powerful message and it was posted on Instagram and Facebook.

14. NATALIE MAJORS-STEWART, CHIEF COMPLIANCE OFFICER REPORT

Chief Compliance Officer Majors-Stewart reported that over the last two years staff had been talking about the transition to Cerner, a new Electronic Health Record system, noting that in the last year it was the primary focus in best practices, in close collaboration with the IT Department, to prepare staff for the agency-wide transition into the new electronic health record; that the Go Live was pretty significant and it had a huge agency-wide impact, specially to the Clinical Department, and any accompanying supportive administrative departments that support clinic operations, because these are the primary users in the electronic health records. She explained that the Go Live process was a tremendous undertaking because it had many layers and levels of development and building that required training, and a significant amount of time, effort, flexibility, and adaptability by our staff; and that she was happy to report that overall the Go Live, and the initial project Stabilization was very successful. She commended staff across all the various departments because staff had to learn and adapt to the new EHR system pretty quickly with not as much training as they wanted; that everyone showed what true teamwork was like across the teams and witnessed an amazing perseverance in the midst of learning something new, and saw the heart of Tri City come out this project. She then stated that there are still more phases to carry out, but will be accomplished through the next year.

Executive Director Hundal commented that it was a smooth transition because of the leadership of Natalie Majors, pointing out that she and her team took the leadership in this whole process; and expressed thanks for her leadership. Chief Compliance Officer Majors-Stewart indicated that she had help from the core team and Chief Information Officer.

Chair Leano opened the meeting for public comment; and there was no public comment.

There being no further comment, Board Member Lantz moved, and Board Member Lau seconded, to receive and file the month of September staff reports. The motion was carried by an unanimously vote. The motion was carried by the following vote: AYES: Board Members Cockrell, Lantz, Lau, and Ontiveros-Cole; Vice-Chair Nolte; and Chair Leano. NOES: None. ABSTAIN: None. ABSENT: Board Member Vera.

GOVERNING BOARD COMMENTS

Board Member Lau expressed gratitude to the Navigators who attended the Youth and Family Action Committee meeting for the City of La Verne a week ago, noting that they did a great job; and that appreciates their engagement, enthusiasm, and their participation with the schools in the school district.

Chair Leano encouraged the Governing Board to download the MyStrength App and do a little 3-second video sharing what they think about it; and thanked Tri-City staff for helping him navigate the App.

PUBLIC COMMENT

Edward Strickland commented that the he had the pleasure of speaking at the last Governing Board meeting to share his experience with his son's multiple 5150s over a six-month period this year, and his subsequent incarceration. He added that LA Times releasad an article today about his struggles with his son's mental illness; that he is his wife were just humbled that we had the opportunity to share their story with many barriers that their son is facing right now in connection with involuntary care ordered by the Mental Health Court and the shortage of hospital beds to get care.

Executive Director Hundal commentged that she had read the article and shared it the executive team; that sh will share it with the Governing Board, noting that it was very touching and moving for all of us; that she wished him the best and that Tri-City is here for them.

Board Member Nolte thanked Mr. Strickland for his comment, and echoed Executive Director's comment in solidarity with Mr. Strickland; and expressed appreciation for Mr. Strickland's willingness to share his story.

ADJOURNMENT

At 5:59 p.m., Chair Leano adjourned the Governing Board meeting of September 21, 2022 in honor of the memory of Governing Board Member Ron Vera's mother who passed away this month and her memorial services w held yesterday. The next Regular Meeting of the Governing Board will be held on Wednesday, October 19, 2022 at 5:00 p.m., via teleconference pursuant to Government Code § 54953.

Micaela P. Olmos, JPA Administrator/Clerk

Tri-City Mental Health Services
AGENDA REPORT

DATE: October 19, 2022

TO: Governing Board of Tri-City Mental Health Center
Rimmi Hundal, Executive Director

FROM: Natalie Majors-Stewart, Chief Compliance Officer

SUBJECT: Consideration of Resolution No. 673, Adopting Revised Policy And Procedure No. PP-13, Documentation of Disclosures and HIPAA/Privacy Records Retention, Effective October 19, 2022

Summary

As part of our agency policy and procedure management plan, Tri-City Policies are reviewed and updated as needed, in order to ensure that our policies are effective and up to date with the most current regulations, internal processes, standards of care, and best practices.

Background

Policy PP-13: Documentation of Disclosures and HIPAA/Privacy Records Retention establishes guidelines for the retention of consumer medical records and HIPAA-Privacy Records and Disclosures, in accordance with California and federal laws.

The policy was reviewed and revised in order to more accurately reflect current legal requirements for retaining records.

The revised draft policy is included for Governing Board review and approval. Also included are the current policy versions, with annotations of all revisions.

Funding

None Required

Recommendation

Staff recommends that the Governing Board approve the revised policy, as provided herein.

Attachments

Attachment 3-A: Draft Resolution No. 673

Attachment 3-B: Policy PP-13: Documentation of Disclosures and HIPAA/Privacy Records Retention

RESOLUTION NO. 673

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY ADOPTING THE AUTHORITY'S REVISED POLICY AND PROCEDURE NO: PP-13, DOCUMENTATION OF DISCLOSURES AND HIPAA/PRIVACY RECORDS RETENTION, EFFECTIVE OCTOBER 19, 2022

The Governing Board of the Tri-City Mental Health Authority does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority ("TCMHA" or "Authority") desires to update its Policy and Procedure PP-13: Documentation of Disclosures and HIPPA/Privacy Records Retention, to comply with current regulatory requirements, as well as agency best practices.

B. TCMHA Policies are routinely reviewed and updated in order to have congruency with current regulations, mandates, and processes.

2. Action

The Governing Board approves the Authority's revised Documentation of Disclosures and HIPPA/Privacy Records Retention Policy and Procedure No. PP-13, effective October 19, 2022, replacing and superseding all previous versions.

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on October 19, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By:_____

By:_____



TRI-CITY MENTAL HEALTH AUTHORITY

POLICY & PROCEDURE

SUBJECT: Documentation of Disclosures and HIPAA/Privacy Records Retention	POLICY NO.: PP-13	EFFECTIVE DATE: 10/19/2022	PAGE: 1 of 2
APPROVED BY: Governing Board Executive Director	SUPERCEDES: 10/15/2014	ORIGINAL ISSUE DATE: 10/15/2014	RESPONSIBLE PARTIES: Medical Records HIPAA Privacy Officer

1. **PURPOSE**

Tri-City Mental Health Authority (TRI-CITY) is committed to ensuring that consumer medical records and HIPAA-Privacy Records and Disclosures are retained for a minimum of 10 years, in accordance with California and federal laws.

2. **POLICY**

2.1 **Documentation of Disclosures in the Consumer’s Medical Record**

2.1.1 The following disclosures must be documented in the consumer’s medical record:

2.1.1.1 Disclosures made in communication between qualified professional persons in the provision of services or appropriate referrals, or in the course of conservatorship proceedings.

2.1.1.2 Consumer-authorized disclosures to a professional person not employed by TRI-CITY who does not have medical or psychological responsibilities for the consumer.

2.1.1.3 Disclosures authorized by a parent, guardian, guardian ad litem, conservator, or authorized representative.

2.1.1.4 Disclosures to relatives regarding the consumer’s diagnosis, prognosis, medications prescribed, and the consumer’s progress.

2.1.2 For each such disclosure, the physician in charge of the consumer or the professional person in charge of TRI-CITY must document in the consumer’s medical record:

2.1.2.1 The date and circumstances of the disclosure;

2.1.2.2 The names and relationships to the consumer, if any, of the persons to whom disclosure was made; and

2.1.2.3 The specific information disclosed.



SUBJECT: Documentation of Disclosures and HIPAA/Privacy Records Retention	POLICY NO.: PP-13	EFFECTIVE DATE: 10/19/2022	PAGE: 2 of 2
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These requirements are in addition to information required for accounting of disclosures (see Consumer Access, Amendments and Accountings Policy –PP-17).

2.2 HIPAA/Privacy Records Retention.

All HIPAA-related documents, including accounting of disclosures, must be retained for a minimum of ten (10) years, including the following:

- 2.2.1 Business associate agreements
- 2.2.2 Notices of privacy practices (including copies of past notices)
- 2.2.3 Signed acknowledgements of receipt of notice
- 2.2.4 Designated record sets
- 2.2.5 Disclosure accounting information
- 2.2.6 Complaints received and resolution of such complaints
- 2.2.7 Past disclosure accountings that have been provided to subject individuals
- 2.2.8 Health care components of hybrid entities
- 2.2.9 Signed authorizations
- 2.2.10 Titles of person(s) responsible for processing access, amendment, and disclosure requests
- 2.2.11 Acceptance or termination of a request by a consumer or enrollee for a special restriction
- 2.2.12 Applied sanctions
- 2.2.13 Training records
- 2.2.14 Name or title of Privacy Officer

3. LEGAL/REGULATORY REFERENCES

- 3.1 45 C.F.R. § 164.530(j)
- 3.2 Welfare and Institutions Code § 5328.6
- 3.3 Welfare and Institutions Code §14124.1



POLICY & PROCEDURE

SUBJECT: Documentation of Disclosures and HIPAA/Privacy Records Retention	POLICY NO.: PP-13	EFFECTIVE DATE: 10/19/2022 10/15/2014	PAGE: 1 of 2
APPROVED BY: Executive Director Governing Board	SUPERCEDES: 10/15/2014	ORIGINAL ISSUE DATE: 10/15/2014	RESPONSIBLE PARTIES: Medical Records HIPAA Privacy Officer

1. PURPOSE

Tri-City Mental Health Authority (TRI-CITY) is committed to ensuring that consumer medical records and HIPAA-Privacy Records and Disclosures are retained for a minimum of **6 10** years, in accordance with California and federal laws.

2. POLICY

2.1 Documentation of Disclosures in the Consumer's Medical Record

- 2.1.1 The following disclosures must be documented in the consumer's medical record:
 - 2.1.1.1 Disclosures made in communication between qualified professional persons in the provision of services or appropriate referrals, or in the course of conservatorship proceedings.
 - 2.1.1.2 Consumer-authorized disclosures to a professional person not employed by TRI-CITY who does not have medical or psychological responsibilities for the consumer.
 - 2.1.1.3 Disclosures authorized by a parent, guardian, guardian ad litem, conservator, or authorized representative.
 - 2.1.1.4 Disclosures to relatives regarding the consumer's diagnosis, prognosis, medications prescribed, and the consumer's progress.
- 2.1.2 For each such disclosure, the **physician in charge of the consumer** or the professional person in charge of TRI-CITY must document in the consumer's medical record:
 - 2.1.2.1 The date and circumstances of the disclosure;
 - 2.1.2.2 The names and relationships to the consumer, if any, of the persons to whom disclosure was made; and
 - 2.1.2.3 The specific information disclosed.



POLICY & PROCEDURE

SUBJECT:	POLICY NO.:	EFFECTIVE DATE:	PAGE:
Documentation of Disclosures and HIPAA/Privacy Records Retention	PP-13	10/19/2022 10/15/2014	2 of 2

These requirements are in addition to information required for accounting of disclosures (see Consumer Access, Amendments and Accountings Policy –PP-17).

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All HIPAA-related documents, including accounting of disclosures, must be retained for a minimum of ~~six~~ **ten** years, including the following:

- 2.2.1 Business associate agreements
- 2.2.2 Notices of privacy practices (including copies of past notices)
- 2.2.3 Signed acknowledgements of receipt of notice
- 2.2.4 Designated record sets
- 2.2.5 Disclosure accounting information
- 2.2.6 Complaints received and resolution of such complaints
- 2.2.7 Past disclosure accountings that have been provided to subject individuals
- 2.2.8 Health care components of hybrid entities
- 2.2.9 Signed authorizations
- 2.2.10 Titles of person(s) responsible for processing access, amendment, and disclosure requests
- 2.2.11 Acceptance or termination of a request by a consumer or enrollee for a special restriction
- 2.2.12 Applied sanctions
- 2.2.13 Training records
- 2.2.14 Name or title of Privacy Officer

3. LEGAL/REGULATORY REFERENCES

- 3.1 45 C.F.R. § 164.530(j)
- 3.2 Welf. & Inst. Code § 5328.6
- 3.3 Welfare and Institutions Code §14124.1

Tri-City Mental Health Services
AGENDA REPORT

DATE: October 19, 2022

TO: Governing Board of Tri-City Mental Health Center
Rimmi Hundal, Executive Director

FROM: Natalie Majors-Stewart, Chief Compliance Officer

SUBJECT: Approval of Resolution No. 674, Adopting Revised Policy and Procedure No. II-18, Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs, Effective 10/19/2022

Summary

As part of our agency policy and procedure management plan, Tri-City Policies are reviewed and updated as needed, in order to ensure that our policies are effective and up to date with the most current regulations, internal processes, standards of care, and best practices.

Background

Policy II-18 Employees Ability to Provide Goods and Services Under Federally Funded Health Care Programs establishes guidelines that prohibit hiring or retaining any individual as a Tri-City Mental Health Authority (TCMHA) Workforce Member, in any capacity, whether clinical or non-clinical, who is excluded, suspended, debarred, or otherwise made ineligible to provide direct or indirect services under federally funded health care programs.

The policy was reviewed and revised in order to clarify the process steps and to more closely align the policy with Los Angeles Department of Mental Health Policies and Procedures. The revised draft policy is included for Governing Board review and approval. Also included are the current policy versions, with annotations of all revisions.

Funding

None Required

Recommendation

Staff recommends that the Governing Board approve the revised policy, as provided herein.

Attachments

Attachment 4-A: Draft Resolution No. 674

Attachment 4-B: II-18 Workforce Member Ability to Provide Goods and Services Under Federally Funded Health Care Programs.

RESOLUTION NO. 674

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY ADOPTING THE AUTHORITY'S REVISED POLICY AND PROCEDURE NO: II-18, WORKFORCE MEMBERS ABILITY TO PROVIDE GOODS AND SERVICES UNDER FEDERALLY FUNDED HEALTH CARE PROGRAMS, EFFECTIVE OCTOBER 19, 2022

The Governing Board of the Tri-City Mental Health Authority does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority ("TCMHA" or "Authority") desires to update its Policy and Procedure No. II-18: Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs, to comply with current regulatory requirements, as well as agency best practices.

B. TCMHA Policies are routinely reviewed and updated in order to have congruency with current regulations, mandates, and processes.

2. Action

The Governing Board approves the Authority's revised Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs Policy and Procedure No. II-18, effective October 19, 2022, replacing and superseding all previous versions.

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on October 19, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By: _____

By: _____



TRI-CITY MENTAL HEALTH AUTHORITY

POLICY & PROCEDURE

SUBJECT: Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs	POLICY NO.: II-18	EFFECTIVE DATE: 10/19/2022	PAGE: 1 of 8
APPROVED BY: Governing Board Executive Director	SUPERCEDES: 11/20/2019	ORIGINAL ISSUE DATE: 10/19/2022	RESPONSIBLE PARTIES: Human Resources Manager Chief Compliance Officer

1. PURPOSE

- 1.1 To establish guidelines that prohibit hiring, appointing, or retaining any individual as a Tri-City Mental Health Authority (TCMHA) Workforce Member, in any capacity, whether clinical or non-clinical, who is excluded, suspended, debarred, or otherwise made ineligible to provide direct or indirect services under federally funded health care programs.
- 1.2 To establish guidelines designed to avoid the imposition of civil monetary penalties on Tri-City Mental Health Authority and to ensure compliance with federal and State regulations regarding employment of excluded and/or suspended individuals.
- 1.3 To establish the frequency for sanction for TCMHA workforce members.

2. DEFINITIONS

- 2.1 The term *Workforce* includes employees, volunteers, interns, consultants, locum tenens, trainees, contractors, whether or not they are paid by TCMHA. This includes individuals who provide services to clients and those who provide administrative, managerial, support services and/or other products, goods or services.
- 2.2 The term *Direct Service* refers to health and mental health care service provided for or to a client.
- 2.3 The term *Indirect Service* refers to administrative or management service not directly related to client care but is a necessary component of providing services to clients, including but not limited to, management, finance, human resources, information technology, legal, general administration, and facilities support.
- 2.4 The term *Excluded* refers to a formal determination by a Federal or State agency that payment may not be made by a Federally funded health care program for items or services furnished by such individuals or entities including administrative and management services not directly related to patient/client care, but that are a necessary component of providing services to federal program beneficiaries. This determination continues to apply to an individual even if he/she changes from one health care profession to another while excluded.



POLICY & PROCEDURE

SUBJECT: Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs	POLICY NO.: II-18	EFFECTIVE DATE: 10/19/2022	PAGE: 2 of 7
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- 2.4.1** There is no automatic reinstatement for an excluded individual. An individual or entity that is excluded remains excluded until such time as the individual or entity has been formally reinstated for participation in federally funded health care programs, after request by the individual or entity. This applies regardless of whether the period of exclusion has been completed. Completion of the reinstatement process is subject to the sanctioning agency’s approval.
- 2.5** The term *Suspension* refers to a determination that has been made by a State governing body (e.g., DHCS) that an individual or entity is ineligible to render services or receive payment by a federally funded health care program for items and services furnished, ordered, or prescribed by suspended or ineligible individuals. This definition includes overhead functions (administrative and management) not directly related to patient/client care that are a necessary component of providing services to federal program beneficiaries. This determination continues to apply to an individual even if they change from one health care profession to another while suspended.

 - 2.5.1** An individual that is suspended or ineligible remains suspended or ineligible until such time as the individual has been formally reinstated for participation in federally funded health care programs.
 - 2.5.2** There is no automatic reinstatement for a suspended individual. A suspended individual remains suspended until such time as all specified reinstatement procedures are completed regardless of whether or not the period of suspension has been completed. Completion of the reinstatement process is subject to the sanctioning agency’s approval.
- 2.6** The term *Sanction Lists* refers to Federal, State and County Sanction Lists used to screen all individuals and entities to ensure they are not currently excluded, suspended, debarred, or otherwise made ineligible from participation in federally funded health care programs including, but not limited to, Medicare and Medi-Cal. These lists must be used to screen future and current workforce members to ensure TCMHA does not employ individuals excluded from participating in federal health care programs.
- 2.7** The terms *Debarred, Suspended, or Ineligible* refer to an action or actions taken by an authorized official in which an individual or entity is prohibited from providing goods or services in a program financed with Federal funds.
- 2.8** The term *Civil Monetary Penalty (CMP)* refers to any penalty, fine, or other sanction that is for a specific monetary amount or has a maximum amount provided by federal law; is assessed or enforced by an agency pursuant to federal law; and is assessed or enforced pursuant to an administrative proceeding or a civil action in the federal courts. (Public Law 101-410 Section 3(2))
- 2.9** The term *Withhold Claims* refers to a hold placed on claims submitted by potentially excluded or suspended individuals and entities. This action allows the claims to be submitted to TCMHA claiming system but requires that claims be held back from being forwarded for approval and payment.



POLICY & PROCEDURE

SUBJECT: Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs	POLICY NO.: II-18	EFFECTIVE DATE: 10/19/2022	PAGE: 3 of 7
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3. POLICY

- 3.1** TCMHA will not knowingly hire, appoint or retain any individual, as a TCMHA work for member, who has been convicted of a criminal offense related to health care, or who are excluded, suspended, debarred, or otherwise ineligible to provide goods or services under any federally funded health care programs.
- 3.2** TCMHA will review Federal, State and County sanction lists to validate that no workforce member has been excluded, suspended, debarred, or otherwise made ineligible to provide services under federally funded health care programs.
- 3.3** All workforce members shall attest that they are eligible to provide direct and indirect services under federally funded health care programs, upon hire or appointment and/or transfer to other departments, and on a yearly basis thereafter.
 - 3.3.1** Refusal to sign the Statement of Ability to Provide Services under federally Funded Health Care Programs will be cause for denial of a request for employment/appointment/transfer, and/or will be cause for termination of employment with TCMHA.
- 3.4** It is the responsibility of the workforce member to immediately notify in writing, their Direct Supervisor and Program Manager (who shall notify the Department Director and Human Resources), should the employee become excluded, suspended or debarred from providing direct or indirect services under any federally funded health care program during the course of their appointment as a workforce member.
- 3.5** It is the responsibility of every workforce member to immediately notify their Direct Supervisor and Program Manager (who shall notify the Department Director and Human Resources), should they become aware that another workforce member has become excluded, suspended, or debarred, or has been charged with a criminal offense related to health care.
- 3.6** TCMHA shall stop processing claims and/or withhold claims upon receiving a Suspension and/or Exclusion Notification, in order to prevent claims submitted by potentially excluded, suspended, debarred, or otherwise ineligible individuals and entities from receiving payment for goods or services furnished, ordered or prescribed under any federally funded health care programs.

4. PROCEDURES

- 4.1** TCMHA Human Resources Department will obtain signature confirmation from all new workforce members, upon hire, appointment, or transfer to other departments, and from all other workforce members on a yearly basis thereafter, on the Statement of Ability to Provide Services under federally Funded Health Care Programs form, attesting that they are eligible to provide direct and indirect services under federally funded health care programs and have not been:



POLICY & PROCEDURE

SUBJECT: Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs	POLICY NO.: II-18	EFFECTIVE DATE: 10/19/2022	PAGE: 4 of 7
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- 4.1.1 Convicted of a criminal offense related to health care; or
- 4.1.2 Excluded, suspended, debarred, or are otherwise ineligible to provide services under federally funded health care programs.
- 4.2 After obtaining the workforce member’s signature of attestation, the signed attestation form will be placed in the workforce member’s personnel file.
- 4.3 TCMHA Human Resources Department will complete all required queries of sanction lists prior to completing an action to hire and/or transfer other departments a new member of the TCMHA workforce.
- 4.4 TCMHA Human Resources Department will complete a sanction screening process for all TCMHA workforce members as follows:

	Before	Monthly	Annually
1 Social Security Administration (SSA) Death Master File (DMF) (42 CFR 455.436)	X		
2 U.S. Department of Health and Human Services (HHS)/Office of Inspector General (OIG) - List of Excluded Individuals and Entities (LEIE) (42 CFR 455.436)	X	X	
3 State of California Department of Health Care Services (DHCS) - Medi-Cal Suspended and Ineligible (S&I) Provider List (CDMH Letter 10-05, September 3, 2010)	X	X	
4 U.S. General Services Administration (GSA) System for Award Management (SAM) (42 CFR 455.436)	X	X	
5 California Secretary of State (SOS) Business Search (DHCS Annual Review Protocol for Specialty Mental Health Services and Other Funded Services, Section H)	N/A	N/A	N/A
6 California Dept. of Consumer Affairs (CDA) Licensing Boards (DHCS Annual Review Protocol for Specialty Mental Health Services and Other Funded Service, Section H)	X		X
7 Listing of Contractors Debarred in Los Angeles County (Los Angeles County Code of Ordinances Title 2 Chapter 2.202, Determinations of Contractor Non-Responsibility and Contractor Debarment)	X		X



POLICY & PROCEDURE

SUBJECT: Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs	POLICY NO.: II-18	EFFECTIVE DATE: 10/19/2022	PAGE: 5 of 7
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- 4.5** Upon completion of the screening process, designated Human Resources staff will re-review names of staff with matching or closely matching names found on the sanction lists. If a workforce member name match is found on any of the sanction lists, either based on sanction screening results or any by direct notification, the Human Resources Manager will notify the Chief Operations Officer and the Department Director, and will seek to secure formal confirmation of exclusion and/or suspension, confirmation of resolution, or confirmation of reinstatement.
- 4.6** If it is confirmed that the workforce member is formally excluded/suspended by a Federal or State agency, the following next steps will be coordinated:

 - 4.6.1** Compliance Officer (or designee) shall notify the Finance Department and other units as appropriate of a confirmed exclusion and/or suspension to ensure sanctioned individuals cannot submit claims.
 - 4.6.2** The Executive Director, the Department Director of the Employee, the Chief Financial Officer, the Chief Operations Officer, and the Chief Compliance Officer will determine the next course of action related to disciplinary action, up to and including possible termination.
 - 4.6.3** The workforce members confirmed to be excluded from federally funded health care programs will be notified of any disciplinary action or termination of employment from TCMHA in accordance with this policy.
 - 4.6.4** Department Directors and Program Managers, in consultation with the responsible direct supervisor, will carefully coordinate the transfer of duties associated with workforce members who have been determined to be ineligible to provide direct and indirect services under federally funded health care programs.
 - 4.6.5** If it is determined that an employee will be terminated, the Executive Director, Department Director of the Employee, Chief Financial Officer, HR manager, and the Chief Compliance Officer may, if appropriate, given the cause of exclusion, permit a brief period of continued employment for an excluded employee to allow for appropriate transition of direct clinical responsibilities to avoid causing any undue harm to the client(s). If this is permitted, the Executive Staff, in association with the Department Director of the Employee and the Program Manager, must ensure that no direct service claims or indirect charges are submitted for the excluded employee during the period of continued employment.
 - 4.6.6** TCMHA Chief Compliance Officer will notify, in writing, the designated/authorized Los Angeles Department of Mental Health (LACDMH) personnel of any exclusion and/or suspension, within 30 days of the finding.



POLICY & PROCEDURE

SUBJECT: Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs	POLICY NO.: II-18	EFFECTIVE DATE: 10/19/2022	PAGE: 6 of 7
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4.6.7 In the event that direct or indirect services are discovered to have been claimed for reimbursement for an excluded or ineligible individual, the claimed services will be removed or voided in accordance with the applicable system requirements and procedure.

4.7 Sanction list review records will be made available upon request by LACDMH or its authorized auditors and/or reviewers. Such records may include the following:

4.7.1 List of all staff

4.7.2 Sanction list (federal and State)

4.7.3 List of researched information to eliminate closely matching names.

4.8 Records will be prepared for and maintained documenting the screening process. Screening data and information used to clear or confirm names shall be retained in accordance with agency record retention policies and procedures.

5. REFERENCES

- 5.1** LACDMH Policy 106.03 Employee's Ability to Participate in Federally Funded Health Care Programs
- 5.2** LACDMH Policy 106.04 Contractor's Eligibility to Participate in and Secure Federally Funded Health Care Program Contracts
- 5.3** LACDMH Policy No. 106.09, Removing Names of Sanctioned Individuals from the Rendering Provider List
- 5.4** California DHCS Annual Review Protocol for Specialty Mental Health Services and Other Funded Services
- 5.5** California Welfare and Institutions Code, Section 14043.61 & Section 14123
- 5.6** United States Code, Title 42, 1320a-7
- 5.7** Social Security Act, Section 1128A
- 5.8** Code of Federal Regulations, Title 42, Sections 1001-1901
- 5.9** United States Department of Health and Human Services, Office of Inspector General, Special Advisory Bulletin on the Effect of Exclusion from Participation in Federal Health Care Programs, May 8, 2013
- 5.10** Department of Health and Human Services, Office of the Inspector General, Publication of the OIG's Compliance Program Guidance for Medicare+Choice Organizations Offering Coordinated Care Plans.
- 5.11** Los Angeles County Code, Appendix 1 to Title 5, Civil Service Rule #18
- 5.12** Performance Contract between California Departments of Mental Health and Health Care Services and Los Angeles County Department of Mental Health, Section 18, Program Integrity Requirements

6. FORMS

- 6.1 Exhibit A** – Statement of Ability to Provide Services under federally Funded Health Care Programs

Exhibit A



**HUMAN RESOURCES DEPARTMENT
STATEMENT OF ABILITY TO PROVIDE SERVICES UNDER
FEDERALLY FUNDED HEALTH CARE PROGRAMS**

(Print)

Employee's Name	Last	First
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I have reviewed the Tri City Mental Health Authority (TCMHA) Policy No. II-18. As an employee of the TCMHA, I understand TCMHA Policy No. II-18 requires me to:

- 1) Have the ability to provide services for which Medicare and Medi-Cal will pay directly or indirectly, including services which are clinical or administrative/managerial in nature, including support services, and
- 2) Provide a statement of my ability to provide services under federally funded health care programs, specifically that:
 - a) I have* I have not (please check one) been convicted of a criminal offense related to health care, or
 - b) I have* I have not (please check one) been debarred, excluded or otherwise made ineligible to provide services under federally funded health care programs, by a State or a federal agency.

** If you have been convicted of a criminal offense related to health care or have been debarred, excluded or are otherwise ineligible, please provide a detailed explanation on the back of this form.*

I understand that it is my responsibility to notify my immediate Program Manager or higher level manager of any change in my ability to provide services under federally funded health care programs, including suspension or exclusion. Further, I understand that the TCMHA will verify my ability to participate in federally funded health care programs on not less than an annual basis.

The following statement is made in compliance with TCMHA Policy No. II-18.

TO THE BEST OF MY KNOWLEDGE AND BELIEF, SERVICES RENDERED BY ME AS AN EMPLOYEE OF TRI CITY MENTAL HEALTH AUTHORITY MAY BE BILLED TO MEDI-CAL AND MEDICARE AS APPROPRIATE.

Date	Employee's Name	Employee's Signature
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Date	Supervisor's Name	Supervisor's Signature
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DISTRIBUTION:

ORIGINAL	HR Representative
COPIES	Supervisor
	Employee
	Personnel File

SUBJECT: Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs	POLICY NO.: II-18	EFFECTIVE DATE: 10/19/2022 11/20/2019	PAGE: 1 of 8
APPROVED BY:	SUPERCEDES: 11/20/2019 10/19/2016	ORIGINAL ISSUE DATE: 10/19/2016	RESPONSIBLE PARTIES: Chief Operations Officer Human Resources Mgr Chief Compliance Officer

1. PURPOSE

- 1.1 To establish guidelines that prohibit hiring, **appointing**, or retaining any individual as a Tri-City Mental Health Authority (TCMHA) Workforce Member, in any capacity, whether clinical or non-clinical, who is excluded, suspended, debarred, or otherwise made ineligible to provide direct or indirect services under federally funded health care programs.
- 1.2 To establish guidelines designed to avoid the imposition of civil monetary penalties on Tri-City Mental Health Authority and to ensure compliance with federal and State regulations regarding employment of excluded and/or suspended individuals.
- 1.3 To establish the frequency for sanction for TCMHA workforce members.

2. DEFINITIONS

- 2.1 ~~Workforce: — For the purpose of this policy, the definition of the Tri-City Mental Health Center (TCMHC)~~ **The term** *Workforce* includes employees, volunteers, interns, consultants, locum tenens, trainees, contractors, whether or not they are paid by TCMHCA. This includes individuals who provide services to clients and those who provide administrative, managerial, support services and/or other products, goods or services.
- 2.2 The term *Direct Service* refers to health and mental health care service provided for or to a client.
- 2.3 The term *Indirect Service* refers to administrative or management service not directly related to client care but is a necessary component of proving services to clients, including but not limited to, management, finance, human resources, information technology, legal, general administration, and facilities support.
- 2.4 The term *Excluded* refers to a formal determination by a Federal or State agency that payment may not be made by a Federally funded health care program for items or services furnished by such individuals or entities including administrative and management services not directly related to patient/client care, but that are a necessary component of providing services to federal program beneficiaries. This determination continues to apply to an individual even if he/she changes from one health care profession to another while excluded.

SUBJECT: Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs Policy	POLICY NO.: II-18	EFFECTIVE DATE: 10/19/2016	PAGE: 2 of 8
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- a. There is no automatic reinstatement for an excluded individual. An individual or entity that is excluded remains excluded until such time as the individual or entity has been formally reinstated for participation in federally funded health care programs, after request by the individual or entity. This applies regardless of whether the period of exclusion has been completed. Completion of the reinstatement process is subject to the sanctioning agency's approval.

- 2.5 The term *Suspension* refers to a determination that has been made by a State governing body (e.g., DHCS) that an individual or entity is ineligible to render services or receive payment by a federally funded health care program for items and services furnished, ordered, or prescribed by suspended or ineligible individuals. This definition includes overhead functions (administrative and management) not directly related to patient/client care that are a necessary component of providing services to federal program beneficiaries. This determination continues to apply to an individual even if they change from one health care profession to another while suspended.

 - a. An individual that is suspended or ineligible remains suspended or ineligible until such time as the individual has been formally reinstated for participation in federally funded health care programs.
 - b. There is no automatic reinstatement for a suspended individual. A suspended individual remains suspended until such time as all specified reinstatement procedures are completed regardless of whether or not the period of suspension has been completed. Completion of the reinstatement process is subject to the sanctioning agency's approval.

- 2.6 The term *Sanction Lists* refers to Federal, State and County Sanction Lists used to screen all individuals and entities to ensure they are not currently excluded, suspended, debarred, or otherwise made ineligible from participation in federally funded health care programs including, but not limited to, Medicare and Medi-Cal. These lists must be used to screen future and current workforce members to ensure TCMHCA does not employ individuals excluded from participating in federal health care programs.

- 2.7 The terms *Debarred, Suspended, or Ineligible* refer to an action or actions taken by an authorized official in which an individual or entity is prohibited from providing goods or services in a program financed with Federal funds.

- 2.8 The term *Civil Monetary Penalty (CMP)* refers to any penalty, fine, or other sanction that is for a specific monetary amount or has a maximum amount provided by federal law; is assessed or enforced by an agency pursuant to federal law; and is assessed or enforced pursuant to an administrative proceeding or a civil action in the federal courts. (Public Law 101-410 Section 3(2))

<p>SUBJECT:</p> <p>Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs Policy</p>	<p>POLICY NO.:</p> <p>II-18</p>	<p>EFFECTIVE DATE:</p> <p>10/19/2016</p>	<p>PAGE:</p> <p>3 of 8</p>
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2.9 The term *Withhold Claims* refers to a hold placed on claims submitted by potentially excluded or suspended individuals and entities. This action allows the claims to be submitted to TCMHCA claiming system but requires that claims be held back from being forwarded for approval and payment.

3. POLICY

3.1 TCMHA will not knowingly hire, appoint or retain any individual, as a TCMHA workforce member, who has been convicted of a criminal offense related to health care, or who is excluded, suspended, debarred, or otherwise ineligible to provide goods or services under any federally funded health care programs.

3.2 TCMHA will review Federal, State and County sanction lists to validate that no workforce member has been excluded, suspended, debarred, or otherwise made ineligible to provide services under federally funded health care programs.

3.3 All workforce members shall attest that they are eligible to provide direct and indirect services under federally funded health care programs, upon hire or appointment and/or transfer to other departments, and on a yearly basis thereafter.

a. Refusal to sign the Statement of Ability to Provide Services under federally Funded Health Care Programs will be cause for denial of a request for employment/appointment/transfer, and/or will be cause for termination of employment with TCMHA.

3.4 It is the responsibility of each workforce member to immediately notify in writing, their **Direct Supervisor and Program Manager (who shall notify the Department Director and Human Resources)**, should they become excluded, suspended or debarred from providing direct or indirect services under any federally funded health care program, during the course of their appointment as a workforce member.

3.5 It is the responsibility of every workforce member to immediately notify their **Direct Supervisor and Program Manager (who shall notify the Department Director and Human Resources)**, should they become aware that another workforce member has become excluded, suspended, or debarred, or has been charged with a criminal offense related to health care.

3.6 ~~Finance/Revenue Department shall~~ TCMHA shall stop processing claims and/or withhold claims upon receiving notification of suspension, exclusion or debarments, of a particular workforce member, in order to prevent claims submitted by potentially excluded, suspended, debarred, or otherwise ineligible individuals and entities from receiving payment for goods or services furnished, ordered or prescribed under any federally funded health care programs.

SUBJECT: Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs Policy	POLICY NO.: II-18	EFFECTIVE DATE: 10/19/2016	PAGE: 4 of 8
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4. PROCEDURES

- 4.1 TCMHA Human Resources Department will obtain signature confirmation from all new workforce members, upon hire, appointment, or transfer to other departments, and from all other workforce members on a yearly basis thereafter, on the Statement of Ability to Provide Services under federally Funded Health Care Programs form, attesting that they are eligible to provide direct and indirect services under federally funded health care programs and have not been:
- Convicted of a criminal offense related to health care; or
 - Excluded, suspended, debarred, or are otherwise ineligible to provide services under federally funded health care programs.
- 4.2 After obtaining the workforce member's signature of attestation, the signed attestation form will be placed in the workforce member's personnel file.
- 4.3 TCMHA Human Resources Department will complete all required queries of sanction lists prior to completing an action to hire and/or transfer other departments a new member of the TCMHA workforce.

- 4.4 TCMHA Human Resources Department will complete a sanction screening process for all TCMHA workforce members as follows:

	Before Hire	Monthly	Annually
1 Social Security Administration (SSA) Death Master File (DMF) (42 CFR 455.436)	X		
2 U.S. Department of Health and Human Services (HHS)/Office of Inspector General (OIG) - List of Excluded Individuals and Entities (LEIE) (42 CFR 455.436)	X	X	
3 State of California Department of Health Care Services (DHCS) - Medi-Cal Suspended and Ineligible (S&I) Provider List (CDMH Letter 10-05, September 3, 2010)	X	X	
4 U.S. General Services Administration (GSA) System for Award Management (SAM) (42 CFR 455.436)	X	X	
5 California Secretary of State (SOS) Business Search (DHCS Annual Review Protocol for Specialty Mental Health Services and Other Funded Services, Section H)	N/A	N/A	N/A
6 California Dept. of Consumer Affairs (CDA) Licensing Boards (DHCS Annual Review Protocol for Specialty Mental Health Services and Other Funded Service, Section H)	X		X

SUBJECT:	POLICY NO.:	EFFECTIVE DATE:	PAGE:
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7 Listing of Contractors Debarred in Los Angeles County (Los Angeles County Code of Ordinances Title 2 Chapter 2.202, Determinations of Contractor Non-Responsibility and Contractor Debarment)	X		X
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4.5 Upon completion of the screening process, designated Human Resource staff will re-review matching or closely matching names found on the sanction lists. **If a workforce member name match is found on any of the sanction lists, either based on sanction screening results or any by direct notification, the HR Manager will notify the Chief Operations Officer and the Department Director, and will seek to secure formal confirmation of exclusion and/or suspension, confirmation of resolution, or confirmation of reinstatement.**

4.6 **If it is confirmed that the workforce member is formally excluded/suspended by a Federal or State agency, the following next steps will be coordinated: All confirmed sanctioned individuals will be subject to immediate follow up actions to ensure that all billing activity is stopped immediately.**

~~TCMHC Chief Operations Officer will immediately notify the responsible Program Manager, Chief Clinical Officer, Medical Director, Chief Operations Officer and Executive Director, Chief Compliance Officer and Chief Financial Officer of the excluded and/or suspended finding.~~

~~TCMHA Chief Operations Officer will notify the LADMH Chief Information Office of the exclusion and/or suspension, within 30 days of the finding, per LACDMH Policy No. 106.04, Removing Names of Sanctioned Individuals from the Rendering Provider List Policy, to ensure sanctioned individuals cannot submit claims through the LACDMH claiming system.~~

~~If a workforce member name match is found on any of the suspension, ineligible, exclusion lists, either based on sanction screening results or any by direct notification, the HR Manager and Chief Operations Officer, will notify the Department Director and will seek to secure formal confirmation.~~

- a. Compliance Officer (or designee) shall notify the Finance Department and other units as appropriate of a confirmed exclusion and/or suspension to ensure sanctioned individuals cannot submit claims.
- b. The Executive Director, the Department Director of the Employee, the Chief Financial Officer, **the HR manager**, ~~the Chief Operations Officer~~, and the Chief Compliance Officer will determine the next course of action related to disciplinary action, up to and including possible termination.
- c. The workforce member confirmed to be excluded from federally funded health care programs will be notified of any disciplinary action or termination of employment from TCMHA in accordance with this policy.

SUBJECT:	POLICY NO.:	EFFECTIVE DATE:	PAGE:
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- d. Department Directors and Program Managers, in consultation with the responsible direct supervisor, will carefully coordinate the transfer of duties associated with workforce members who have been determined to be ineligible to provide direct and indirect services under federally funded health care programs.
 - e. If it is determined that an employee will be terminated, the Executive Director, Department Director of the Employee, Chief Financial Officer, **HR manager**, and the Chief Compliance Officer may, if appropriate, given the cause of exclusion, permit a brief period of continued employment for an excluded employee to allow for appropriate transition of direct clinical responsibilities to avoid causing any undue harm to the client(s). If this is permitted, the Executive Staff, in association with **the Department Director of the Employee** and the Program Manager, must ensure that no direct service claims or indirect charges are submitted for the excluded employee during the period of continued employment.
 - f. ~~TCMHC Chief Operations Officer~~ **TCMHA Chief Compliance Officer will notify, in writing, the designated/authorized Los Angeles Department of Mental Health (LACDMH) personnel of any exclusion** exclusion and/or suspension, within 30 days of the finding, per LACDMH Policy ~~No. 106.04, Removing Names of Sanctioned Individuals from the Rendering Provider List Policy, to ensure sanctioned individuals cannot submit claims through the LACDMH claiming system.~~
 - g. **In the event that direct or indirect services are discovered to have been claimed for reimbursement for an excluded or ineligible individual, the claimed services will be removed or voided in accordance with the applicable system requirements and procedure.**
- 4.7 Sanction list review records will be made available upon request by LACDMH or its authorized auditors and/or reviewers. Such records may include the following:
- a. List of all staff
 - b. Sanction list (federal and State)
 - c. List of researched information to eliminate closely matching names.
- 4.8 Records will be prepared for and maintained documenting the screening process. Screening data and information used to clear or confirm names shall be retained in accordance with **agency record retention** ~~human resources employment records~~ retention procedures.

5. REFERENCES

SUBJECT: Workforce Members Ability to Provide Goods and Services Under Federally Funded Health Care Programs Policy	POLICY NO.: II-18	EFFECTIVE DATE: 10/19/2016	PAGE: 7 of 8
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1. LACDMH Policy 106.03 Employee' s Ability to Participate in Federally Funded Health Care Programs
2. **LACDMH Policy 106.04 Contractor's Eligibility to Participate in and Secure Federally Funded Health Care Program Contracts**
3. LACDMH Policy No. 106.09, Removing Names of Sanctioned Individuals from the Rendering Provider List
4. California Department of Health Care Services Annual Review Protocol for Specialty Mental Health Services and Other Funded Services Fiscal Year 2017-2018 ;
5. California Welfare and Institutions Code, Section 14043.61
6. California Welfare and Institutions Code, Section 14123
7. United States Code, Title 42, 1320a-7
8. Social Security Act, Section 1128A
9. Code of Federal Regulations, Title 42, Sections 1001-1901
10. United States Department of Health and Human Services, Office of Inspector General, Special Advisory Bulletin on the Effect of Exclusion from Participation in Federal Health Care Programs, May 8, 2013
11. Department of Health and Human Services, Office of the Inspector General, Publication of the OIG's Compliance Program Guidance for Medicare+Choice Organizations Offering Coordinated Care Plans.
12. Los Angeles County Code, Appendix 1 to Title 5, Civil Service Rule #18
13. Performance Contract between California Departments of Mental Health and Health Care Services and Los Angeles County Department of Mental Health, Section 18, Program Integrity Requirements

FORMS

1. **Exhibit A** – Statement of Ability to Provide Services under federally Funded Health Care Programs



HUMAN RESOURCES DEPARTMENT
STATEMENT OF ABILITY TO PROVIDE SERVICES UNDER
FEDERALLY FUNDED HEALTH CARE PROGRAMS

(Print)

Employee's Name	Last	First
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I have reviewed the Tri City Mental Health Center (TCMHC) Policy No. II-18. As an employee of the TCMHC, I understand TCMHC Policy No. II-18 requires me to:

- 1) Have the ability to provide services for which Medicare and Medi-Cal will pay directly or indirectly, including services which are clinical or administrative/managerial in nature, including support services, and
- 2) Provide a statement of my ability to provide services under federally funded health care programs, specifically that:
 - a) I have* I have not (please check one) been convicted of a criminal offense related to health care, or
 - b) I have* I have not (please check one) been debarred, excluded or otherwise made ineligible to provide services under federally funded health care programs, by a State or a federal agency.

** If you have been convicted of a criminal offense related to health care or have been debarred, excluded or are otherwise ineligible, please provide a detailed explanation on the back of this form.*

I understand that it is my responsibility to notify my immediate Program Manager or higher level manager of any change in my ability to provide services under federally funded health care programs, including suspension or exclusion. Further, I understand that the TCMHC will verify my ability to participate in federally funded health care programs on not less than an annual basis.

The following statement is made in compliance with TCMHC Policy No. II-18.

TO THE BEST OF MY KNOWLEDGE AND BELIEF, SERVICES RENDERED BY ME AS AN EMPLOYEE OF TRI CITY MENTAL HEALTH CENTER MAY BE BILLED TO MEDI-CAL AND MEDICARE AS APPROPRIATE.

Date	Employee's Name	Employee's Signature
Date	Supervisor's Name	Supervisor's Signature

DISTRIBUTION:

ORIGINAL	HR Representative
COPIES	Supervisor
	Employee
	Personnel File



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: October 19, 2022

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

BY: Dana Barford, MHSA Director and Ethnic Services

SUBJECT: Approval of Resolution No. 675 Authorizing the Executive Director to Enter into Participant Agreement with the California Mental Health Services Authority (CalMHSA) to Provide Supportive Services, Materials, and Resources under Tri-City's MHSA Prevention and Early Intervention Plan (PEI)

Summary:

Staff is requesting that the Governing Board approve a Participant Agreement (PA) with California Mental Health Services Authority (CalMHSA) to provide supportive services, materials, and resources under Tri-City's MHSA Prevention and Early Intervention Plan (PEI).

Background:

CalMHSA pioneers cutting edge research, providing counties an independent administrative and fiscal intergovernmental structure. They help fund, develop, and implement mental health services and educational programs at the state, regional, and local levels. A central component of CalMHSA's vision is to continually promote systems and services arising from a commitment to community mental health, and to the values of the California Mental Health Services Act.

Historically, Tri-City has entered into agreements with CalMHSA on an annual basis. However, this is the first three-year Participation Agreement between CalMHSA and Tri-City designed to provide supportive services, materials, and resources for Suicide Prevention and Stigma Reduction programs by CalMHSA staff. The allocation of \$158,000.00 will be over three-years.

Fiscal Impact:

The total amount of \$158,000.00, over three-years, will be funded 100% by MHSA Prevention and Early Intervention (PEI) funds.

Recommendation:

Staff recommends that the Governing Board adopt Resolution N. 675 authorizing the Executive Director to enter into the Participant Agreement with CalMHSA.

Attachments:

Attachment 5-A: Resolution No. 675 - DRAFT

Attachment 5-B: TCMHA and CalMHSA Participation Agreement

RESOLUTION NO. 675

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY AUTHORIZING A THE EXECUTIVE DIRECTOR TO ENTER INTO A PARTICIPATION AGREEMENT WITH THE CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY (CaMHSA)

The Governing Board of the Tri-City Mental Health Authority does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“Authority” or TCMHA”) desires to enter into a Participation Agreement with the California Mental Health Services Authority (CaMHSA) to provide supportive services, material and resources under the TCMHA’s Mental Health Services Act (MHSA) Prevention and Early Intervention (PEI) Plan, beginning July 1, 2022 through June 30, 2025, in an amount not to exceed \$158,000.00.

B. TCMHA affirms that CaMHSA was created by counties in 2009 to jointly develop and fund mental health services and education programs; CaMHSA provides administrative and fiscal services in support of, and addresses, common interests in the administration of such programs; and the TCMHA is a member county of CaMHSA.

2. Action

The Governing Board authorizes the Executive Director to complete and execute a Participation Agreement with the California Mental Health Authority (CaMHSA), in an amount not to exceed \$158,000.000 for three years beginning on July 1, 2022.

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on October 19, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By: _____

By: _____

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
PARTICIPATION AGREEMENT
COVER SHEET

1. Tri-City Mental Health Authority (“Participant”) desires to participate in the Program identified below.

Name of Program: Statewide Prevention and Early Intervention (PEI) Program (“The PEI Program”)

2. California Mental Health Services Authority (“CalMHSA”) and Participant acknowledge that the Program will be governed by CalMHSA’s Joint Powers Agreement and its Bylaws, and by this Participation Agreement.

- Exhibit A Program Description
- Exhibit B General Terms and Conditions
- Exhibit C County-Specific Scope and Funding

3. The term of the Program is **July 1, 2022** through **June 30, 2025**.

4. Total Funding not to exceed: \$158,000 (\$94,000 (yr1) \$32,000 (yr2) \$32,000 (yr3)

5. Authorized Signatures:

CalMHSA

Signed: _____ Name: Amie Miller, Psy.D., LMFT

Title: Executive Director Date: _____

Participant: Tri-City Mental Health Authority

Signed: _____ Name: Rimmi Hundal

Title: Executive Director Date: _____

Signed: _____ Name: Jed Leano

Title: Tri-City Governing Board Chair Date: _____

Signed: _____ Name: Darold Piper

Title: Tri-City General Council Date: _____

ATTACHMENT 5-B

PARTICIPATION AGREEMENT
EXHIBIT A – PROGRAM DESCRIPTION

- I. **Name of Program:** Statewide PEI Program.
- II. **Term of Program:** This is a thirty–six-month contract, beginning July 1, 2022 and terminating on June 30, 2025, with the option for early termination or extension as provided below.
- III. **Program Goals:** In partnership with participating members, this program will disseminate and direct Statewide PEI project campaigns, programs, resources, and materials; provide subject matter in suicide prevention and stigma and discrimination reduction (SDR) to support local PEI efforts; develop local and statewide capacity building support and new outreach materials for counties, and community stakeholders. The primary focus of these programs are to promote mental health and wellness, suicide prevention, and health equity throughout California communities, with additional focus on diverse and/or historically underserved communities.
- IV. **Program Efforts:** To promote emotional health and reduce the likelihood of mental illness, substance use, and suicide among all Californians in diverse communities, schools, health care, and workplace, the following efforts will be endeavored:
 - a. Continued implementation of the Take Action for Mental Health social marketing and public education campaign activities to expand and develop emotional wellbeing for Californians.
 - b. Expand stakeholder partnership networks and promote grassroots stakeholder engagement with current and new community partners.
 - c. To continue to increase outreach and dissemination of programs and resources, including mental health engagement materials.
 - d. Provide resource, technical assistance, and capacity building support to County Behavioral Health Agencies and their partners to support local PEI and leverage resources.
 - e. Implement the annual Directing Change Program which educates young people about critical health topics like suicide prevention and mental health and wellbeing through the medium of film and art.
 - f. Provide data and evaluation of the reach of programs within counties and statewide.

PARTICIPATION AGREEMENT

Exhibit B – GENERAL TERMS AND CONDITIONS

I. Definitions

The following words as used throughout this Participation Agreement shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used:

- A. CalMHSA – California Mental Health Services Authority, a Joint Powers Authority (JPA) created by counties in 2009 at the instigation of the California Mental Health Directors Association to jointly develop and fund mental health services and education programs.
- B. Mental Health Services Division (MHSD) – The Division of the California Department of Health Care Services responsible for mental health functions.
- C. Member – A County (or JPA of two or more Counties) that has joined CalMHSA and executed the CalMHSA Joint Powers Agreement.
- D. Mental Health Services Act (MHSA) – Initially known as Proposition 63 in the November 2004 election, which added sections to the Welfare and Institutions Code providing for, among other things, PEI Programs.
- E. Participant – Any County participating in the Program either as Member of CalMHSA or as Partner under a Memorandum of Understanding with CalMHSA.
- F. Program – The program identified in Exhibit A, as further embodied in the Services Agreement.
- G. Services Agreement – That certain Standard Services Agreement entered into by and between CalMHSA and service providers in connection with the Program.

II. Responsibilities

- A. Responsibilities of CalMHSA:
 - 1. Act as fiscal and administrative agent for the Program.
 - 2. Management of funds received consistent with the requirements of any applicable laws, regulations, guidelines and/or contractual obligations.
 - 3. Provide regular fiscal reports to Participants and/or other public agencies with a right to such reports.
 - 4. Submission of plans, updates, and/or work plans for review and approval by Participant representative.
 - 5. Compliance with CalMHSA's Joint Powers Agreement and Bylaws.
- B. Responsibilities of Participant:
 - 1. Transfer of funds for the Program as specified in Section V. F- Fiscal Provisions below, at the beginning of each fiscal year.
 - 2. Identification of a representative authorized to act for Participant and receive notices on behalf of Participant with regard to the Program.

3. Cooperate by providing CalMHSA with requested information and assistance in order to fulfill the purpose of the Program.
4. Provide feedback on Program performance.
5. Compliance with applicable laws, regulations, guidelines, contractual agreements, JPAs and bylaws.

III. Duration, Term, Amendment and Participant Withdrawal

- A. The Program is of indefinite duration and will continue as long as Participants wish to act together to conduct projects in compliance with their respective responsibilities hereunder. However, the obligation of any single Participant (a.k.a. Member) to pay funds is limited to the periods and amounts stated in Section V. F. – Fiscal Provisions below.
- B. Except as otherwise provided for in Section IV of this Agreement, this Agreement may be supplemented, amended or modified only by the mutual agreement of CalMHSA and the Participant, expressed in writing and signed by authorized representatives of both parties.
- C. Subject to Section IV of this Agreement, any Participant may withdraw from the Program upon six (6) months' prior written notice. Notice shall be deemed served on the date of mailing in the U.S. Mail.

IV. Funding, Amending Program Operations and Administration, Cancellation and Shutdown of the Program

- A. The Program and its administration by CalMHSA are funded by the Participants. CalMHSA has no independent ability to fund the Program. The Program cannot continue without Participant funding. Therefore, if CalMHSA determines that Participant funding is no longer available at the levels it deems sufficient, in its sole discretion, to properly fund the Program, including its administration, CalMHSA shall invoke this Section IV.A. and propose either a means of promptly remedying the funding issue or an orderly process of winding down the Program. CalMHSA shall convey its proposal in the form of a proposed amendment to this Agreement (and/or any other Program related documents) providing for:
 1. changes that will ensure CalMHSA can operate and administer the Program on financially sound terms, which terms would take effect no less than 30 calendar days' after delivery of the amendment to the representatives of the Participants then funding the Program; or
 2. changes that will authorize CalMHSA to take the steps necessary to cancel and administer an orderly shutdown of the Program, which terms would take effect no less than 30 calendar days' after delivery of the amendment to the representatives of the Participants then funding the Program.

CalMHSA shall deliver the proposed amendment(s) to the Participants' representatives by U.S. Mail and electronic communication. Delivery shall be deemed to have occurred on the first business day after the date of mailing of the amendment(s).

- B. The Participants shall each consider and vote to accept or reject CalMHSA's proposed amendment(s) no more than 30 calendar days' after its delivery. A majority vote of the Participants then funding the Program shall determine whether CalMHSA's proposed amendment(s) is accepted or rejected.

- C. Regardless of whether the Participants accept or reject CalMHSA's proposed amendment(s), the Participants agree to pay for any new or different services and costs CalMHSA incurs in a good faith effort to stabilize the Program.
- D. Upon cancellation, termination or other conclusion of the Program, any Program funds remaining undisbursed shall be returned to the Participants after any and all obligations of the Program have been satisfied, including any obligations to CalMHSA. Unused funds paid for a joint effort will be returned pro rata to Participants in proportion to payments made unless adjusted as provided for in Section IV.E.
- E. CalMHSA shall provide notice of the amount of unused funds to be returned and the pro rata amount to be returned to each Participant in the Program at least 15 calendar days' before returning the funds.
 - 1. CalMHSA's notice shall be delivered electronically to each Participants' representative, and a backup copy will be sent via U.S. Mail. The notice shall be deemed delivered on the date it is sent.
 - 2. Within 10 calendar days' of the date of that electronic notice, a Participant may seek an adjustment in the amount of unused funds to be returned to it by submitting an adjustment request to CalMHSA's Project Manager electronically, and copy each of the Participants' representatives on the electronic communication. The adjustment request must demonstrate why a disproportionate share of the unused funds should be paid to the Participant.
 - 3. Within 5 calendar days of the date an adjustment request was sent to CalMHSA, any Participant whose proportionate share of the unused funds would or may be reduced if the adjustment request is granted may submit a response to the adjustment request to CalMHSA's Project Manager electronically, and must copy each of the Participants' representatives on the electronic communication.
 - 4. CalMHSA shall consider all adjustment requests and responses and shall determine whether an adjustment request should be granted, in whole or in part. CalMHSA shall have exclusive jurisdiction over how to resolve any such requests, and its decision(s) shall be final.
 - 5. CalMHSA shall render its decision(s) on any adjustment requests before returning any unused funds.
 - 6. CalMHSA's decisions shall be delivered electronically to each Participants' representative, and a backup copy will be sent via U.S. Mail.

V. Fiscal Provisions; Order of Precedence

- A. Funding required from the Participants will not exceed the amount stated below.
- B. County will provide the funding amount stated in below, which includes a one-time administrative fee. CalMHSA will invoice the County upon execution of Participation Agreement, for the full budget amount in order to successfully carry out its contractual obligations.
- C. Other than with respect to this Section IV hereof, in the event of any conflict between the terms of this Agreement and the terms of the Services Agreement

with respect to CalMHSA’s obligations the terms of the Services Agreement shall control.

- D. In addition to the terms of Section 8.11 of the Services Agreement, the Parties agree to observe and comply with all applicable laws, ordinances, codes and regulations of government agencies, including federal, state, municipal and local governing bodies and commissions associated with the investments made in connection with the Program.
- E. Pursuant to the terms of Section 8.14 of the Services Agreement, CalMHSA shall require vendors under the Services Agreement to procure and maintain the policies and levels of insurance set forth therein, including to name CalMHSA and the Participants as additional insureds under such policies.
- F. Funding Allocations:

Fiscal Year	Funds Due to CalMHSA	Amount Due
FY 22-23	Due July 1, 2022	\$94,000
FY 23-24	Due July 1, 2023	\$32,000
FY 24-25	Due July 1, 2024	\$32,000
Total		\$158,000



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: October 19, 2022

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

SUBJECT: Consideration of Resolution No. 676 Authorizing the Executive Director to Execute an Amendment to the Disposition and Development Agreement with Restore Neighborhoods, LA, Inc. for the Claremont Gardens Senior Housing Project at 956 W Baseline Road in Claremont, California

Summary:

Staff seeks Governing Board approval of an Amendment to the Disposition and Development Agreement (DDA) with Restore Neighborhoods LA, Inc. (RNLA) to extend the escrow closing deadline, and approve a “Subordination and Intercreditor Agreement”, for the Claremont Gardens senior housing project, required by other lenders for the project described in the Agreement.

Background:

On February 19, 2020, TCMHA Governing Board adopted Resolution No. 520 designating its No Place Like Home (NPLH) Non-Competitive Allocation Funds in the amount of \$1,140,736 to develop a 15-unit construction/rehabilitation combined affordable housing and permanent supportive senior housing project, known as Claremont Gardens, in partnership with the City of Claremont, Genesis LA Economic Growth Corporation, and Restore Neighborhoods, LA, Inc. (RNLA); and on February 17, 2021 the Governing Board adopted Resolution No. 574 authorizing the Executive Director to enter into, and execute, a Disposition and Development Agreement with RNLA for the development, financing, and operation of the Claremont Gardens at TCMHA’s property located at 956 W Baseline Road in Claremont, California. The DDA specified a closing date of, on or before June 30, 2021.

However, the California Department for Housing and Community Development (CDHDC) did not award TCMHA’ NPLH non-competitive funds, until August 29, 2022; and on September 21, 2022, the Governing Board adopted Resolution No. 671 authorizing the acceptance of the Authority’s non-competitive allocation award in the amount of \$1,140,000 under the NPLH program (Round 4) for the Claremont Gardens Project.

Therefore, staff is seeking authorization to execute the attached Amendment to the Disposition and Development Agreement, in order to extend the escrow closing deadline and approve a “Subordination and Intercreditor Agreement” required by other lenders for

AGENDA ITEM NO. 6

Governing Board of Tri-City Mental Health Authority
Consideration of Resolution No. 676 Authorizing the Executive Director to Execute an
Amendment to the Disposition and Development Agreement with Restore Neighborhoods,
LA, Inc. for the Claremont Gardens Senior Housing Project at 956 W Baseline Road in
Claremont, California
October 19, 2022
Page 2

the project described in the DDA. The Subordination and Intercreditor Agreement establishes the understanding among lenders, their respective rights and obligations with respect to the borrower (RNLA) and its assets.

Fiscal Impact:

The Amendment re-establishes TCMHA commitment to transfer its property located at 956 W. Baseline Road in Claremont; to provide supportive services to residents at the future Claremont Gardens, 15-unit housing development for 20 years; and provide for 15 years, additional annual funding as a Capital Operating Reserve Subsidy (COSR) in the amount of \$24,000, with 3.5% annual increase, for Tri-City's eight (8) permanent supportive housing units, after RNLA has secured all other necessary funding and permissions to build the Claremont Gardens at 956 W. Baseline Road, Claremont, California 91711.

Recommendation:

Tri-City staff recommends that the Governing Board adopt Resolution No. 676 authorizing the Executive Director to execute an Amendment to the DDA with RNLA to extend the escrow closing deadline and approve a "Subordination and Intercreditor Agreement" for the Claremont Garden senior housing project at 956 W. Baseline Road in Claremont, California.

Attachments

Attachment 6-A: Resolution No. 676 – DRAFT

Attachment 6-B: Amendment to Disposition and Development Agreement

Attachment 6-C: Disposition and Development Agreement – Executed 2/17/2021

RESOLUTION NO. 676

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH RESTORE NEIGHBORHOODS, LA, INC. FOR THE CLAREMONT GARDENS SENIOR HOUSING PROJECT AT 956 W BASELINE ROAD IN CLAREMONT, CALIFORNIA

The Governing Board of the Tri-City Mental Health Authority does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“TCMHA or Authority”) adopted Resolution No. 574 on February 17, 2022, authorizing to enter into and execute, a Disposition and Development Agreement (DDA) with Restore Neighborhoods, LA, Inc. (RNLA) for the development, construction, financing, and operation of fifteen (15) units for seniors of combined affordable and permanent supportive housing project, known as the Claremont Gardens, at 956 W. Baseline Road, Claremont, California 91711.

B. The Authority desires to amend the DDA to extend the escrow closing deadline, and approve a “Subordination and Intercreditor Agreement” for the Claremont Gardens senior housing project, required by other lenders for the project described in the Agreement.

2. Action

The Authority’s Executive Director is authorized to enter into, and execute, the Amendment to the Disposition and Development Agreement with RNLA for the Claremont Gardens housing project at 956 W. Baseline Road in Claremont, California.

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on October 19, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By:_____

By:_____

DRAFT

AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT (the “Amendment”) is dated as of October 19, 2022 and is entered into by and between the TRI-CITY MENTAL HEALTH AUTHORITY, a joint powers authority (“TCMHA”), and RESTORE NEIGHBORHOODS, LA, INC., a California nonprofit public benefit corporation (“Developer”).

RECITALS

A. TCMHA and Developer entered into that certain Disposition and Development Agreement dated February 17, 2021 (“Agreement”). Capitalized terms used but not defined herein shall be defined as set forth in the Agreement.

B. TCMHA and Developer desire to amend the Agreement in order to extend the closing deadline and approve a “Subordination and Intercreditor Agreement” required by other lenders for the project described in the Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants contained in this Amendment, the parties hereto agree as to amend the Agreement as follows:

1. Extension of Closing Deadline. The closing deadline of June 30, 2021 in Section 2.1 of the Agreement is hereby extended to December 31, 2022 (it being understood that the parties may close prior to that date).

2. Approval of Subordination and Intercreditor Agreement. The “Subordination and Intercreditor Agreement” attached as Exhibit “A” hereto is hereby approved, and the Executive Director of TCMHA is authorized to execute and deliver it to the escrow for the closing, for recording at the closing.

3. Conflict. Except as amended herein, the Agreement remains in full force and effect. To the extent of any conflict between this Amendment and the Agreement, this Amendment shall govern.

4. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed as original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the day and year first above written.

ATTACHMENT 6-B

DRAFT

DEVELOPER:

RESTORE NEIGHBORHOODS LA, INC.,
a California nonprofit public benefit
corporation

By: _____
John Perfitt, Executive Director

TCMHA:

TRI-CITY MENTAL HEALTH
AUTHORITY,
a California joint powers authority

By: _____
Rimmi Hundal, Executive Director

APPROVED AS TO FORM:

RICHARDS, WATSON & GERSHON,
TCMHA Special Counsel

By: _____
Bruce Galloway

DRAFT

EXHIBIT "A"

FORM OF SUBORDINATION AND INTERCREDITOR AGREEMENT

(Attached.)

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
DOCUMENT TO:**

Genesis LA Economic Growth Corporation
801 S. Grand Avenue, Suite 775
Los Angeles, CA 90017
Attn: Jessica Waybright

(Above Space for Recorder's Use Only)

**NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST
IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN
OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

SUBORDINATION AND INTERCREDITOR AGREEMENT

THIS SUBORDINATION AND INTERCREDITOR AGREEMENT ("Agreement") is entered into as of _____, 2022, by and among (i) **GENESIS LA ECONOMIC GROWTH CORPORATION**, a California nonprofit public benefit corporation, with offices at 801 S. Grand Avenue, Suite 775, Los Angeles, CA 90017 ("**Genesis**"), (ii) **CITY OF CLAREMONT**, a municipal corporation ("**Claremont**"), (iii) **TRI-CITY MENTAL HEALTH AUTHORITY**, a public agency ("**TCMHA**"), (iv) **COUNTY OF LOS ANGELES**, a _____ ("**County**"), (v) **THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST**, a joint powers authority formed by statute of the State of California ("**SGVRHT**"), and consented and agreed to by (vi) **RESTORE NEIGHBORHOODS, LA, INC.**, a California nonprofit public benefit corporation ("**Borrower**")

RECITALS:

A. Borrower is obtaining ownership of the real property located at 956 Base Line Road in the City of Claremont which is more particularly described in the legal description attached hereto as Exhibit A and fully incorporated herein by reference (the "**Property**") pursuant to the terms of that certain Disposition and Development Agreement ("**DDA**") by and between Borrower and TCMHA and as evidenced by the Grant Deed from TCMHA to be recorded immediately preceding this Agreement in the Official Records of Los Angeles County California (the "**Official Records**"), and in connection with the transfer of the Property TCMHA is providing a loan in the amount of \$446,373.90 (the "**TCMHA Loan**") pursuant to the Promissory Note (the "**TCMHA Note**"), and secured by a Deed of Trust with Assignment of Rents (Short Form) executed by Borrower in favor of TCMHA (the "**TCMHA Security Instrument**") and to be recorded substantially concurrently herewith in the Official Records. Also in connection with the transfer of the Property, TCMHA requires that the Property have a regulatory agreement ("**TCMHA Regulatory Agreement**"); and

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B. Genesis is making a loan to Borrower in the amount of \$1,565,538 (the "**Genesis Loan**"), pursuant to a Loan Agreement (the "**Genesis Loan Agreement**"), and Promissory Note (the "**Genesis Note**"), and secured by a Deed of Trust, Assignment of Rents and Security Agreement executed by Borrower in favor of Genesis (the "**Genesis Security Instrument**") and to be recorded substantially concurrently herewith in the Official Records. Genesis is also

requiring that a Declaration of Restrictive Covenant ("**Genesis Restrictive Covenant**") be recorded substantially concurrently herewith in the Official Records; and

C. Claremont is making a Loan to Borrower in the amount of \$1,750,000 (the "**Claremont Loan**") pursuant to that certain Affordable Housing Agreement (RNLA Permanent Supportive Housing Project) dated July 1, 2020 ("**Claremont AHA Agreement**"), and Promissory Note ("**Claremont Note**"), and secured by a Deed of Trust executed by Borrower in favor of Claremont (the "**Claremont Security Instrument**") and to be recorded substantially concurrently herewith in the Official Records. Claremont is also requiring that a Regulatory Agreement ("**Claremont Regulatory Agreement**") and Notice of Affordability Restrictions on Transfer of Property ("**Claremont Affordability Restrictions**") be recorded substantially concurrently herewith in the Official Records; and

D. County is providing Borrower with a \$750,000 grant pursuant to the terms of a Disbursement Agreement ("**Disbursement Agreement**") and is requiring the Declaration of Restrictive Covenants (for the Development and Operation of Interim Supportive Housing) (the "**County Use Restriction**") be recorded substantially concurrently herewith in the Official Records; and

E. SGVRHT is making a Loan to Borrower in the amount of \$554,750 (the "**SGVRHT Loan**") and together with the Claremont Loan, the "**Subordinate Loans**") pursuant to a Development Loan Agreement ("**SGVRHT Loan Agreement**") and the Development Loan Promissory Note Secured by Deed of Trust ("**SGVRHT Note**"), and secured by a Deed of Trust, Security Agreement and Fixture Filing With Assignment of Leases and Rents ("**SGVRHT Security Instrument**") and together with the Genesis Security Instrument, TCMHA Security Instrument, and Claremont Security Instrument the "**Security Instruments**") to be recorded substantially concurrently herewith in the Official Records. SGVRHT is also requiring a Regulatory Agreement ("**SGVRHT Regulatory Agreement**") be recorded substantially concurrently herewith in the Official Records; and

F. It is the intention of Claremont, TCMHA, County and SGVRHT (collectively the "Subordinate Lenders") and Genesis (and together with the Subordinate Lenders each, a "Lender") that the liens against the Property restricting the use of the Property to affordable housing (DDA, Genesis Restrictive Covenant, Claremont Regulatory Agreement, Claremont Affordability Restrictions, County Use Restriction, SGVRHT Regulatory Agreement collectively the "Use Restrictions") be recorded against the Property prior to the Security Instruments and in the priority positions set forth in Section 1 of this Agreement, notwithstanding the different times of recording and/or perfection of such liens;

G. It is the intention of the Lenders that the security interests in and liens against the Collateral (as defined below) by the Lenders be in the priority positions set forth in Section 2 of this Agreement, notwithstanding the different times of recording and/or perfection of security interests; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lenders hereby agree as follows:

1. Priority of Use Restrictions. Notwithstanding the order of, or date of recording and/or perfection thereof, the Use Restrictions shall rank in the order of priority set forth below, provided however, in the event of a conflict, the most stringent or restrictive standard or

Deleted: <#>TCMHA is making a Loan to Borrower in the amount of \$, (the "TCMHA Loan"), from the No Place Like Home ("NPLH") loan program pursuant to a Promissory Note ("TCMHA Note"), and secured by a Deed of Trust with Assignment of Rents executed by Borrower in favor of TCMHA (the "TCMHA Security Instrument") and to be recorded substantially concurrently herewith in the Official Records; TCMHA is also requiring that a Regulatory Agreement ("TCMHA Regulatory Agreement") be recorded substantially concurrently herewith in the Official Records; and

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requirement applicable to the use of the Property shall control. The Use Restrictions shall all be senior to the Security Instruments described in Section 2 below.

(a) TCMHA Regulatory Agreement

~~(b) County Use Restriction;~~

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, (b) , DDA;

(c) Claremont Regulatory Agreement;

(d) Claremont Affordability Restrictions;

~~(e) SGVRHT Regulatory Agreement;~~

Deleted: TCMHA Regulatory Agreement, ¶
, (f) ,

~~(f) Genesis Restrictive Covenant.~~

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2. Priority of Security Instruments. Notwithstanding the order of, or date of recording and/or perfection thereof, the Security Instruments in or against the Collateral shall rank in the following order of priority after the Use Restrictions as set forth in Section 1 above:

~~(a) Genesis Security Instrument shall rank in the first priority position and the right of reversion in the DDA is hereby subordinated to the lender's deed of trust;~~

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(b) Claremont Security Instrument shall be subordinate to the Genesis Security Instrument;

~~(c) TCMHA Security Agreement shall be subordinate to the Genesis Security Instrument and the Claremont Security Instrument;~~

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Deleted: and the Genesis Security Agreement

(d) SGVRHT Security Instrument shall be subordinate to the Genesis Security Instrument, the Claremont Security Instrument and TCMHA Security Instrument.

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~~The term "Loan Documents" means all documents, fully executed by the applicable parties, in the form prescribed by the Lender, together with any additional documents, items and funds as such Lender may require in connection with such Lender's loan. Any real or personal property serving as collateral under any of the Genesis Loan Documents, the Claremont Loan Documents, TCMHA Loan Documents, or SGVRHT Loan Documents is referred to herein as the "Collateral".~~

Deleted: SGVRHT Security Instrument. ¶

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(e) Lenders agree that the subordination set forth in Section 2(a)-(d) above shall apply to all payments, whether obligatory or voluntary, plus all interest, fees, charges, costs and expenses due or to become due under each Lenders Loan Documents.

3. Payments Before Event of Default. Prior to the receipt by any Lender of an Enforcement Notice (as defined below) from another Lender who is party to this Agreement, such Lender may accept payments made by or on behalf of Borrower pursuant to the terms of the Lender's Loan Documents. "Enforcement Notice" means a written notice delivered by any Lender to the other Lenders notifying the other Lenders that the sender is commencing an Enforcement (as defined below) and specifying the event of default and the actions proposed to be taken by the sender.

4. Enforcement Action. Each Lender hereto agrees not to commence any Enforcement prior to its delivery to the other Lenders of an Enforcement Notice. "Enforcement" means any demand for accelerated payment from a Lender made pursuant to such Lender's Loan Documents and/or the enforcement of any of such Lender's rights and/or remedies thereunder or permitted by law. Until the Genesis Loan is satisfied or the Collateral is released by Genesis, the Subordinate Lenders shall not, without the prior written consent of Genesis, commence any Enforcement until the date which is one hundred twenty (120) days following the delivery by any Subordinate Lender to Genesis of an Enforcement Notice ("Enforcement Notice Period"); provided however, that such limitation on the remedies of any Subordinate Lender shall not derogate or otherwise limit the Subordinate Lender's rights, following an event of default under such Lender's Loan Documents to (a) compute interest on all amounts due and payable under such Subordinate Loan at the default rate described in the Loan Documents, and (b) compute late charges. Except as to the priority rights described in Sections 1 and 2 hereof, each Lender further agrees that it shall not interfere with any exercise by or on behalf of the other Lender(s) of its rights in respect of its security interest in and lien against the Collateral. During the Enforcement Notice Period, each Lender agrees to act in good faith to attempt to structure a commercially reasonable workout or other arrangement to avoid any Lender taking possession of Collateral or exercising remedies, to the reasonable satisfaction of the Lenders.

5. Cure Default. Subordinate Lenders shall have the right, but not the obligation, to cure any Genesis Loan default; provided, if such Subordinate Lender shall elect to cure such default, it shall so notify Genesis and shall commence and complete such curing within the greater of (i) any applicable notice or grace period, if any, as Borrower is permitted by the terms of the Genesis Loan Documents to cure such Genesis Loan default or (ii) ten (10) days with respect to any default that may be cured by the payment of money or thirty (30) days for all other defaults; provided however, if such curing Subordinate Lender is diligently prosecuting the cure of a non-monetary default, Genesis may grant an additional period of up to thirty (30) days to complete the cure of such default. Genesis acknowledges that amounts advanced or expended by any Subordinate Lender to cure a Genesis Loan default may be added to and become part of the curing Subordinate Lender's Loan.

6. Distribution of Proceeds. When any Lender receives any and all proceeds (i) upon its foreclosure or other disposition of any of the Collateral, (ii) under any insurance policy, from any condemning authority, or from any other sources, as a result of any condemnation or casualty, or (iii) by voluntary payment of Borrower after such Lender delivers Enforcement Notices to other Lenders or such Lender receives an Enforcement Notice from other Lender(s) (after deduction for all costs and expenses incurred by such Lender and permitted by law and/or under such Lender's Loan Documents) (hereinafter, "Proceeds"), such Lender shall distribute, within ten (10) days of its receipt of the Proceeds, to Lenders based upon their relative priority established pursuant to this Agreement. Until the Proceeds are so distributed, such Lender shall hold the Proceeds in trust for the benefit of such other Lender(s).

7. Excess Payments. If subsequent to any Enforcement Notice given pursuant to Section 3 hereinabove, any Lender shall receive, out of the assets of Borrower or otherwise, any payment to reduce any amounts outstanding under such Lender's Loan Documents, then such Lender shall distribute to each other Lender its portion of the payment computed in accordance with Section 6 hereinabove; provided, however, that if any such payment (or any portion thereof) is subsequently recovered in whole or in part from such Lender, then any other Lender which received such a distribution shall promptly return to the Lender the portion of the distribution it had received which corresponds to the amount recovered from such Lender, without interest unless such Lender shall be required to pay interest therefor.

8. Bankruptcy Proceeding. “Bankruptcy Proceedings” shall mean any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower.” In the event of any Bankruptcy Proceeding relating to Borrower or the Property or, in the event of any Bankruptcy Proceeding relating to any other person or entity into which the assets or interests of Borrower are consolidated, then in either event, the Genesis Loan and the Subordinate Loans shall each be paid in full in order of priority. Subordinate Lenders agree that (i) Genesis and the Subordinate Lenders shall each receive all payments and distributions of every kind or character which Genesis and Subordinate Lenders would otherwise be entitled, until Genesis and Subordinate Lenders are each repaid in full, and (ii) the subordination of the Subordinate Loans shall not be affected in any way by Genesis and/or any of the Subordinate Lenders electing, under Section 1111(b) of the federal bankruptcy code, to have their respective claim treated as being a fully secured claim. In addition, Subordinate Lenders hereby covenant and agree that, in connection with a Bankruptcy Proceeding involving Borrower, neither Subordinate Lenders nor any of their affiliates shall (i) make or participate in a loan facility to or for the benefit of Borrower on a basis that is senior to or pari passu with the liens and interests held by Genesis or any Subordinate Lender holding priority position pursuant to the applicable loan documents, and (ii) not contest the continued accrual of interest on the Genesis Loan, in accordance with and at the rates specified in the Genesis Loan Documents, both for periods before and for periods after the commencement of such Bankruptcy Proceedings.

9. Limitation on Transfer. No Lender shall assign, pledge or otherwise transfer, or permit or suffer to be assigned, pledged or otherwise transferred, or execute any power of attorney with respect to, the their respective Loan Documents, or any other instrument, document or agreement evidencing or securing any Loan set forth herein, unless the assignee, pledgee, or other transferee agrees in writing to be bound by the terms and conditions of this Agreement.

10. Mutual Agreements. Without the prior written consent of the other Lenders in each instance, no Lender shall (i) amend, modify, waive, extend, renew or replace any provision of any of its Loan Documents; or (ii) pledge, assign, transfer, convey, or sell any interest in its Loan or any of the Loan Documents; or (iii) accept any payment on account of the Loan other than a regularly scheduled payment of interest or principal; or (iv) take any action which has the effect of increasing such Lender’s Loan; or (v) take any action concerning environmental matters affecting the Property. Without thirty (30) days prior written notice to the other Lenders, no Lender shall appear in, defend or bring any action in connection with the Collateral.

11. Priority Governed By This Agreement. The priorities specified herein are applicable, irrespective of the time or order of attachment or perfection of the liens and security interests of the parties hereto or of the time or order of recording of the deeds of trust or other security instruments of the parties hereto.

12. Cross-Default. Each Lender hereby agrees that a default under any other Lender’s Loan Documents, as defined therein, shall constitute a default under that Lender’s Loan Documents notwithstanding the fact that no default has otherwise occurred under that Lender’s Loan Documents.

13. Indemnification. Each Lender (in this Section, “Lender A”) will indemnify and hold harmless each other Lender (in this Section, “Lender B”) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or

disbursements of any kind or nature whatsoever (including reasonable attorneys' fees) which may be imposed on, incurred by, or asserted against Lender B when Lender B is acting pursuant hereto or in any way relating to or arising out of this Agreement, provided, however, that Lender A shall not be liable under this Section for any such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such other Lender B's gross negligence or willful misconduct.

14. Other Security/Waiver of Marshalling. Nothing contained in this Agreement is intended to affect or limit the security interest that any Lender has or may have in Borrower's real property or any third parties' assets or obligations as security for its loan or loans made pursuant to the Loan Documents. Subject to the terms of this Agreement, each Lender waives any rights it may have, whether at law or in equity, to require any other Lender to marshal its collateral or any portion thereof, or otherwise to seek satisfaction from any particular or other assets of Borrower or from any third parties prior to enforcement action by the other Lender against the Collateral.

15. Independent Credit Investigations. No Lender, nor any of its respective directors, officers, agents or employees, shall be responsible to any other Lender or to any other person, firm or corporation, for the Borrower's solvency, financial condition or otherwise, or for any statements of Borrower, oral or written, or for the validity, sufficiency or enforceability of any liens or security interests granted by Borrower to such other Lender. Each Lender has entered into its respective agreements with Borrower based upon its own independent investigation, and makes no warranty or representation to any other Lender nor does it rely upon any representation of any other Lender with respect to matters identified or referred to in this Agreement.

16. Limitation of Liability of Lenders to Each Other. Except as provided in this Agreement, no Lender shall have any liability to any other Lender except for gross negligence or willful misconduct, regarding the subject matter of this Agreement.

17. Amendments to this Agreement. All modifications or amendments of this Agreement must be in writing and duly executed by all Lenders.

18. Default. Borrower acknowledges that in the event any party fails to comply with its obligations hereunder the other parties shall have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief. No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder.

19. Request for Information. Lenders shall each, within ten (10) business days following a request from any other Lender, provide the requesting party with a written statement setting forth the then current outstanding principal balance of the subject loan, the aggregate accrued and unpaid interest under the subject loan, and stating whether, to the knowledge of such party, any default or event of default exists under the subject loan, and containing such other information with respect to the subject loan as the requesting party may reasonably request. Upon notice from any Lender from time to time, a Lender shall execute and deliver such additional instruments and documents, and shall take such actions, as are required by such requesting Lender in order to further evidence or effectuate the provisions and intent of this Agreement.

20. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of each of the parties hereto. The terms and provisions of this Agreement shall be for the sole benefit of the parties hereto and their respective successors and assigns, and no other person, firm, entity or corporation shall have any right, benefit, priority, or interest under, or because of this Agreement.

21. Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, such provision shall be severable from the rest of this Agreement and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

22. Headings. Headings of the Sections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof.

23. Applicable Law. This Agreement is and shall be governed by and construed in accordance with the laws of the State of California.

24. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

25. Notices. All notices, demands or other communications required or permitted to be given pursuant to the provisions of this Agreement shall be in writing and shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, except that notice of Default may be sent by certified mail, return receipt requested, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid. Notices so sent shall be effective three (3) days after mailing, if mailed by first class mail, and otherwise upon receipt at the address set forth below; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. For purposes of notice, the address of the parties shall be:

Lenders:

- (i) Genesis LA Economic Growth Corporation
801 S. Grand Avenue
Suite 775
Los Angeles, California 90017
Attn: Thomas De Simone
Facsimile No.: 213-533-8907

- (ii) City of Claremont
207 Harvard Avenue
Claremont, California 91711
Attention: City Manager
Facsimile No.: (909) 399-5492

- (iii) Tri-City Mental Health Authority
1717 N. Indian Hill Blvd., Suite B
Claremont, CA 91711
Attn: Executive Director

- (iv) Los Angeles County Department of Health Services
313 N. Figueroa Street
6th Floor East
Los Angeles, California 90012
Attn: Contracts and Grants Division

- (v) San Gabriel Valley Regional Housing Trust
1000 S. Fremont Avenue, Unit 42, Building A-10N, Suite 10-210
Alhambra, CA 91803
Attn: Executive Director

Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days notice to the other parties in the manner set forth hereinabove.

26. Recordation. This Agreement shall be recorded in the official public records of Los Angeles County, California.

27. Borrower Execution. Borrower is executing this Agreement to evidence its agreement and consent to the terms and provisions of this Agreement, but this Agreement is not intended and shall not be construed to confer any additional rights upon Borrower other than those rights contained in the instruments, documents, and agreements evidencing or securing the Loans. Without limiting the generality of the foregoing, it is understood and agreed that any terms and provisions of this Agreement may be modified or amended by the Lenders without the consent of or notice to Borrower.

[signatures follow on next page]

IN WITNESS WHEREOF, the Lenders have executed this Agreement as of the date appearing on the first page of this Agreement.

GENESIS:
GENESIS LA ECONOMIC GROWTH CORPORATION,
a California nonprofit public benefit corporation

By: _____
Name: Thomas De Simone
Its: President and CEO

CLAREMONT:
CITY OF CLAREMONT
a municipal corporation

By: _____
Adam Pirrie
City Manager

Deleted: . Tara Schultz

APPROVED AS TO FORM:

Thomas P. Clark
Counsel

TCMHA:
TRI-CITY MENTAL HEALTH AUTHORITY
a California joint powers authority

By: _____
Name: Rimmi Hundal
Its: Executive Director

Deleted: ¶
¶
¶
¶

APPROVED AS TO FORM:
RICHARDS, WATSON & GERSHON,
TCMHA Special Counsel

By: _____
Bruce W. Galloway

IN WITNESS WHEREOF, the Lenders have executed this Agreement as of the date appearing on the first page of this Agreement.

COUNTY:
ACKNOWLEDGED BY:

COUNTY OF LOS ANGELES

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM:
Mary C. Wickham
County Counsel

By: _____
Deputy County Counsel

SGVRHT:
SAN GABRIEL VALLEY REGIONAL
HOUSING TRUST,
a joint powers authority

By: _____
Marisa Creter
Executive Director

APPROVED AS TO FORM:

David De Berry
General Counsel

ACKNOWLEDGMENTS

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

STATE OF CALIFORNIA)
)§
COUNTY OF LOS ANGELES)

On _____, before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Consent

The undersigned consents to and accepts the terms and provisions of this Intercreditor and Subordination Agreement, and agrees to perform and observe those provisions of this Agreement to be performed and observed by Borrower.

BORROWER:

RESTORE NEIGHBORHOODS LA, INC.
a California nonprofit public benefit corporation

By: _____

John Perfitt

Its: Executive Director

Consent

RNLA - Claremont – Intercreditor and Subordination Agreement

DESCRIPTION OF SUBJECT PROPERTY

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

THE NORTHERLY 333.00 FEET OF THE EAST HALF OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 1 SOUTH, RANGE 8 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF CLAREMONT, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAID LAND.

EXCEPT THEREFROM THE WESTERLY 200 FEET THEREOF AND THE NORTH 33 FEET CONVEYED FOR ROAD PURPOSES.

ALSO EXCEPT THE SOUTHERLY 10 FEET OF THE NORTH 333 FEET OF THE EAST HALF OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 1 SOUTH, RANGE 8 WEST, SAN BERNARDINO BASE AND MERIDIAN.

ALSO EXCEPT THEREFROM, THE SOUTHERLY 13.50 FEET OF THE NORTHERLY 46.50 FEET THEREOF, AS CONVEYED TO THE CITY OF CLAREMONT, A MUNICIPAL CORPORATION BY VIRTUE OF A DEED RECORDED JULY 25, 1996 AS INSTRUMENT NO. 96-1196226 OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN AND TO ALL OIL, ASPHALTUM, GAS OR OTHER HYDRO-CARBON SUBSTANCES IN SAID LAND WITH FULL AND FREE RIGHT TO ENTER SAID LAND TO TAKE, DIG DRILL OR MINE FOR SAME, AS RESERVED BY JESSE L. MORAIN AND ADELHEIDE MORAIN, BY DEED RECORDED IN BOOK 9814 PAGE 59 OFFICIAL RECORDS.

APN: 8669-019-905

DISPOSITION AND DEVELOPMENT AGREEMENT

by and between

TRI-CITY MENTAL HEALTH AUTHORITY,
a California joint powers authority

and

RESTORE NEIGHBORHOODS, LA, INC.,
a California nonprofit public benefit corporation

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (the “Agreement”) is dated as of February 17, 2021 and is entered into by and between the TRI-CITY MENTAL HEALTH AUTHORITY, a California joint powers authority (“TCMHA”), and RESTORE NEIGHBORHOODS, LA, INC., a California nonprofit public benefit corporation (“Developer”).

RECITALS

A. The purpose of this Agreement is to achieve the conveyance to Developer of the existing improvements and land (collectively, the “Property”) currently owned by TCMHA and located at 956 Baseline Road in Claremont, California and the development of fifteen (15) rental housing units thereon. The land is described on Exhibit “A” (the “Land”).

B. The improvements to be completed by Developer pursuant to the terms of this Agreement are hereinafter referred to as the “Improvements”. The Land and the Improvements are collectively referred to herein as the “Project”.

B. The Project is to be used and operated as housing and supportive services for senior adult individuals (and their families) who are homeless or at risk of homelessness and who have a diagnosed severe mental illness.

C. A material inducement to the TCMHA to enter into this Agreement is the agreement by Developer to develop and operate the Project as provided herein, and it is a condition to the conveyance of the Property to Developer that Developer and TCMHA enter into both: (i) a twenty (20) year agreement with TCMHA permitting and requiring TCMHA to provide permanent supportive housing services for the Project; and (ii) a fifty-five (55) year recorded Regulatory Agreement restricting eight (8) of the housing units to persons who are sixty (60) years of age or older (and their family) who have a diagnosed mental illness and are homeless or at risk of homelessness, and whose income (when first becoming an occupant/tenant) is not greater than thirty percent (30%) of area median income (“AMI”) for Los Angeles County, as published by the California Department of Housing and Community Development (“HCD”) providing that such persons/families be charged rent, including a reasonable utility allowance/amount, at no greater than the rent permitted for Extremely Low Income households under California law (i.e., the product of 30 percent times 30 percent of AMI, adjusted for family size appropriate to the unit).

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants contained in this Agreement, the parties hereto agree as follows:

1. DEFINITIONS.

1.1 Definitions. The following capitalized terms used in this Agreement shall have the meanings set forth below:

1.1.1 “Agreement” means this Disposition and Development Agreement.

1.1.2 “Approved Title Exceptions” is defined in Section 2.2.1.

1.1.3 “Building Permit” means, collectively, any and all permits necessary to grade the Land and construct the Improvements that would be issued by the City.

1.1.4 “Certificate of Completion” means the certificate described in Section 3.9.

1.1.5 “City” means the City of Claremont.

1.1.6 “Close of Escrow” is defined in Section 2.1.1.

1.1.7 “Construction Loans” means all loans and grants which, together with Developer’s committed equity funds, will pay the costs in the Project Budget, but shall not include the TCMHA Loan (which is separately addressed in this Agreement and documented pursuant to the terms of this Agreement)

1.1.8 “Default” is defined in Section 6.1.

1.1.9 “Escrow” is defined in Section 2.1.1.

1.1.10 “Escrow Holder” means First American Title Company, 3400 Central Avenue, Suite 100, Riverside CA 92506 or another duly licensed escrow holder mutually selected by the Parties.

1.1.11 “Force Majeure Delay” is defined in Section 6.6.

1.1.12 “Grant Deed” is defined in Section 2.2.2.

1.1.13 “Hazardous Materials” means any chemical, material or substance now or hereafter defined as or included in the definition of hazardous substances, hazardous wastes, hazardous materials, extremely hazardous waste, restricted hazardous waste, toxic substances, pollutant or contaminant, imminently hazardous chemical substance or mixture, hazardous air pollutant, toxic pollutant, or words of similar import under any local, state or federal law or under the regulations adopted or publications promulgated pursuant thereto applicable to the Land, including, without limitation: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. (“CERCLA”); the Hazardous Materials Transportation Act, as amended, 49 U.S.C. 1801, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq.; and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901, et seq. (“RCRA”) The term Hazardous Materials shall also include any of the following: any and all toxic or hazardous substances, materials or wastes listed in the United States Department of Transportation Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR. Part 302) and in any and all amendments thereto in effect as of the Close of Escrow Date; oil, petroleum, petroleum products (including, without limitation, crude oil or any fraction thereof), natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel, not otherwise designated as a hazardous substance under CERCLA; any substance which is toxic, explosive, corrosive, reactive, flammable, infectious or radioactive (including any source, special nuclear or by-product material as defined

at 42 U.S.C. 2011, et seq.), carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority; asbestos in any form; urea formaldehyde foam insulation; transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls; radon gas; or any other chemical, material or substance (i) which poses a hazard to the Land, to adjacent properties, or to persons on or about the Land, (ii) which causes the Land to be in violation of any of the aforementioned laws or regulations, or (iii) the presence of which on or in the Land requires investigation, reporting or remediation under any such laws or regulations.

1.1.14 “Holder” is defined in Section 4.2.

1.1.15 “Housing Program Deed of Trust” shall mean a deed of trust and assignment of rents in the form attached hereto as Exhibit “F” (which secures the Housing Program Promissory Note).

1.1.16 “Housing Program Loan” shall mean a permanent loan to be made by TCMHA to Developer as of the Close of Escrow in fifteen (15) consecutive annual disbursements (as provided in Section 2.1.2 hereof) for operating reserves for the Project, which disbursements shall be in the amount of \$24,000 for the first year of operation of the Project, and shall increase by three percent (3%) annually.

1.1.17 “Housing Program Promissory Note” shall mean a promissory note for the Housing Program Loan in the form attached hereto as Exhibit “E”.

1.1.18 “Improvements” means all buildings, landscaping, infrastructure, utilities, and other improvements to be built on the Land, as described in the Scope of Development.

1.1.19 “Land” means the land described on Exhibit “A” attached hereto.

1.1.20 “Party” means any party to this Agreement, and “Parties” means all parties to this Agreement.

1.1.21 “Permitted Exceptions” is defined in Section 2.3.2.

1.1.22 “Plans and Specifications” means all drawings, landscaping and grading plans, engineering drawings, final construction drawings, and any other plans or specifications for construction of the Project.

1.1.23 “Project” means the Land and Improvements.

1.1.24 “Project Budget” is defined in Section 2.3.5.

1.1.25 “Property” means the Land and all existing improvements thereon.

1.1.26 “Regulatory Agreement” means a recordable agreement in the form attached hereto as Exhibit “G”, which has a term of fifty-five (55) years after the completion of the Project and contains restrictions which restrict eight (8) of the housing units in the Project to

occupancy by persons 60 years of age or older who have been diagnosed with a severe mental illness (and their family) and who are homeless or at risk of homelessness, and whose income (when first becoming an occupant/tenant) is not greater than thirty percent (30%) of area median income (“AMI”) for Los Angeles County, as published by the California Department of Housing and Community Development (“HCD”) and requires that such persons/families be charged rent, including a reasonable utility allowance/amount, at no greater than the rent permitted for Extremely Low Income households under California law (i.e., the product of 30 percent times 30 percent of AMI, adjusted for family size appropriate to the unit).

1.1.27 “Released Parties” is defined in Section 2.5.3.

1.1.28 “Schedule of Performance” means the schedule on Exhibit “B” attached hereto and incorporated by reference herein.

1.1.29 “Scope of Development” means the description of the Project set forth in Exhibit “C” attached hereto and incorporated by reference herein.

1.1.30 “Services Agreement” means an agreement between Developer and TCMHA in the form attached hereto as Exhibit “H” which requires and permits TCMHA to provide services for the Project after the completion thereof for a period of twenty (20) years, and which is incorporated by reference into the Regulatory Agreement.

1.1.31 “Site Designs” is defined in Section 6.7

1.1.32 “Title Company” shall mean the Escrow Holder (i.e., the Title Company and the Escrow Holder are the same).

1.1.33 “Transfer” is defined in Section 4.1.1.

1.1.34 “Transferee” is defined in Section 4.1.2.

2. CONVEYANCE OF THE PROPERTY; OPERATING LOAN BY GRANTOR.

2.1 Opening and Closing of Escrow. Within five (5) business days after the Date this Agreement is executed by the TCMHA and delivered to Developer, the TCMHA and the Developer shall cause an escrow (the “Escrow”) to be opened with Escrow Holder for the sale of the Land by the TCMHA to Developer by delivering to Escrow Holder a copy of this executed Agreement as the escrow instructions for the Escrow and requesting an escrow number (and the party obtaining the number shall email it to the other party at anavarro@tricitymhs.org for TCMHA or jperfitt@rn-la.org for Developer). The TCMHA and Developer shall provide such additional instructions to Escrow Holder as may be required by Escrow Holder provided they are consistent with this Agreement. Provided that each of the conditions to closing described in Section 2.7 have been satisfied, Escrow shall close (the “Close of Escrow” or “Closing”) on or before June 30, 2021. If the Close of Escrow does not occur by such date, any party not then in default may terminate this Agreement by written notice to the other and all the funds and documents deposited with Escrow Agent shall be promptly refunded or returned, as the case may be, by Escrow Agent to the depositing party, except that all escrow and title cancellation fees shall be paid by Developer.

2.1.2 Housing Program Loan by Grantor. TCMHA shall make the Housing Program Loan to Developer as of the Close of Escrow. The Housing Program Loan shall be evidenced by the Housing Program Loan Promissory Note and secured by the Housing Program Loan Deed of Trust. Such loan documents provide that the acceleration of the maturity date of any other loan obtained by Developer and secured by the Project, or an uncured default under the Regulatory Agreement, shall entitle TCMHA to accelerate the maturity date of the Housing Program Loan.

The Housing Program Loan shall be disbursed in fifteen (15) increments to Developer for the operating reserve account for the Project (for use in paying operating expense of the Project) after the issuance of a Certificate of Completion by TCMHA for the Project and written request for disbursement from Developer, with the initial disbursement being \$24,000, and subsequent disbursements increasing by three percent (3%) annually, and being made after written request by Developer but not more often than on each anniversary of the first disbursement, and in no event shall TCMHA be obligated to make a disbursement when Developer is in default under this Agreement, the Housing Program Loan Promissory Note or the Housing Program Loan Deed of Trust, or under any other loan secured by the Project.

Developer represents, warrants and covenants that it operates under/using a fiscal year of July 1 to June 30, and will continue to do so within thirty (30) days after the end of each fiscal year of Developer, commencing with the fiscal year in which the first disbursement of the Housing Program Loan is made, Developer shall deliver to TCMHA a written accounting of the amount of funds in the operating reserve account for the Project, together with an description of the sources of funds, and an accounting of the use of the funds during such preceding fiscal year. TCMHA shall have the right to inspect, copy and audit all of Developer's records with respect to the operating expenses for the Project, and Developer shall keep all such records at the Project or another location in Los Angeles County approved in writing by TCMHA, and shall retain them for at least three (3) calendar years after the fiscal year to which they relate.

2.2 Condition of Title; Title Insurance.

2.2.1 Developer shall promptly order a preliminary report for the Property from the Title Company and shall deliver it to the TCMHA by email (with hyperlinks to exception documents) to anavarro@tricitymhs.org and bgalloway@rwglaw.com. Developer shall then have thirty (30) days to review and approve the title exceptions. If Developer does not approve, Developer may terminate this Agreement by written notice to the TCMHA within such thirty (30) day period. If Developer does not timely terminate, the title exceptions shall be deemed approved and shall be "Approved Title Exceptions".

2.2.2 At the Close of Escrow, the TCMHA shall convey title to the Land to Developer by grant deed substantially in the form attached hereto as Exhibit "D" (the "Grant Deed"). Title to the Land shall be conveyed subject to: (i) non-delinquent current real property taxes and assessments not yet due for the tax year during which the conveyance occurs, (ii) all Approved Title Exceptions, and (iii) any matters which arise out of the actions of Developer or its agents or contractors (collectively, the "Permitted Exceptions").

2.3 Conditions to Close of Escrow. The obligation of the TCMHA and Developer under this Agreement to close Escrow (and sell and purchase the Property) shall be subject to the satisfaction (or express written waiver by the benefited party) of each of the following conditions (collectively, the “Closing Conditions”):

2.3.1 There shall have been no new title exceptions after the date of the title report.

2.3.2 The representations and warranties of the TCMHA and Developer contained in this Agreement being true and correct in all material respects.

2.3.3 The delivery by TCMHA and Developer of all documents and funds required to be delivered pursuant to Section 2.6 hereof.

2.3.4 The Title Company shall have committed to issue at the Close of Escrow: (i) an Owner’s Title Insurance Policy, with any endorsements reasonably requested by Developer, showing fee simple title to the Land vested in Developer (or Developer’s assignee as permitted by this Agreement), subject only to the Approved Exceptions; and (ii) a lender’s title policy, as described in Section 2.8.1 below, to TCMHA for the Housing Program Loan Deed of Trust.

2.3.5 Developer shall have submitted to the Executive Director of TCMHA, and the Executive Director shall have approved, a comprehensive Project budget (the “Project Budget”), showing line items for each type of expenditure, a schedule of sources and uses for the construction period and permanent loan period, and reasonable evidence that the Developer has sufficient additional capital funds available and is committing such funds to cover the difference, if any, between costs of development of the Development and the amount available to the Developer from the Construction Loans for such purpose.

2.3.6 The Developer shall have delivered to the TCMHA a copy of all Construction Loan documents, and the loan and grant amounts committed to therein and the committed equity funds shall equal the total costs in the Project Budget.

2.3.7 The Construction Loans shall close concurrently with the Close of Escrow.

2.3.8 The Executive Director of the TCMHA shall have approved the executed construction contract for the Project.

2.3.9 The Developer shall have submitted its organizational documents to the Executive Director of TCMHA.

2.3.10 The TCMHA shall have received reasonable evidence (such as insurance certificate(s)) that the construction-related insurance required by Section 7.1 of this Agreement shall be in effect.

2.3.11 All conditions to the issuance of the Building Permit, and any and all other governmental permits, consents or authorizations required for the development,

construction, operation or use of the Project (excluding certificates of occupancy and the like that cannot be issued until completion) shall have been approved/issued, including any permits and approvals relating to a so-called “density bonus” if necessary for the Project, and the execution, delivery and recording of any so-called “density bonus agreement” with the City of Claremont required for any necessary density bonus.

2.3.12 The Developer shall have submitted reasonable evidence to the Executive Director of TCMHA that the Contractor is reputable and creditworthy (or copies of payment and performance bonds from a creditworthy issuer).

2.3.13 Developer and TCMHA shall have performed, observed and complied with all covenants, agreements and conditions required by this Agreement to be performed, observed and complied with on its part prior to or as of the Close of Escrow.

2.3.14 Upon the request of any of Developer’s other lenders, the TCMHA shall enter into a recordable agreement with such lender, confirming the subordination of TCMHA’s right of reversion/termination in Section 6.2, TCMHA’s Deed of Trust and TCMHA’s Regulatory Agreement, and reasonably addressing such other reasonable matters as the applicable lender may require, which may be executed by the Executive Director of TCMHA.

2.3.15 The TCMHA and Developer shall have applied for, and have been granted/awarded sufficient loan funds from, California’s “No Place Like Home” program for Developer on sufficient terms for Developer to complete the construction of the Project and such loan/grant closes prior to or concurrently with the Close of Escrow.

2.4 Costs; Escrow Holder Settlement Statement.

2.4.1 Developer shall be solely responsible for all costs and expenses related to all surveys, title policies (and endorsements thereto), escrow charges, recording fees, and transfer taxes.

2.4.2 Escrow Holder is authorized on the Close of Escrow to pay and charge the Developer for any fees, charges and costs payable under Section 2.4.1 as set forth on the settlement statements approved by the Parties. Before such payments are made, Escrow Holder shall notify the TCMHA and Developer of the fees, charges, and costs necessary to close under the Escrow, by delivering draft settlement statements to the Parties for their mutual approval.

2.5 Condition of the Property.

2.5.1 “As-Is” Sale. Developer acknowledges and agrees that, except as expressly set forth herein, Developer is acquiring the Property in its “AS IS” condition, WITH ALL FAULTS, IF ANY, AND, EXCEPT AS EXPRESSLY SET FORTH HEREIN, WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED and neither TCMHA nor any agents, representatives, officers, or employees of TCMHA has made any representations or warranties, direct or indirect, oral or written, express or implied, to Developer or any agents, representatives, or employees of Developer with respect to the condition of the Property, its fitness for any particular purpose, or its compliance with any laws, and Developer is not aware of and does not rely upon any such representation to any other party. Except as expressly set forth herein, neither

TCMHA nor any of its representatives is making or shall be deemed to have made any express or implied representation or warranty, of any kind or nature, as to (a) the physical, legal or financial status of the Property, (b) the Property's compliance with applicable laws, (c) the accuracy or completeness of any information or data provided or to be provided by TCMHA, or (d) any other matter relating to the Property.

2.5.2 Acknowledgement of Inspections. Developer acknowledges, represents and warrants that Developer has inspected the Property and its physical characteristics and existing conditions and has observed or has had sufficient opportunity to inspect or observe, conducted or had sufficient opportunity to conduct such investigations and studies on and of said and adjacent areas as it deems necessary, and hereby waives any and all objections to or complaints regarding the Property and its condition, including, but not limited to, federal, state or common law based actions and any private right of action under state and federal law to which the Property is or may be subject, including, but not limited to, CERCLA (as defined in Section 1.1.13), RCRA (as defined in Section 1.1.13), physical characteristics and existing conditions, including, without limitation, structural and geologic conditions, subsurface soil and water conditions and solid and hazardous waste and Hazardous Materials on, under, adjacent to or otherwise affecting the Property. Developer further hereby assumes the risk of changes in applicable laws and regulations relating to past, present and future environmental conditions on the Property and the risk that adverse physical characteristics and conditions, including, without limitation, the presence of Hazardous Materials or other contaminants, may not have been revealed by its investigations.

2.5.3 Releases and Waivers. Developer and anyone claiming by, through or under Developer hereby waives its right to recover from and fully and irrevocably releases TCMHA and its members and its and their council members, board members, employees, officers, directors, representatives, agents, servants, attorneys, successors and assigns ("Released Parties") from any and all claims, responsibility and/or liability that it may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to (i) the condition (including any defects, errors, omissions or other conditions, latent or otherwise, and the presence in the soil, air, structures and surface and subsurface waters of materials or substances that have been or may in the future be determined to be Hazardous Materials or otherwise toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws regulations or guidelines), valuation, salability or utility of the Property, or its suitability for any purpose whatsoever, and (ii) any information furnished by the Released Parties under or in connection with this Agreement. This release includes claims of which Developer is presently unaware or which Developer does not presently suspect to exist which, if known by Developer, would materially affect Developer's release to City. Developer specifically waives the provision of California Civil Code Section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
WHICH THE CREDITOR OR RELEASING PARTY DOES NOT
KNOW OR EXPECT TO EXIST IN HIS OR HER FAVOR AT
THE TIME OF EXECUTING THE RELEASE, WHICH IF
KNOWN TO HIM OR HER, WOULD HAVE MATERIALLY

AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR
OR RELEASED PARTY”

Developer Initials

In this connection and to the extent permitted by law, Developer hereby agrees, represents and warrants that Developer realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Developer further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Developer nevertheless hereby intends to release, discharge and acquit Released Parties from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which might in any way be included as a material portion of the consideration given to TCMHA by Developer in exchange for TCMHA’s performance hereunder.

Developer hereby agrees that, if at any time after the Close of Escrow any third party or any governmental TCMHA seeks to hold Developer responsible for the presence of, or any loss, cost or damage associated with, Hazardous Materials in, on, above or beneath the Property or emanating therefrom, then Developer waives any rights it may have against TCMHA in connection therewith, including, without limitation, under CERCLA (as defined in Section 1.1.13) and Developer agrees that it shall not (i) implead the City, (ii) bring a contribution action or similar action against City, or (iii) attempt in any way to hold TCMHA responsible with respect to any such matter. The provisions of this Section shall survive the Close of Escrow.

TCMHA has given Developer material concessions regarding this transaction in exchange for Developer agreeing to the provisions of this Section. TCMHA and Developer have each initialed this Section to further indicate their awareness and acceptance of each and every provision hereof.

TCMHA’S INITIALS

DEVELOPER’S INITIALS

2.5.4 Environmental Indemnity. From or after the Close of Escrow, Developer shall indemnify, protect, defend and hold harmless TCMHA, and its members, and its and their board members, council members, officials, officers, attorneys, employees, consultants, agents and representatives, from and against any and all claims, liabilities, suits, losses, costs, expenses and damages, including but not limited to attorneys’ fees and costs, arising directly or indirectly out of any claim for loss or damage to any property, including the Property, injuries to or death of persons, or for the cost of treating, removing or disposing of Hazardous Materials or toxic substances, materials and waste, by reason of contamination or adverse effects on the environment, or by reason of any statutes, ordinances, orders, rules or regulations of any governmental entity or the City requiring the clean-up of any Hazardous Materials caused by or resulting from any Hazardous Material, or toxic substances or waste existing on or under, any portion of the Property acquired by Developer.

2.5.5 Relocation of Existing Tenants by TCMHA; Indemnity for Relocation Benefits. The TCMHA shall, at its own cost and expense, cause all existing tenants of the Property to vacate the Property by the Close of Escrow, and provide and pay all relocation benefits to which said existing tenants may be entitled under California law or cause the tenants to waive such benefits in writing for legally sufficient consideration. The TCMHA shall defend, indemnify and hold Developer harmless from and against any and all claims, liabilities, losses, damages, costs and expenses (including without limitation attorneys' fees and costs) relating to relocation costs and benefits payable by the TCMHA under California law and arising from or relating to Transferor's termination of any lease or other occupancy agreement affecting the Property or relocation of any current tenant. The TCMHA's obligations hereunder shall survive the Close of Escrow.

2.6 Deposits into Escrow.

2.6.1 The TCMHA hereby covenants and agrees to deliver to Escrow Holder at least two (2) days prior to the Close of Escrow, the following instruments and documents, the delivery of each of which shall be a condition of the Close of Escrow:

2.6.1.1 A Grant Deed duly executed and acknowledged by the City, in the form attached hereto as Exhibit "D".

2.6.1.2 A counterpart original of the Regulatory Agreement, executed by TCMHA and acknowledged.

2.6.1.3 Counterpart originals of such subordination agreements as may be required by any Construction Lender (provided they are acceptable to TCMHA), executed by TCMHA and acknowledged.

2.6.1.4 Such proof of TCMHA's authority and authorization to enter into this transaction as the Title Company may reasonably require in order to issue Developer's policy of title insurance.

TCMHA shall deliver a counterpart of the Services Agreement in the form attached hereto as Exhibit "H", duly executed by TCMHA, directly to Developer prior and as a condition to the Close of Escrow.

2.6.2 Developer shall deposit with Escrow Holder, at least two (2) days prior to the Close of Escrow, the following instruments and documents, the delivery of each of which shall be a condition of the Close of Escrow:

2.6.2.1 The Housing Program Deed of Trust in the form attached hereto as Exhibit "F", executed by Developer and acknowledged.

2.6.2.2 A counterpart of the Regulatory Agreement in the form attached hereto as Exhibit "G", executed by Developer and acknowledged.

2.6.2.4 Funds sufficient to satisfy Developer's monetary obligations at Closing in accordance with this Agreement.

2.6.2.5 Such documents as may be required to close all Construction Loans (except for documents delivered directly to the applicable construction lender).

Developer shall deliver the Housing Program Promissory Note in the form attached hereto as Exhibit "E" and the Services Agreement in the form attached hereto as Exhibit "H", duly authorized and executed by Developer, directly to TCMHA prior and as a condition to the Close of Escrow.

2.7 Authorization to Record Documents and Disburse Funds. Escrow Holder is hereby authorized to record the documents and disburse the funds and documents called for hereunder upon the Close of Escrow, provided each of the following conditions has then been fulfilled:

(i) The Title Company can issue: (i) in favor of Developer an Owner's Policy of Title Insurance, with liability equal to \$5,600,000.00 (or such lesser amount as shall have been requested by Developer), showing the Property vested in Developer subject only to the Approved Title Exceptions; (ii) in favor of TCMHA, lender's title policies in the amount of \$450,000 insuring TCMHA as the beneficiary under the Housing Program Deed of Trust.

(ii) The TCMHA shall have deposited in Escrow the documents required by Section 2.6.1, and Developer shall have deposited in Escrow the documents required by Section 2.6.2 above.

(iii) Each Party shall have deposited in Escrow any sums required of it under the preliminary settlement statement prepared by Escrow Holder and approved by each Party.

(iv) The TCMHA and Developer have confirmed to Escrow Holder that all of the other closing conditions set forth herein have been satisfied or expressly waived in writing by the Party(s) benefited thereby.

2.8 Escrow's Closing Actions. On the Close of Escrow, Escrow Holder shall:

2.8.1.1 Record the Grant Deed, then the Regulatory Agreement (with no intervening recordings) with the Los Angeles County Recorder;

2.8.1.2 Then record the deeds of trust and any regulatory agreements for the Construction Loans, and any intercreditor and/or subordination agreements required by the makers of the Construction Loans;

2.8.1.3 Then record the Housing Program Deed of Trust with the Los Angeles County Recorder;

2.8.1.4 Issue the Title Policies;

2.8.1.5 Prorate taxes, assessments, and other charges as of the Close of Escrow in accordance with the settlement statements approved by the Parties.

2.8.1.6 From funds deposited, pay prorated amounts and charges to be paid, and return any excess to the Party who deposited it;

2.8.1.7 Prepare and deliver to both Developer and the TCMHA one signed copy of Escrow Holder's closing statement showing all receipts and disbursements of the Escrow.

3. DEVELOPMENT COVENANTS.

3.1 Development of the Project. Developer shall develop the Improvements to be completed in accordance with the Scope of Development, the Schedule of Performance, all requirements of any and all applicable federal, state and local laws, rules and regulations, the Plans and Specifications, and all other terms, conditions and requirements of this Agreement. Developer shall comply with the Schedule of Performance in a timely manner, provided that the obligations of Developer set forth therein which are to be performed after the Close of Escrow shall be delayed by Force Majeure Delays, if applicable. Until a Certificate of Completion is issued, the Developer shall provide the TCMHA with periodic written progress reports, as reasonably requested by the City, regarding the status of the construction of the Improvements.

3.2 TCMHA Right to Review Plans and Specifications. In connection with construction of the Project, Developer shall comply in all respects with Plans and Specifications approved by the TCMHA and the City. The TCMHA shall have the right to review and approve all Plans and Specifications for the Improvements prior to their submission to the City to ensure that the Improvements are constructed in accordance with the Scope of Development and the other applicable provisions of this Agreement.

3.3 Costs of Entitlement, Development and Construction. The Developer agrees that all costs, expenses and fees associated with the development and construction of the Project including the costs for developing and constructing the Improvements thereon (including, but not limited to, the land acquisition costs and governmental permits and approvals) shall be borne by Developer.

3.4 Rights of Access and Inspection. Members of the staff of the TCMHA shall have a reasonable right of access to the Project, without charge or fee, at any reasonable time, upon reasonable notice to Developer (which may be by email to jperfitt@rn-la.org) to inspect the work being performed.

3.5 Local, State and Federal Laws; Prevailing Wages. Developer shall carry out the construction of the Improvements in conformity with all applicable federal, state and local laws, including all applicable federal and state occupation, safety and health standards. Developer will pay, or cause to be paid, the prevailing rates of wages for all work as described in, and shall otherwise comply with, Sections 1770 et seq. of the California Labor Code and related regulations.

3.6 Anti-discrimination During Construction. Developer, for itself and its successors and assigns, agrees that it shall not discriminate against any employee or applicant for

employment because of age, sex, marital status, race, handicap, color, religion, creed, ancestry, or national origin in the construction of the Improvements.

3.7 Taxes, Assessments, Encumbrances and Liens. Developer shall pay when due all real property taxes and assessments assessed or levied on the Property.

3.8 No Agency Created. In performing this Agreement, Developer is an independent contractor and not the agent of the TCMHA. The TCMHA shall not have any responsibility whatsoever for payment to any contractor or supplier of Developer or its contractors.

3.9 Certificate of Completion. Upon Developer's completion of the construction of the Project and the issuance of a certificate of occupancy by the City, Developer may apply to the TCMHA for a "Certificate of Completion". The issuance of the Certificate of Completion shall constitute the acknowledgement of the TCMHA that Developer has complied in all respects with its development obligations set forth in this Article 3. Promptly following the City's issuance of a certificate of occupancy for the Project, and provided that Developer is then in full compliance with all of its obligations under Article 3 of this Agreement, the TCMHA shall execute, acknowledge and deliver the Certificate of Completion, which shall be recorded in the Official Records of Los Angeles County and shall include, in form reasonably acceptable to Developer, an express termination or reconveyance of the City's right to reversion under Section this Agreement and the Grant Deed. If the TCMHA believes that the Developer is not in compliance with its obligations under this Article 3, the TCMHA shall promptly specify the nature of such non-compliance in writing to Developer.

4. LIMITATIONS ON TRANSFERS AND SECURITY INTERESTS.

4.1 Restriction on Transfer of Developer's Rights and Obligations.

4.1.1 Prior to issuance of a Certificate of Completion for the Project, Developer shall not sell, assign, transfer, mortgage, lease (except for space leases conditioned upon Project completion), hypothecate, or convey (collectively, a "Transfer") the Property or any part thereof or any of Developer's rights or obligations hereunder, without TCMHA's prior written consent, which consent may be granted or withheld in the its sole and absolute discretion, except for the execution of one or more deeds of trust and related instruments securing Developer's Construction Loan, or a conveyance of the Project resulting from the foreclosure thereof (or a deed-in-lieu of such a foreclosure). Developer acknowledges that the identity of Developer is of particular concern to the City, and it is because of Developer's identity that the TCMHA has entered into this Agreement with Developer. Except for any Transferee approved by the TCMHA pursuant to this Section 4.1, and except for any Holder (defined in Section 4.2) that has taken possession of the Land, no voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement. No transfer or assignment of Developer's interest hereunder without the City's prior written approval shall release Developer from the obligations of Developer hereunder.

4.1.2 Subject to Section 4.2 below, after the issuance of a Certificate of Completion for the entire Project, Developer shall have the right to Transfer the Land to any party (a "Transferee") provided that the Transferee (and its management company, if any) has the

experience, quality, character, trade record, financial ability and reputation, as determined by TCMHA in its reasonable judgment, to own the Project and to cause it to be managed and operated in compliance with the Regulatory Agreement and such transfer does not violate or permit to be accelerated any loan secured by the Project, and the Transferee assumes the transferor's obligations under the Services Agreement and agrees to be bound thereby in a written assignment and assumption document executed by the Transferee and Developer or then-then transferor. In the event that Developer desires to convey/transfer the Project pursuant to this Section 4.1.2, Developer will so notify the City, and will provide the TCMHA with all pertinent information regarding the Transferee. The TCMHA will use good faith efforts to approve or disapprove the Transferee (in its reasonable judgment) within thirty (30) days after receipt of written notice of Developer's intention to make the Transfer.

4.2 Holders of Deeds of Trust. Notwithstanding any provisions of Section 4.2 to the contrary, Developer shall have the right to encumber its interest in the Property and the Project and any income therefrom by deeds of trust and assignments of rents to the entities making Construction Loans for the purpose of securing loans of funds to be used for financing the costs of the Project (including land development costs, reasonable and customary developer fees, loan fees and costs, and other normal and customary project costs), or for refinancing construction loans with permanent secured financing. Any such lender holding any such deed of trust, whose name and address shall have been provided by Developer to TCMHA is referred to herein as a "Holder."

4.3 Rights of Holders. The TCMHA shall deliver a copy of any notice or demand to Developer concerning any breach or default by Developer under this Agreement to each Holder who has previously made a written request to the TCMHA for special notice hereunder. Such Holder shall have the right at its option to cure or remedy any such default and to add the cost thereof to the secured debt and the lien of its security interest. If such breach or default can only be remedied or cured by such Holder upon obtaining possession, such Holder may remedy or cure such breach or default within a reasonable period of time after obtaining possession, provided such Holder seeks possession with diligence through a receiver or foreclosure. Such Holder shall not undertake or continue the construction or completion of the Improvements beyond the extent necessary to conserve or complete the Improvements. Any Holder completing the Improvements must assume all rights and obligations of Developer under this Agreement and shall then be entitled, upon written request made to TCMHA and issuance by City of a certificate of occupancy for the Project, to a Certificate of Completion from TCMHA.

4.4 Noninterference with Holders. The provisions of this Agreement do not limit the right of Holders (a) to foreclose or otherwise enforce any deed of trust, or other security instrument encumbering all or any portion of the Property or Project, (b) to pursue any remedies for the enforcement of any pledge or lien encumbering the Property or Project, or (c) to accept, or cause its nominee to accept, a deed or other conveyance in lieu of foreclosure or other realization. In the event of (i) a foreclosure sale under any such deed of trust or other lien or encumbrance, (ii) a sale pursuant to any power of sale contained in any such deed of trust, or (iii) a deed or other conveyance in lieu of any such sale, the purchaser or purchasers and their successors and assigns, and the Property and Project shall be, and shall continue to be, subject to all of the conditions, restrictions and covenants of all documents and instruments recorded pursuant to this Agreement, including, without limitation, the restrictions set forth in the grant deed from the TCMHA to Developer.

4.5 Right of TCMHA to Cure. In the event of a default or breach by the Developer of a loan by a Holder prior to the completion of the Improvements, the TCMHA may, upon prior written notice to the Developer, cure the default, prior to the completion of any foreclosure. In such event the TCMHA shall be entitled to reimbursement from the Developer of all costs and expenses incurred by the TCMHA in curing the default. The TCMHA shall also be entitled to a lien with power of sale upon the Project to the extent of such costs and disbursements upon TCMHA's unilaterally executing and recording a Notice of Lien stating the amount thereof. The TCMHA agrees that such lien shall be subordinate to any lien in favor of a Holder, and the TCMHA shall execute from time to time any and all documentation reasonably requested by a Holder to effect such subordination.

4.6 Right of TCMHA to Satisfy Other Liens. After the Close of Escrow and after the Developer has had a reasonable time to challenge, cure, or satisfy any liens or encumbrances on the Land or any portion thereof, and has failed to do so, in whole or in part, the TCMHA shall, upon prior written notice to the Developer, have the right to satisfy any such lien or encumbrances; however, nothing in this Agreement shall require the Developer to pay or make provision for the payment of any tax, assessment, lien or charge so long as the Developer in good faith shall contest the validity or amount therein and so long as such delay in payment shall not subject the Project or any portion thereof to forfeiture or sale.

5. USE AND OPERATION OF THE PROPERTY. Upon the completion of the Project, Developer shall use, operate and maintain the Project as required by the Regulatory Agreement and shall comply with the Services Agreement.

6. DEFAULTS, REMEDIES; TCMHA'S POST-CLOSING RIGHT OF TERMINATION/REVERSION (SUBORDINATED TO CONSTRUCTION LOAN DEEDS OF TRUST).

6.1 Defaults - Definition. Subject to the provisions of Section 6.7 hereof, the occurrence of any or all of the following shall constitute a default ("Default") under this Agreement:

6.1.1 A breach of any provision of this Agreement by any Party and failure of such Party to cure such breach within thirty (30) days after the non-defaulting Party has given written notice to the defaulting Party; provided, however, if such breach is not reasonably curable within such thirty (30) day period, then such Party shall be deemed in Default only if such Party does not commence to cure such breach within such thirty (30) day period and thereafter fails to diligently prosecute such breach to completion;

6.1.2 Developer's conveyance of the Land or Project, or any part thereof or interest therein, or any rights or obligations of Developer under this Agreement, in violation of this Agreement;

6.1.3 Developer's failure or refusal to keep in force and effect any material permit or approval with respect to construction of the Project, and Developer's failure to cure such breach within thirty (30) calendar days after notice from the TCMHA of Developer's breach; provided, however, if such breach is not reasonably curable within such thirty (30) day

period, then Developer shall be deemed in Default only if Developer does not commence to cure such breach within such thirty (30) day period and thereafter fails to diligently prosecute such breach to completion;

6.1.4 Filing of a petition in bankruptcy by or against any Party or appointment of a receiver or trustee of any property of any Party, or an assignment by any Party for the benefit of creditors, or adjudication that such Party is insolvent by a court, and the failure of such Party to cause such petition, appointment, or assignment to be removed or discharged within 90 days; or

6.1.5 The failure to comply with the Schedule of Performance, subject to Force Majeure Delays.

6.2 Remedies; TCMCHA Subordinate Right of Termination/Reversion. Upon an uncured default prior to the Close of Escrow, the non-defaulting Party may terminate this Agreement by written notice to the other party (or if the non-defaulting Party is Developer, Developer may pursue an action for specific performance). A defaulting Party shall be liable to the non-defaulting Party for all damages, costs and losses incurred by the non-defaulting Party, and the non-defaulting Party may seek against the defaulting Party any available remedies at law or equity.

If Developer fails to complete the Project by the deadline for completion in the Schedule of Performance, as extended by Force Majeure Delays, then TCMHA may elect to terminate Developer's interest in the Land and any Improvements thereon and re-vest the Land and vest such Improvements in TCMHA by written notice to Developer, and Developer shall then promptly execute, acknowledge and deliver such documents as may be required by TCMHA, including a quitclaim deed in recordable form, to evidence such termination, re-vesting and vesting; however, the foregoing right of termination/revesting/vesting shall be subordinate to each deed of trust securing a Construction Loan.

6.3 No Personal Liability. No board member, member, councilmember thereof, representative, agent, attorney, consultant, or employee of the TCMHA or any of its members shall personally be liable to the Developer or any successor in interest of Developer, in the event of any Default or breach by TCMHA.

6.4 Rights and Remedies are Cumulative. The rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the non-defaulting Party; provided, however, that liquidated damages specified herein shall constitute the sole damages recoverable for the default giving rise to such liquidated damages.

6.5 Inaction Not a Waiver of Default. Any failures or delays by either Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either such Party of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies. The acceptance by a Party of less than the full amount due from the other party

shall not constitute a waiver of such Party's right to demand and receive the full amount due, unless such Party executes a specific accord and satisfaction.

6.6 Force Majeure. Following the Close of Escrow, and notwithstanding anything to the contrary in this Agreement, nonperformance shall be excused when performance is prevented or delayed by reason of any of the following forces reasonably beyond the control of such party (a "Force Majeure Delay"): (i) failure to perform by Developer affecting all similar works of construction in the Los Angeles, California, area, attributable to any strike, lockout or other labor or industrial disturbance (whether or not on the part of the employees of either party hereto), civil disturbance, future order claiming jurisdiction, act of the public enemy, war, riot, sabotage, blockade, embargo, inability to secure customary materials, supplies or labor through ordinary sources by reason of regulation or order of any government or regulatory body; and (ii) delay attributable to severe weather, lightning, earthquake, fire, storm, hurricane, tornado, flood, washout, explosion, or any other similar industry-wide cause beyond the reasonable control of the party from whom performance is required, or any of its contractors or other representatives. Any prevention, delay or stoppage due to any Force Majeure Delay shall excuse the performance of the party affected for a period of time equal to any such prevention, delay or stoppage (except the obligations of either party to pay money to the other party or to close escrow) provided that the Party claiming the Force Majeure Delay notifies the other Party of the Force Majeure Delay within a reasonable time (not to exceed ten business days) after the commencement of the Force Majeure Delay. However, in no event shall the deadline for the Close of Escrow be delayed by Force Majeure Delay.

6.7 Plans and Data. If this Agreement is terminated for any reason, then Developer shall deliver to TCMHA, without cost or expense to TCMHA, copies of any and all maps, architecture, engineering, subdivision approvals, permits, entitlements, rights, contracts, plans, drawings, studies, designs, reports, surveys, and data pertaining to the Project and its development (collectively, "Site Designs") which are in the possession of Developer.

7. INSURANCE; INDEMNITY.

7.1 Insurance.

7.1.1 From and after the Close of Escrow, Developer shall obtain and maintain at no cost or expense to TCMHA, with a reputable and financially responsible insurance company reasonably acceptable to TCMHA: (i) commercial broad form general liability insurance, insuring against claims and liability for bodily injury, death, or property damage arising from the construction, use, occupancy, condition, or operation of the Land, which liability insurance shall provide combined single limit protection of at least \$5,000,000 and shall include a reasonable inflation rider, contractual liability coverage and products and completed operations coverage, and (ii) commercial automobile liability insurance of at least \$1,000,000 combined single limit. Such liability insurance policies shall name the TCMHA and its members and their council members, board members, officers, agents and employees as additional insureds.

7.1.2 Before commencement of any demolition or construction work by Developer on any portion of the Property owned by Developer, Developer shall obtain and maintain in force until completion of such work (i) "all risk" builder's risk insurance, including

coverage for vandalism and malicious mischief, in a form and amount and with a company reasonably acceptable to the Executive Director of TCMHA, and (ii) workers' compensation insurance covering all persons employed by Developer in connection with work on the Project, or any portion thereof. During the construction of Improvements on any portion of the Land by Developer, such builder's risk insurance shall cover improvements in place and all material and equipment at the job site furnished under contract, but shall exclude contractors', subcontractors', and construction managers' tools and equipment and property owned by contractors' and subcontractors' employees.

7.1.3 Each architect and each engineer engaged by Developer shall provide professional liability insurance with a limit of liability of at least One Million Dollars (\$1,000,000.00).

7.1.4 Developer shall also furnish or cause to be furnished to the TCMHA evidence satisfactory to the TCMHA that any contractor with whom it has contracted for the performance of work on the Property or otherwise pursuant to this Agreement carries workers' compensation insurance as required by law.

7.1.5 With respect to each policy of insurance required above, Developer and each of Developer's general contractors, engineers and architects shall furnish to the TCMHA a certificate on the insurance carrier's form setting forth the general provisions of the insurance coverage promptly after written request by TCMHA showing the additional insureds. The certificate shall also be furnished by Developer prior to commencement of construction of any Improvements.

7.1.6 All such policies required by this Section shall, to the extent commercially available, contain: (i) language to the effect that the policies cannot be cancelled or materially changed except after thirty (30) days' written notice by the insurer to TCMHA, and (ii) a waiver of the insurer of all rights of subrogation against the TCMHA and the other additional insureds. All such insurance shall have deductibility limits which shall be commercially reasonable.

7.2 Indemnity. From and after the execution of this Agreement, Developer hereby agrees to indemnify, defend, protect, and hold harmless the TCMHA, its members, and its and their board members, councilmembers, agents, employees, representatives, consultants, and offices, from and against all losses, liabilities, claims, damages (including foreseeable or unforeseeable consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorneys' fees) and demands of any nature whatsoever, related directly or indirectly to, or arising out of or in connection with:

- (i) the validity of this Agreement;
- (ii) the development and construction by Developer of the Improvements or the use, ownership, management, occupancy, or possession of the Project during Developer's period of ownership,
- (iii) any breach or Default by Developer hereunder, or

(iv) any of Developer's activities on the Property (or the activities of Developer's agents, employees, lessees, representatives, licensees, guests, invitees, contractors, subcontractors, or independent contractors on the Land), regardless of whether such losses and liabilities shall accrue or are discovered before or after the Close of Escrow or termination or expiration of this Agreement, except to the extent such losses or liabilities are caused by the gross negligence or willful misconduct of the TCMHA. The TCMHA may participate in the defense of any legal action naming the TCMHA. The provisions of this Section shall survive the Close of Escrow or the termination of this Agreement.

8. REPRESENTATIONS AND WARRANTIES.

8.1 Developer Representations. Developer represents and warrants to the TCMHA as of the date of this Agreement and as of the Close of Escrow that:

(i) Developer is a nonprofit public benefit corporation validly existing and in good standing under the laws of the State of California.

(ii) Developer has duly authorized the execution and performance of this Agreement and the execution and performance of all of the closing documents set forth herein.

(iii) Developer's execution and performance of this Agreement and the closing documents will not violate any provision of the Developer's operating agreement or any lease, contract, agreement, instrument, order, judgment or decree by which Developer is bound.

(iv) The Developer has not engaged a broker with respect to the purchase of the Property contemplated herein.

8.2 TCMHA Representation. The TCMHA hereby represents and warrants to the Developer that the TCMHA has not engaged a broker with respect to the sale of the Property contemplated herein.

9. GENERAL PROVISIONS.

9.1 Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by reputable overnight delivery service. Notices shall be considered given upon the earlier of (a) one business day following deposit or delivery with a nationally recognized overnight courier delivery charges prepaid, or (b) three (3) business days following after deposit in the United States mail, postage prepaid, certified or registered, return receipt requested. Notices shall be addressed as provided below for the respective Party; provided that if any Party gives notice in writing of a change of name or address, notices to such Party shall thereafter be given as demanded in that notice:

TCMHA: Tri-City Mental Health Authority
1717 N. Indian Hill Blvd, Suite B
Claremont, CA 91711
Attn: Ms. Antonette Navarro, LMFT

Developer: Restore Neighborhoods LA, Inc.
315 West 9th Street, #503
Los Angeles, California 90015
Attention: John Perfitt

9.2 Construction. The Parties agree that each Party and its counsel have reviewed and revised this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties.

9.3 Interpretation. In this Agreement the neuter gender includes the feminine and masculine, and singular number includes the plural, and the words “person” and “party” include corporation, partnership, firm, trust, or association where ever the context so requires. Unless otherwise required by a specific provision of this Agreement, time hereunder is to be computed by excluding the first day and including the last day. If the date for performance falls on a Saturday, Sunday, or legal holiday, the date for performance shall be extended to the next business day. All references in this Agreement to a number of days in which either party shall have to consent approve or perform shall mean calendar days unless specifically stated to be business days.

9.4 Time of the Essence. Time is of the essence of this Agreement.

9.5 Warranty Against Payment of Consideration for Agreement. Developer warrants that it has not paid or given, and will not pay or give, to any third person, any money or other consideration for obtaining this Agreement, other than normal costs of conducting business and costs of professional services such as architects, engineers and attorneys.

9.6 Attorneys’ Fees. If any Party brings an action to enforce the terms hereof or declare its rights hereunder, the prevailing Party in any such action shall be entitled to its reasonable attorneys’ fees to be paid by the losing Party as fixed by the court. If the TCMHA is made a Party to any litigation instituted by or against Developer or to any litigation attacking the validity of this Agreement, then Developer shall indemnify and defend the TCMHA against, and save it harmless from, all costs, expenses (including reasonable attorneys’ fees), claims, liabilities, damages and losses incurred by the TCMHA in connection with such litigation provided, however, that in no event shall the Developer be obligated to pay any damages awarded to any person or entity that result from the gross negligence or willful misconduct of the TCMHA.

9.7 Entire Agreement Waivers and Amendments. This Agreement, together with all attachments and exhibits hereto, and all agreements executed pursuant hereto, constitutes the entire understanding and agreement of the Parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to the subject matter hereof. No subsequent agreement, representation or promise made by either Party hereto, or by or to any employee, officer, agent or representative of either Party, shall be of any effect unless it is in writing and executed by the Party to be bound thereby. No person is authorized to make, and by execution

hereof Developer and the TCMHA acknowledge that no person has made, any representation, warranty, guaranty or promise except as expressly set forth herein; and no agreement, statement, representation or promise made by any such person which is not contained herein shall be valid or binding on Developer or TCMHA.

9.8 Severability. Each and every provision of this Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected hereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

9.9 Headings. All section headings and subheadings are inserted for convenience only and shall have no effect on the construction or interpretation of this Agreement.

9.10 No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties, and their successors and assigns. No other person or entity shall have any right of action based upon any provision of this Agreement.

9.11 Governing Law; Jurisdiction; Service of Process. This Agreement and the rights of the Parties shall be governed by California law. The Parties consent to the exclusive jurisdiction of the California Superior Court for the County of Los Angeles. If any legal action is commenced by Developer against TCMHA, or by TCMHA against Developer, service of process on the TCMHA shall be made by personal service upon the Executive Director of TCMHA, or in such other manner as may be provided by law. If any legal action is commenced by TCMHA against Developer, service of process on Developer shall be made by personal service on John Perfitt, or in such other manner as may be provided by law.

9.12 Assignment. Except as otherwise expressly provided in Section 4.2, Developer may not assign, transfer or convey its rights and obligations under this Agreement without the prior written consent of TCMHA, which TCMHA may withhold in its sole and absolute discretion.

9.13 Survival. The provisions hereof shall not merge into, but rather shall survive, any conveyance hereunder (including, without limitation, the delivery and recordation of the Grant Deed) and the delivery of all consideration.

9.14 Estoppel Certificates. Upon written request of Developer, TCMHA shall within thirty (30) days of the date of such request, execute and deliver to Developer, a written statement certifying that (a) this Agreement in full force and effect, if such is the case, and has not been modified or amended, except as shall be stated; and (b) that to the knowledge of TCMHA, without investigation, no default by Developer exists under this Agreement.

9.15 TCMHA Actions. In addition to any provisions of this Agreement that gives the Executive Director of TCMHA the authority to make decisions and grant approvals and sign documents, the TCMHA hereby authorizes its Executive Director to deliver such approvals, consents as are contemplated by this Agreement, waive requirements under this Agreement, and

modify this Agreement, on behalf of the TCMHA provided that the applicable approval, consent, waiver or modification is minor (*i.e.*, does not change the fundamental business transaction between the Developer and the City, as determined by the Executive Director in his or her his reasonable discretion).

9.16 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed as original but all of which together shall constitute one and the same instrument.

9.17 Email Delivery. Executed counterparts of this Agreement may be delivered by email/PDF to TCMHA, to anavarro@tricitymhs.org, and to Developer, to jperft@rn-la.org.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first above written.

DEVELOPER:

RESTORE NEIGHBORHOODS LA, INC.,
a California nonprofit public benefit
corporation

By: 

John Perfitt, Executive Director

TCMHA:

TRI-CITY MENTAL HEALTH
AUTHORITY,
a California joint powers authority

By: 

Antonette Navarro, Executive Director

APPROVED AS TO FORM:

RICHARDS, WATSON & GERSHON,
TCMHA Special Counsel

By: _____
Bruce Galloway

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

Real property in the City of Claremont, County of LOS ANGELES, State of California, described as follows:

THE NORTHERLY 333.00 FEET OF THE EAST HALF OF THE WEST HALF OF THE NORTH WEST QUARTER OF THE NORTH WEST QUARTER OF SECTION 4, TOWNSHIP 1 SOUTH, RANGE 8 WEST, S.B.B. & M., IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

EXCEPTING THEREFROM THE WESTERLY 200 FEET THEREOF AND THE NORTH 33 FEET CONVEYED FOR ROAD PURPOSES.

ALSO EXCEPTING THE SOUTHERLY 10 FEET OF THE NORTH 333 FEET OF THE EAST HALF OF THE WEST HALF OF THE NORTH WEST QUARTER OF THE NORTH WEST QUARTER OF SECTION 4, TOWNSHIP 1 SOUTH, RANGE 8 WEST, S.B.B. & M.

AND ALSO EXCEPTING THEREFROM, THE SOUTHERLY 13.50 FEET OF THE NORTHERLY 46.50 FEET THEREOF, AS CONVEYED TO THE CITY OF CLAREMONT, A MUNICIPAL CORPORATION BY VIRTUE OF A DEED RECORDED JULY 25, 1996 AS INSTRUMENT NO. 1996-1196226 OF OFFICIAL RECORDS.

EXCEPTING ONE-HALF RIGHT, TITLE AND INTEREST IN AND TO ALL OIL, ASPHALTUM, GAS OR OTHER HYDRO-CARBON SUBSTANCES IN SAID LAND WITH FULL AND FREE RIGHT TO ENTER SAID LAND TO TAKE, DIG DRILL OR MINE FOR SAME, AS RESERVED BY JESSE L. MORAIN AND ADELHEIDE MORAIN, BY DEED RECORDED IN BOOK 9814 PAGE 59 OFFICIAL RECORDS.

(A.P.N.: 8669-019-029)

EXHIBIT "B"

SCHEDULE OF PERFORMANCE

<u>Action</u>	<u>Date / Deadline</u>
Items 1 – 11 Relate to Developer Actions and Requirements Prior to the Close of Escrow	
1. <u>Opening of Escrow</u> . The Parties shall open escrow with the Escrow Holder.	Within 270 days after execution of DDA.
2. <u>Preliminary Plans</u> . Developer shall submit preliminary Plans and Specifications to TCMHA.	Not later than 10 days after execution of DDA.
3. <u>Design Development Plans</u> . Developer shall submit interim "design development" Plans and Specifications to TCMHA	Not later than 90 days after execution of DDA.
4. <u>Final Plans and Specifications</u> . The Developer shall submit the Final Plans and Specifications for TCMHA approval.	Not later than 180 days after execution of DDA.
5. <u>Building Permits</u> . The Developer shall obtain the Building Permit for the construction of the Improvements.	Prior to the Close of Escrow.
6. <u>Construction Contract</u> . The Developer shall submit to TCMHA a copy of the construction contract for the construction of the Improvements.	Prior to the Close of Escrow.
7. <u>Insurance</u> . The Developer shall submit evidence of insurance to TCMHA.	Prior to the Close of Escrow.

<u>Action</u>	<u>Date / Deadline</u>
<p>8. <u>Project Budget; Evidence of Equity.</u> The Developer shall submit the Project Budget to TCMHA, together with reasonable evidence that any Developer equity funds necessary (in addition to funds from the NPLH Loan and Construction Loans) to pay the costs described in the Project Budget will be committed and available at the Closing.</p>	<p>Prior to the Close of Escrow.</p>
<p>Items 9 –13 Relate to the Conveyance of the Land and Developer Actions and Requirements After the Close of Escrow</p>	
<p>9. <u>Close of Escrow.</u> The Developer shall purchase the Property from the TCMHA and shall concurrently close the Construction Loans.</p>	<p>June 30, 2021</p>
<p>10. <u>Commencement of Construction.</u> Developer shall substantially commence the Improvements.</p>	<p>No later than 30 days after the Close of Escrow.</p>
<p>11. <u>Completion of Grading.</u> Developer shall substantially complete the grading for the Project.</p>	<p>Not later than 60 days following the Close of Escrow.</p>
<p>12. <u>Commencement of Vertical Construction.</u> Developer shall commence vertical construction.</p>	<p>Not later than 60 days following the Close of Escrow.</p>
<p>13. <u>Qualification for Certificate of Completion.</u> The Project shall qualify for a Certificate of Occupancy.</p>	<p>No later than one 450 days after the Close of Escrow.</p>

EXHIBIT "C"

SCOPE OF DEVELOPMENT

Demolition, renovation and construction resulting in (and all onsite and offsite improvements required as governmental conditions for, or necessary for): (i) a multifamily apartment complex with fifteen (15) apartment units (the "Housing Units") in a one (1) story building in a Spanish architectural style with all units being one (1) bedroom units of approximately 450 square feet, including: (i) a laundry and trash area (250 square feet); and (ii) social service offices and communal spaces provided in an existing single-family home located on the property, which will be renovated by Developer to be suitable for such purposes.

EXHIBIT "D"

FORM OF GRANT DEED

Recording Requested by,
and when recorded return to,
and mail tax statements to:

Restore Neighborhoods LA, Inc.
315 West 9th Street, #503
Los Angeles, California 90015
Attention: John Perfitt

Assessor's Parcel Map No.: 8669-019-029

Exempt from Recording Fees Pursuant to
Government Code Section 27383

GRANT DEED

The undersigned grantor(s) declare(s):

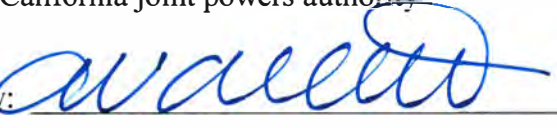
Documentary transfer tax is \$0.00; property is being conveyed for no consideration.
This is a bonafide gift and the grantor received nothing in return, R & T 11911.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, TRI-CITY MENTAL HEALTH AUTHORITY, a joint powers authority ("Grantor") hereby GRANTS to RESTORE NEIGHBORHOODS, LA, INC., a California nonprofit public benefit corporation ("Grantee") the land described on Exhibit "A" attached hereto and all improvements thereon ("Property"), SUBJECT TO all easements, covenants, conditions, restrictions, and rights of way of record, and the terms of a Disposition and Development Agreement between Grantor and Grantee which in Section 6.2 contains a right of termination and reversion/revesting/vesting in the event that the project described therein is not timely completed (which is subordinate to each deed of trust securing a Construction Loan, as defined therein).

IN WITNESS WHEREOF, the undersigned has executed this Grant Deed as of the date set forth below.

Dated: February 24, 2021

TRI-CITY MENTAL HEALTH AUTHORITY,
a California joint powers authority

By:  _____

Print Name: Antonette Navarro

Title: Executive Director

EXHIBIT "A" TO GRANT DEED

LEGAL DESCRIPTION OF LAND

Real property in the City of Claremont, County of LOS ANGELES, State of California, described as follows:

THE NORTHERLY 333.00 FEET OF THE EAST HALF OF THE WEST HALF OF THE NORTH WEST QUARTER OF THE NORTH WEST QUARTER OF SECTION 4, TOWNSHIP 1 SOUTH, RANGE 8 WEST, S.B.B. & M., IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

EXCEPTING THEREFROM THE WESTERLY 200 FEET THEREOF AND THE NORTH 33 FEET CONVEYED FOR ROAD PURPOSES.

ALSO EXCEPTING THE SOUTHERLY 10 FEET OF THE NORTH 333 FEET OF THE EAST HALF OF THE WEST HALF OF THE NORTH WEST QUARTER OF THE NORTH WEST QUARTER OF SECTION 4, TOWNSHIP 1 SOUTH, RANGE 8 WEST, S.B.B. & M.

AND ALSO EXCEPTING THEREFROM, THE SOUTHERLY 13.50 FEET OF THE NORTHERLY 46.50 FEET THEREOF, AS CONVEYED TO THE CITY OF CLAREMONT, A MUNICIPAL CORPORATION BY VIRTUE OF A DEED RECORDED JULY 25, 1996 AS INSTRUMENT NO. 1996-1196226 OF OFFICIAL RECORDS.

EXCEPTING ONE-HALF RIGHT, TITLE AND INTEREST IN AND TO ALL OIL, ASPHALTUM, GAS OR OTHER HYDRO-CARBON SUBSTANCES IN SAID LAND WITH FULL AND FREE RIGHT TO ENTER SAID LAND TO TAKE, DIG DRILL OR MINE FOR SAME, AS RESERVED BY JESSE L. MORAIN AND ADELHEIDE MORAIN, BY DEED RECORDED IN BOOK 9814 PAGE 59 OFFICIAL RECORDS.

(A.P.N.: 8669-019-029)

EXHIBIT "E"

PROMISSORY NOTE SECURED BY DEED OF TRUST
(TRI-TRI-CITY HOUSING PROGRAM LOAN; FOR OPERATING RESERVES)

\$446,373.90

Claremont, California

February 17, 2021

FOR VALUE RECEIVED, **RESTORE NEIGHBORHOODS, LA, INC.**, a California nonprofit public benefit corporation ("Developer"), promises to pay to the ("Tri-City"), at its offices at 1717 N. Indian Hill Blvd., Suite B, Claremont, California 91711, or at such other place as Tri-City may from time to time designate in writing, (a) the principal sum of FOUR HUNDRED FORTY-SIC THREE HUNDRED SEVENTY-THREE AND 90/100 DOLLARS (\$446,373.90) ("Tri-City Note Amount") or so much thereof as may be disbursed by Tri-City to Developer; and (b) all costs and expenses payable hereunder.

RECITALS

A. This Promissory Note Secured By Deed of Trust ("Tri-City Note") is made pursuant to that certain unrecorded Disposition and Development Agreement by and between Developer and Tri-City, dated February 17, 2020 ("Agreement").

B. Capitalized terms used in this Tri-City Note shall have the meaning set forth in the Agreement, unless expressly otherwise defined herein.

NOW, THEREFORE, for good valuable consideration, receipt of which is hereby acknowledged, Developer agrees as follows:

1. Agreement; Disbursements. The principal sums hereunder have been and are being disbursed in annual increments for fifteen (15) years after the completion of the Project described in the Agreement, in accordance with and pursuant to the Agreement, which is a public record on file in the offices of Tri-City at 1717 N. Indian Hill Blvd., Suite B, Claremont, CA 91711. The proceeds of the Tri-City Loan shall be disbursed only for deposit into the operating reserve account of Developer to pay for operating costs and expenses of the Project described in the Agreement.

A default by Developer under any of the provisions of the Agreement, the Tri-City Deed of Trust of even date herewith, or that certain Regulatory Agreement between Tri-City and Developer dated substantially concurrently herewith shall, after the expiration of any cure period under the respective agreement, be a default hereunder.

2. Interest. No interest shall accrue on outstanding principal, except as set forth in Section 8 hereof.

3. Payment. There are no regularly scheduled payments under this Tri-City Note. Payment shall be due as provided in Section 8 hereof. If, as of the Maturity Date, there are no uncured defaults under the Agreement, including all attachments thereto, and there are no amounts which have become payable pursuant to Section 8 hereof, the balance of this Tri-City Note shall be forgiven.

4. Form of Payments. All amounts due hereunder are payable in immediately available funds and lawful monies of the United States of America.

5. Application of Payments. All payments shall be applied: (i) first, to costs and fees owing hereunder, (ii) second, to the payment of unpaid accrued interest owing hereunder, and (iii) third, to the payment of principal.

6. Prepayment. At any time, Developer may prepay in whole or in part the outstanding principal balance under this Tri-City Note, together with all accrued interest, if any, and unpaid fees, costs and expenses, if any, payable hereunder, without penalty or premium. In the event of prepayment by Developer, the Regulatory Agreement shall remain intact, and shall be unaffected by the prepayment of this Note by Developer.

7. Security. This Tri-City Note and all amounts payable hereunder are secured by a Deed of Trust of even date herewith (“Tri-City Deed of Trust”), executed by Developer in favor of Tri-City and recorded against the Site in the Official Records of Los Angeles County. The terms of the Tri-City Deed of Trust are incorporated herein and made a part hereof to the same extent and with the same force and effect as if fully set forth herein. A default under any of the provisions of the Tri-City Deed of Trust shall be a default hereunder, and a default hereunder shall be a default under the Tri-City Deed of Trust.

8. Acceleration and Other Remedies. If elected by Tri-City pursuant to the following sentence, the entire balance due under this Tri-City Note shall be paid to Tri-City upon the earlier of any of the following (each, a “Default”): (i) the uncured default of Developer under this Tri-City Note, or the Tri-City Deed of Trust or the Regulatory Agreement, in each case, after delivery of notice and expiration of the applicable cure period provided in the respective agreement; (ii) the default by Developer under any obligation secured by a deed of trust that is senior to the Tri-City Deed of Trust that is not cured within the cure period, if any, provided thereunder; (iii) the default by Developer under any deed of trust that is senior to the Tri-City Deed of Trust that is not cured within the cure period, if any, provided thereunder, or (iv) the sale, lease or other transfer or conveyance (other than the permitted rentals and conveyances under the Agreement) of all or any part of the Project, or any interest therein (individually or collectively a “Transfer”), without the prior written consent of Tri-City in accordance with the Agreement. Upon the occurrence and during the continuance of a Default, Tri-City may, at Tri-City’s option, declare the outstanding principal amount of this Tri-City Note, and other charges hereunder, and all other sums secured by the Tri-City Deed of Trust, to be due and payable immediately, and upon such declaration, such principal and interest and other sums shall immediately become and be due and payable without demand or notice, all as further set forth in the Tri-City Deed of Trust. All costs of collection, including, but not limited to, reasonable attorneys’ fees and all expenses incurred in connection with protection of, or realization on, the security for this Tri-City Note, may be added to the principal hereunder, and shall accrue interest as provided herein. Tri-City shall at all times have the right to proceed against any portion of the security for this Tri-City Note in such order and in such manner as Tri-City may consider appropriate, without waiving any rights with respect to any of the security. Any delay or omission on the part of Tri-City in exercising any right hereunder, under the Agreement, the Regulatory Agreement or under the Deed of Trust shall not operate as a waiver of such right, or of any other right. No single or partial exercise of any right or remedy hereunder or under the Agreement, the Regulatory Agreement, the Tri-City Deed of Trust or any other document or agreement shall preclude other or further exercises thereof, or the exercise of any other right or remedy. The acceptance of payment of any sum payable hereunder, or part thereof, after the due date of such payment shall not be a waiver of Tri-City’s right to either require prompt payment when due of all other sums payable hereunder or to declare a Default for failure

to make prompt or complete payment. In addition, upon any Default, the Tri-City Note Amount and all outstanding amounts due under this Tri-City Note shall accrue interest at the default rate of ten percent (10%) per annum (based on a 360-day year and charged on the basis of the actual number of days elapsed) (“Alternate Rate”).

9. Waivers. Except to the extent notice is required under the Agreement or the Regulatory Agreement, Developer and all endorsers, guarantors and sureties hereof jointly and severally waive presentment, demand, notice of protest and nonpayment, notice of default or delinquency, notice of acceleration, notice of costs, expenses or leases or interest thereon, notice of dishonor, diligence in collection or in proceeding against any of the rights or interests in or to any and all property securing this Tri-City Note, and the benefit of any exemption under any homestead exemption laws, if applicable. Developer expressly agrees that this Tri-City Note or any payment hereunder may be extended from time to time at Tri-City’s sole discretion and that Tri-City may accept security in consideration for any such extension or release any security for this Tri-City Note at its sole discretion all without in any way affecting the liability of Developer. No extension of time for payment of this Tri-City Note made by agreement by Tri-City with any person now or hereafter liable for the payment of this Tri-City Note shall operate to release, discharge, modify, change or affect the original liability of Developer under this Tri-City Note, either in whole or in part. The obligations of Developer under this Tri-City Note shall be absolute and Developer waives any and all rights to offset, deduct or withhold any payments or charges due under this Tri-City Note for any reasons whatsoever. No previous waiver and no failure or delay by Tri-City in acting with respect to the terms of this Tri-City Note or the Tri-City Deed of Trust shall constitute a waiver of any breach, default, or failure or condition under this Tri-City Note, the Tri-City Deed of Trust or the obligations secured thereby. A waiver of any term of this Tri-City Note, the Tri-City Deed of Trust or any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

10. Consents. Developer and all endorsers, guarantors and sureties consent to: (a) any renewal, extension or modification (whether one or more, and subject to the terms and provisions of the Agreement relating to modification, extension, and/or amendment) of the terms of the Agreement as such terms relate to this Tri-City Note or the terms or time of payment under this Tri-City Note, (b) the release or surrender or exchange or substitution of all or any part of the security, whether real or personal, or direct or indirect, for the payment hereof to the extent requested or approved by Developer, (c) the granting of any other indulgences to Developer, and (d) the taking or releasing of other or additional parties primarily or contingently liable hereunder. Except as otherwise set forth above, any such renewal, extension, modification, release, surrender, exchange or substitution may be made without notice to Developer or to any endorser, guarantor or surety hereof, and without affecting the liability of said parties hereunder.

11. Successors and Assigns. Whenever “Tri-City” is referred to in this Note, such reference shall be deemed to include Tri-City, and its successors and assigns, including, without limitation, any subsequent assignee or holder of this Tri-City Note. All covenants, provisions and agreements by or on behalf of Developer, and on behalf of any makers, endorsers, guarantors and sureties hereof which are contained herein shall inure to the benefit of Tri-City’s successors and assigns. Tri-City may, at its option, assign its right to receive payment under this Tri-City Note without necessity of obtaining the consent of Developer. Whenever “Developer” is referred to in this Tri-City Note, such reference shall be deemed to include Restore Neighborhoods, LA, Inc., a California nonprofit public benefit corporation, and its approved successors and assigns, including,

without limitation, any approved subsequent assignee or obligor of this Tri-City Note, if such approval is given in accordance with the Agreement. In no event shall Developer assign or transfer any portion of this note without the prior express written consent of Tri-City, except as permitted in the Agreement.

12. Usury. It is the intention of Developer and Tri-City to conform strictly to the Interest Law, as defined below, applicable to this loan transaction. Accordingly, it is agreed that notwithstanding any provision to the contrary in this Tri-City Note, or in any of the documents securing payment hereof or otherwise relating hereto, the aggregate of all interest and any other charges or consideration constituting interest under the applicable Interest Law that is taken, reserved, contracted for, charged or received under this Tri-City Note, or under any of the other aforesaid agreements or otherwise in connection with this loan transaction, shall under no circumstances exceed the maximum amount of interest allowed by the Interest Law applicable to this loan transaction. If any excess of interest in such respect is provided for in this Tri-City Note, or in any of the documents securing payment hereof or otherwise relating hereto, then, in such event:

- (a) the provisions of this paragraph shall govern and control;
- (b) neither Developer nor Developer's heirs, legal representatives, successors or assigns shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest allowed by the Interest Law applicable to this loan transaction;
- (c) any excess shall be deemed canceled automatically and, if theretofore paid, shall be credited on this Tri-City Note by Tri-City or, if this Tri-City Note shall have been paid in full, refunded to Developer; and
- (d) the effective rate of interest shall be automatically subject to reduction to the Maximum Legal Rate of Interest (as defined below), allowed under such Interest Law, as now or hereafter construed by courts of appropriate jurisdiction. To the extent permitted by the Interest Law applicable to this loan transaction, all sums paid or agreed to be paid to Tri-City for the use, forbearance or detention of the indebtedness evidenced hereby shall be amortized, prorated, allocated and spread throughout the full term of this Tri-City Note. For purposes of this Tri-City Note, "Interest Law" means any present or future law of the State of California, the United States of America, or any other jurisdiction which has application to the interest and other charges under this Tri-City Note. The "Maximum Legal Rate of Interest" means the maximum rate of interest that Tri-City may from time to time charge Developer, and under which Developer would have no claim or defense of usury under the Interest Law.

13. Costs of Enforcement. Developer agrees to pay upon demand all reasonable costs and expenses, including attorneys' fees, expert witness fees, and costs of suit (including appeals), incurred by Tri-City to enforce the terms hereof. In addition to the foregoing award of attorneys' fees, Tri-City shall be entitled to its reasonable attorneys' fees incurred in any post-judgment proceedings to enforce any judgment in connection with this Tri-City Note. This provision is separate and several and shall survive the merger of this provision into any judgment.

14. Miscellaneous. Time is of the essence hereof. If this Tri-City Note is now, or hereafter shall be, signed by more than one party or person, it shall be the joint and several obligation of such parties or persons (including, without limitation, all makers, endorsers, guarantors and sureties), and shall be binding upon such parties and upon their respective successors and assigns. This Tri-City Note shall be governed by and construed under the laws of the State of

California. Developer irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Los Angeles or the United States District Court of the Central District of California, as Tri-City hereof may deem appropriate, in connection with any legal action or proceeding arising out of or relating to this Tri-City Note. Developer also waives any objection regarding personal or in rem jurisdiction or venue to the extent such action is filed in the above-referenced courts. In the event of a conflict between the provisions of this Tri-City Note and the Agreement, this Tri-City Note shall control with respect to the subject matter hereof.

15. Non-Recourse Obligation. In the event of any Default under the terms of the Agreement or any of the other Regulatory Agreement, the sole recourse of Tri-City for any such Default shall be the Site and the Project and Developer and its partners and Affiliates shall not be personally liable for the payment of any obligations under this Agreement; provided, however, that the foregoing shall not in any way affect any rights Tri-City may have hereunder, or any right of Tri-City to recover or collect funds, damages or costs (including without limitation reasonable attorneys' fees and costs) incurred by Tri-City as a result of fraud, intentional misrepresentation or bad faith waste, and/or any costs and expenses incurred by Tri-City in connection therewith (including without limitation reasonable attorneys' fees and costs).

IN WITNESS WHEREOF, the parties hereto have caused this Tri-City Note to be executed on the date first set forth above.

DEVELOPER:

RESTORE NEIGHBORHOODS, LA, INC.,
a California nonprofit public benefit corporation

By: _____

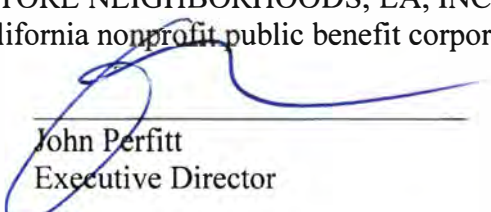

John Perfitt
Executive Director

EXHIBIT "F"

RECORDING REQUESTED BY,
AND WHEN RECORDED MAIL TO:

Tri-City Mental Health Authority
1717 N. Indian Hill Blvd, Suite B
Claremont, CA 91711
Attn: Ms. Antonette Navarro, LMFT

This document is exempt from payment of a recording fee pursuant to Government Code Sections 27383 and 6103.

**DEED OF TRUST WITH ASSIGNMENT OF RENTS
(SHORT FORM)**

This **DEED OF TRUST** is made as of February 17, 2021 between RESTORE NEIGHBORHOODS, LA, INC., a California nonprofit public benefit corporation, herein called TRUSTOR, whose address is 315 West 9th Street, #503, Los Angeles, California 90015 Attention: John Perfitt, FIRST AMERICAN TITLE COMPANY, herein called TRUSTEE, and TRI-CITY MENTAL HEALTH AUTHORITY, a California joint powers authority, herein called BENEFICIARY.

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the City of Claremont, County of Los Angeles, State of California, described as:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) that Promissory Note dated substantially concurrently herewith, made by Trustor in favor of Beneficiary, and extensions or renewals thereof, in the maximum principal sum of FOUR HUNDRED FORTY-SIX THOUSAND THREE HUNDRED SEVENTY-THREE AND 90/100 DOLLARS (\$446,373.90), without any interest thereon, with the balance of the indebtedness, due and payable on occurrence of an event of acceleration as defined in the Promissory Note, (2) the performance of each agreement of Trustor incorporated by reference or contained herein (including without limitation Exhibit C hereto [Rider to Deed of Trust]), and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or its successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Los Angeles County on August 18, 1964, in Book T3878 commencing at page

174, in the book and at the page of Official Records in the office of the county recorder of Los Angeles County, shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him or her at his or her address hereinbefore set forth.

Trustor:

RESTORE NEIGHBORHOODS LA, INC.,
a California nonprofit public benefit
corporation

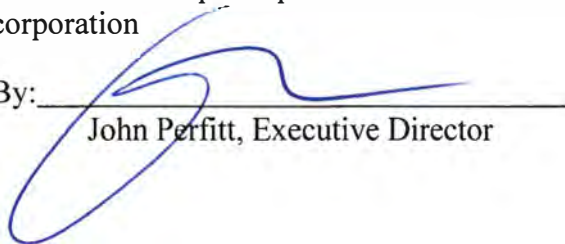
By: 
John Perfitt, Executive Director

EXHIBIT "A" TO DEED OF TRUST

LEGAL DESCRIPTION

A.P.N.: 8669-019-029

Real property in the City of Claremont, County of LOS ANGELES, State of California, described as follows:

THE NORTHERLY 333.00 FEET OF THE EAST HALF OF THE WEST HALF OF THE NORTH WEST QUARTER OF THE NORTH WEST QUARTER OF SECTION 4, TOWNSHIP 1 SOUTH, RANGE 8 WEST, S.B.B. & M., IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

EXCEPTING THEREFROM THE WESTERLY 200 FEET THEREOF AND THE NORTH 33 FEET CONVEYED FOR ROAD PURPOSES.

ALSO EXCEPTING THE SOUTHERLY 10 FEET OF THE NORTH 333 FEET OF THE EAST HALF OF THE WEST HALF OF THE NORTH WEST QUARTER OF THE NORTH WEST QUARTER OF SECTION 4, TOWNSHIP 1 SOUTH, RANGE 8 WEST, S.B.B. & M.

AND ALSO EXCEPTING THEREFROM, THE SOUTHERLY 13.50 FEET OF THE NORTHERLY 46.50 FEET THEREOF, AS CONVEYED TO THE CITY OF CLAREMONT, A MUNICIPAL CORPORATION BY VIRTUE OF A DEED RECORDED JULY 25, 1996 AS INSTRUMENT NO. 1996-1196226 OF OFFICIAL RECORDS.

EXCEPTING ONE-HALF RIGHT, TITLE AND INTEREST IN AND TO ALL OIL, ASPHALTUM, GAS OR OTHER HYDRO-CARBON SUBSTANCES IN SAID LAND WITH FULL AND FREE RIGHT TO ENTER SAID LAND TO TAKE, DIG DRILL OR MINE FOR SAME, AS RESERVED BY JESSE L. MORAIN AND ADELHEIDE MORAIN, BY DEED RECORDED IN BOOK 9814 PAGE 59 OFFICIAL RECORDS.

EXHIBIT "B" TO DEED OF TRUST

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary, the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) to pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation thereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

(5) To Pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date

hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

(1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such monies received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his or her right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance or any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his or her own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which

notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

EXHIBIT "H"

SUPPORTIVE SERVICES AGREEMENT

This SUPPORTIVE SERVICES AGREEMENT ("Agreement") is dated February 17, 2021 and is entered into by and between TRI-CITY MENTAL HEALTH AUTHORITY, a California joint powers authority ("TCMHA") organized under the laws of the State of California with its administrative office at 1717 N. Indian Hill Boulevard, #B, Claremont, California 91711, and RESTORE NEIGHBORHOODS, LA, INC., a California nonprofit public benefit corporation ("Owner") with its principal place of business at 315 W. 9th St #503, Los Angeles, CA 90015.

RECITALS

A. Owner is a California nonprofit corporation lawfully organized and operating under the California Nonprofit Corporation Law (commencing with Section 5000 of the California Corporations Code).

B. TCMHA is a joint powers authority established through a Joint Powers Authority Agreement between the Cities of Pomona, Claremont and La Verne, pursuant to the provisions of the Joint Exercise of Powers Act, and the provisions of the Bronzan-McCorquodale Act/Short-Doyle Act, Part 2, Section 5600, et seq., of the Welfare and Institutions Code of the State of California.

C. Owner is the recipient of No Place Like Home construction loan funds for the construction by Owner of the project described in that certain Disposition and Development Agreement between TCMHA as seller of land described therein, and Owner as buyer, dated February 17, 2021 (the "DDA").

D. The project is located at 956 Baseline Road in Claremont, California and consists of the development of fifteen (15) rental housing units for senior adult individuals (and their families), eight (8) of which are restricted by a Regulatory Agreement with TCMHA recorded against the project to senior adults who are homeless or at risk of homelessness and who have a diagnosed severe mental illness, and the others of which may be restricted by similar recorded agreements.

D. The DDA requires as a condition to the sale of the land by TCMHA to Owner for the project, that Owner and TCMHA enter into this Agreement whereby TCMHA agrees to provide, and Owner agrees to accept, the supportive services described herein for the residents of the project for twenty (20) years after the project has been completed.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the Parties hereto agree as follows:

1. Scope of Services. TCMHA hereby agrees to, and Owner agrees to accept, that TCMHA will be the lead service provider for this project and will provide and perform the following services:

TCMHA's Comprehensive Housing Master Plan outlines TCMHA's strategy for bringing permanent supportive housing to those Pomona, Claremont and La Verne residents who are homeless or at risk of homelessness and are suffering from one or more mental health conditions. The main goal of the Supportive Services portion of the Housing Master Plan is to help clients retain long term housing.

Potential tenants will be identified for participation based upon referrals from persons accessing our Walk-In/Inquiry services, the Community Navigators, NAMI, other community partners. Persons may be seeking outpatient or the more intensive Full-Service Partnership services or accessing the support and programs offered at the TCMHA Wellness Center. The purpose of the MHSA Housing Program was to address housing first which means that while persons applying for tenancy must meet the criteria to be enrolled in our mental health services including having one or more mental health diagnoses and experiencing some functional impairment in their lives, they are not required to actively participate in any of the supportive services offered. Finally, in keeping with TCMHA's vision to build a system of care, permanent supportive housing will also be available to persons receiving mental health services from agency partners in our local area.

TCMHA's goal for its permanent supportive housing residents is not only to provide stability within a secure, safe living environment, but also to assist residents and their family members to complete and/or obtain higher education, develop and/or increase employment skills, and/or to reconnect with family and loved ones. For those who are able, these latter goals provide the necessary foundation for clients and their families to eventually move on from the permanent support housing site into more long-term and independent living situations, thereby creating opportunities for others in need to move-in and benefit from these intensive supports.

TCMHA approaches permanent support housing from the "housing first" perspective which means that while persons applying for tenancy must meet the criteria to be enrolled in our mental health services including having one or more mental health diagnoses and experiencing some functional impairment in their lives, they are not required to be working a recovery program nor to actively participate in any of the supportive services offered. Further, TCMHA's permanent supportive housing framework is founded upon the principles of the Recovery Model, and specifies that housing options and supportive services must be flexible enough to accommodate an individualized approach that aimed to eliminate those barriers that historically sabotage the maintenance of stable housing for persons challenged by living with a mental illness and their families.

The barriers to long-term stable housing include lack of access to appropriate mental health treatment, substance abuse/addiction, complex and untreated medical issues, incomplete education, deficient vocational skills and/or job experience, and lack of a positive social support network. Given the wide range of barriers to be addressed, TCMHA actively engages and collaborates with a variety of community partners in order to meet all of the needs of those clients placed in permanent supportive housing. Such partners include the primary care community, the substance abuse treatment community within its three cities, local schools/colleges/technical training programs, local businesses, and local landlords and property management companies, as well as other locally operating social service providers.

TCMHA will address these barriers through an array of supportive services offered through its: Full-Service Partnership program; Field-Capable Services for Older Adults program; adult services outpatient clinic and the Wellness Center. Services that TCMHA will directly provide are clinical assessment, individual, group and family therapy, rehabilitation services/skills building,

co-occurring disorders treatment services, case management, medication support, informal support groups, socialization activities, employment services, benefit services and housing assistance. The services provided to those residing in TCMHA permanent supportive housing will be offered on-site as well as off-site. Contacts may be one-to-one, in conjunction with significant others in the resident's life, or group learning situations. While the exact nature of the service to be provided and the frequency with which services will be provided will be determined by the individual needs of each resident, contact will occur at least once a week. Recognizing that some residents may be slow to trust and accept services aside from housing, one-to-one engagement may simply begin with the use of a telephone call or providing transportation.

Finally, all manner of services available and provided to residents residing in TCMHA's permanent supportive housing units will also be made available to the other residents within the Baseline Senior Apartments housing complex.

2. Consideration/Compensation/Costs. TCMHA will seek no compensation for its services nor ask for RNLA to put forth any expenses for these services.

3. Regulatory Agreement; Property Maintenance and Operation by Owner. Owner shall comply with the terms of the Regulatory Agreement between TCMHA and Owner recorded against the project, including the terms thereof relating to maintenance and operation.

4. Owner Compliance with NPLH Requirements. Owner shall comply with all applicable laws, and with all No Place Like Home guidelines, loan documents, regulations, policies, and requirements, in the development, ownership and operation of the project.

5. Term. This Agreement shall continue in full force and effect until the date that is twenty (20) years after the completion of the project and opening of the project for business. In no event may Owner terminate this Agreement.

6. Default; Remedies. In the event TCMHA fails to comply with any of the terms or provisions of this Agreement, the Owner shall notify TCMHA in writing of such default and specifies the actions that TCMHA must take in order to cure the default. TCMHA shall not be in default if TCMHA: (a) cures the default within thirty (30) days after delivery of the notice; or (b) if the cure reasonably requires more than thirty (30) days after delivery of the notice, commences to cure the default within the 30 days and thereafter diligently prosecutes the cure to completion. Except for termination, Owner reserves all of its rights and remedies in law and equity for any uncured breach of this Agreement by TCMHA.

7. Records. All reports, data, maps, models, charts, studies, surveys, calculations, photographs, memoranda, plans, studies, specifications, records, files, including all working papers, personnel, property, and financial records or any other documents or materials, in electronic or any other form, that are prepared or obtained pursuant to this Agreement, and that relate to the matters covered hereunder, shall be and remain the property of the Owner. However, Owner will be responsible for maintaining such records, and Owner hereby agrees to make them available to TCMHA, or any authorized representative, for inspection.

8. Independent Contractor. TCMHA is, and shall at all times remain to the Owner, a wholly independent contractor. Neither the Owner nor its officers, employees, or agents shall have control over the conduct of TCMHA or its officers, employees, or agents except as expressly set

forth in this Agreement. TCMHA shall not at any time or in any manner represent that it or any of its officers, employees or agents are agents of the Owner.

9. Assignment. TCMHA shall not assign this Agreement nor any part thereof without the prior written consent of the Owner.

10. Indemnification. Each Party shall indemnify, defend and hold harmless the other Party, their elected and appointed officers, employees, representatives, volunteers, and contractors who serve as officers, officials, or staff, from and against any and all liability, including but not limited to demands, claims, actions, suits, accidents, injuries, fees, costs, expenses, liability, and/or proceedings (including attorney and expert witness fees), arising from or connected with each Party's respective acts and/or omissions arising from and/or relating to this Supportive Services Agreement.

11. Waiver of Subrogation for Insurance. Each party, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the other, while acting within the scope of their duties, from all claims, losses and liabilities arising out of or incident to activities or operations performed by or on behalf of it regardless of any prior, concurrent, or subsequent non-active negligence, to the extent they are covered by insurance.

12. Notices. Any notices, bills, invoices, or reports required by this Agreement shall be given in writing and shall be delivered by certified mail or by reputable overnight delivery service (such as Federal Express). Notices shall be deemed received on (a) one day after delivery to an overnight courier for next day service during regular business hours; or (b) if sent by certified mail, then on the date of delivery or attempted delivery shown on the return receipt, or to such other addresses as the parties may, from time to time, designate in writing pursuant to the provisions of this section. All notices shall be delivered to the parties at the following addresses:

TCMHA: Tri-City Mental Health Authority
1717 N. Indian Hill Blvd, Suite B
Claremont, CA 91711
Attn: Ms. Antonette Navarro, LMFT

With a copy to: Darold Pieper, Esq.
7049 Heron Circle
Carlsbad, CA 92011-3975

Owner: Restore Neighborhoods LA, Inc.
315 West 9th Street, #503
Los Angeles, California 90015
Attention: John Perfitt

13. Entire Agreement; Severability; Time of Essence; Venue. This Agreement, together with all documents referenced and incorporated herein, contains the entire understanding between the Owner and TCMHA. Any prior agreements, premises, negotiations or representations not expressly set forth herein are of no force or effect. If any term, condition or covenant of this Agreement is found invalid by a court of law, the remaining provisions of this Agreement shall be valid and binding. Time is of the essence in the performance of each and every term of this

Agreement. Venue for any legal action between the parties shall be the Superior Court of Los Angeles County.

14. Attorneys' Fees. If litigation is required to enforce or interpret the provisions of this Agreement, the prevailing party in such litigation shall be entitled to an award of reasonable attorneys' fees.

15. Governing Law. This Agreement shall be interpreted and construed according to the laws of the State of California.

16. Authority of Executive Directors. The Executive Director of each party shall have the authority to give consents, approvals and waivers and to modify this Agreement (all on behalf of such party) provided they are in writing.

17. Counterparts; Delivery by Email. This Agreement may be executed in counterparts, each of which and all of which together shall constitute one and the same agreement. Executed counterparts may be delivered by email/PDF to TCMHA, to anvarro@tricitymhs.org, and to Owner, to jperft@rn-la.org.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written and each of the undersigned are authorized to execute this Agreement.

OWNER:

RESTORE NEIGHBORHOODS LA, INC.,
a California nonprofit public benefit
corporation

By: 

John Perfit, Executive Director

TCMHA:

TRI-CITY MENTAL HEALTH
AUTHORITY,
a California joint powers authority

By: 

Antonette Navarro, Executive Director

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EXHIBIT "G"

Recording Requested By, and
When Recorded Mail To:

Tri-City Mental Health Authority
1717 N. Indian Hill Blvd, Suite B
Claremont, CA 91711
Attn: Ms. Antonette Navarro, LMFT

(Space above for Recorder's use.)

(This document is exempt from the payment of a recording
fee pursuant to Government Code Section 27383.)

REGULATORY AGREEMENT

This REGULATORY AGREEMENT ("Agreement") is dated as of February 17, 2021, and is entered into by and between the TRI-CITY MENTAL HEALTH AUTHORITY, a California joint powers authority ("TCMHA") and RESTORE NEIGHBORHOODS, LA, INC., a California nonprofit public benefit corporation ("Developer").

RECITALS

A. Pursuant to a Disposition and Development Agreement dated February 17, 2021 between TCMHA and Developer ("DDA"), TCMHA has: (i) conveyed to Developer the real property located at 956 Base Line Road in the City of Claremont described on Exhibit "A" hereto ("Site"); (ii) conditionally committed to disburse in annual increments over 20 years, a "forgivable loan" (or conditional grant) to Developer secured by a subordinate deed of trust encumbering the Site and improvements thereon to be used for operating expenses of the residential development to be developed by Developer on the Site (the "TCMHA Housing Program Loan"); and (iii) entered into a twenty (20) year Supportive Housing Services Agreement by which TCMHA is the primary provider of supportive housing services for such residential development for no compensation.

B. The DDA requires Developer to construct an apartment complex including fifteen (15) residential units on the Site (the "Project"). The DDA requires, as a condition to TCMHA's conveyance of the Site to Developer, making the TCMHA Housing Program Loan, and entering into the Supportive Housing Services Agreement, that Developer enter into and record this Agreement restricting eight (8) of such Housing Units to Senior Adult Homeless Diagnosed Extremely Low Income Households at an Affordable Rent (the "Required Affordable Units") for fifty-five (55) years after the completion of the Project.

C. Developer intends to acquire and develop the Site utilizing, among other things, the proceeds of a loan from the City of Claremont from moneys from the City's Low and Moderate Income Housing Asset Fund ("City Loan") and a loan by City from certain other funds, which

requires that Developer to enter into a agreement with the City, to be recorded prior to this Agreement, that restricts the other seven (7) units in the apartment complex (the “City Regulatory Agreement”).

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and conditions set forth herein and in the DDA and the Supportive Housing Services Agreement, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Definitions. The term “Affordability Period” shall mean the period commencing upon the completion of the Project and expiring fifty-five (55) years thereafter.

The term “Affordable Rent” shall mean rent, including a reasonable utility allowance/amount, no greater than the rent permitted for Extremely Low Income households under California law (*i.e.*, the product of thirty percent (30%) times thirty percent (30%) of AMI, adjusted for family size appropriate to the unit). Affordable Rent shall be determined in conformity with Health and Safety Code Section 50052.5 and related regulations.

The term “Senior Adult Homeless Diagnosed Extremely Low Income Households” shall mean persons who are sixty (60) years of age or older (and their family) who have a diagnosed mental illness and are homeless or at risk of homelessness, and whose income (when first becoming an occupant/tenant) is not greater than thirty percent (30%) of area median income (“AMI”) for Los Angeles County, as published by the California Department of Housing and Community Development.

ARTICLE 2

RESTRICTIONS

2.1. Permitted and Required Uses. The Project shall be used only for private rental dwelling purposes and related amenity uses, for the purposes described in the City Regulatory Agreement and, during the term of the Supportive Housing Services Agreement, for the purposes of supportive housing services as described in the Supportive Housing Services Agreement. Additionally, throughout the Affordability Period, Developer covenants and agrees to make available, restrict occupancy to, and rent not fewer than the Required Affordable Units in the Project to Senior Adult Homeless Diagnosed Extremely Low Income Households at an Affordable Rent. Developer shall not maintain or cause to be maintained any public nuisance or private nuisance on or about the Project.

2.2 Selection of Tenants. Developer shall be responsible for the selection of tenants in compliance with all applicable laws and this Agreement, and as to the Required Affordable Units: (i) fully consult, coordinate and cooperate with TCMHA in the selection of qualified tenants; and (ii) provide reasonable evidence to TCMHA that a tenant is permitted under the terms of this Agreement to rent a Required Affordable Unit before so renting a Required Affordable Unit to the tenant; and (iii) provide a copy of the applicable rental agreement and addenda to TCMHA, with evidence that the rent is Affordable Rent for the tenant, prior to signing the rental agreement.

2.5 Increases in Tenant Income and Rent. A tenant who qualifies as an Extremely Low Income Household prior to occupancy of a Required Affordable Unit but whose income increases

such that such tenant household ceases to be income qualified, may continue to occupy such Required Affordable Unit and be charged rent including a reasonable utility allowance, not greater than the lesser of thirty percent (30%) of the household's adjusted monthly income. No rent for a Required Affordable Unit may be increased without the reasonable consent of TCMHA after delivery to TCMHA of a reasonable written explanation together with reasonable evidence of the increased income.

2.6 Tenant Protections.

(a) Lease. Developer shall execute or cause to be executed a written lease/rental agreement for each Required Affordable Unit which complies with all applicable federal, state and local laws, statutes, ordinances, rules and regulations, and with each tenant household identifying by name all permitted occupants, both adults and minors.

(b) Prohibited Lease Terms. The tenant lease/rental agreement may not contain any of the following provisions:

(i) *Agreement to be sued.* Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;

(ii) *Treatment of property.* Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out. The owner may dispose of this personal property in accordance with State law;

(iii) *Excusing owner from responsibility.* Agreement by the tenant not to hold Developer or Developer's agents legally responsible for any action or failure to act, whether intentional or negligent;

(iv) *Waiver of notice.* Agreement of the tenant that Developer may institute a lawsuit without notice to the tenant;

(v) *Waiver of legal proceedings.* Agreement by the tenant that Developer may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

(vi) *Waiver of a jury trial.* Agreement by the tenant to waive any right to a trial by jury;

(vii) *Waiver of right to appeal court decision.* Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease;

(viii) *Tenant chargeable with cost of legal actions regardless of outcome.* Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by Developer against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses; and

(ix) *Mandatory supportive services.* Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

(c) Termination of Tenancy. Developer may not terminate the tenancy or refuse to renew the lease of a tenant within the Project except for failure to pay rent, serious or repeated violation of the terms and conditions of the lease; for violation of applicable federal, state, or local law; or for other good cause. Any termination or refusal to renew must be preceded by not less than thirty (30) calendar days (or such longer period as may be required by applicable laws) by Developer's service upon the tenant of a written notice specifying the grounds for the action.

2.7 Nondiscrimination. There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land and shall remain in effect in perpetuity.

ARTICLE 3

OPERATION, MANAGEMENT AND MAINTENANCE OF THE PROJECT

Developer shall comply with all the terms and provisions of the City Regulatory Agreement, including without limitation those relating to operation, management, financing and maintenance of the Project.

ARTICLE 4

RUNS WITH LAND; PROHIBITIONS ON ASSIGNMENT

4.1. Covenants to Run With the Land. The covenants and restrictions set forth in this Agreement shall run with the land, and shall bind all successors in title to the Project. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument.

4.3. Transfers; General Prohibition of Transfer without Consent. The qualifications and identity of Developer as an experienced and successful developer and operator/manager of affordable housing are of particular concern to TCMHA. It is because of these identities and the qualifications of each of the partners that comprise Developer entity that City has entered into the DDA and Supportive Housing Services Agreement with Developer. Accordingly, until the TCMHA Housing Program Loan has been forgiven and the Supportive Housing Services Agreement has expired, no voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under the DDA, Supportive Housing Services Agreement or this Agreement, nor shall Developer make any total or partial sale, transfer, conveyance, assignment,

subdivision, refinancing or lease of the Site or the Site, or any part thereof, or the DDA or Supportive Housing Services Agreement or this Agreement (collectively referred to herein as a “Transfer”) without the prior written approval of TCMHA, which approval shall not however be unreasonably withheld or delayed.

Notwithstanding the foregoing, the transfers that do not require City consent under the City Regulatory Agreement shall not require TCMHA consent.

ARTICLE 5

ENFORCEMENT; REMEDIES; CROSS DEFAULT WITH LOAN

5.1. Remedies. In the event of default or breach of any of the terms or conditions of this Agreement by Developer, its heirs, executors, administrators or assigns, TCMHA may pursue the remedy thereof by any and all means of enforcement, both in equity and at law, as provided by the laws of the State of California, including, but not limited to, injunctive relief and/or specific performance.

5.2. No Third Parties Benefited. Except as provided herein as to City, this Agreement is made for the purpose of setting forth rights and obligations of Developer and City, and no other person shall have any rights hereunder or by reason hereof.

5.3. Default Hereunder Is Default Under TCMHA Loan. A default under this Agreement shall constitute a default under the TCMHA Loan, and shall entitle TCMHA to demand payment thereof and if not paid, enforce its rights and remedies under the deed of trust securing such loan.

ARTICLE 6

INSURANCE

Developer shall, at Developer’s expense, cause TCMHA to be named as additional insured under all liability insurance maintained by Developer for the Project, and shall promptly provide TCMHA with reasonable evidence of such insurance and additional insured status.

ARTICLE 7

NOTICES

Written notice, demands and communications between TCMHA and Developer shall be deemed sufficient if dispatched by overnight delivery by a regarded courier service, registered or certified mail, postage prepaid, return receipt requested to the principal offices of TCMHA and Developer, the addresses of which are hereinafter set forth. Such written notices, demands and communications may be sent in the manner prescribed to each other’s addresses as either party may, from time to time, designate by mail, or the same may be delivered in person to representatives of either party upon such premises. Said addresses are as follows:

If to Developer:	Restore Neighborhoods, LA, Inc. 315 West 9th Street, #503 Irvine, CA 92614 Attention: John Perfitt
------------------	---

If to TCMHA:

Tri-City Mental Health Authority
1717 N. Indian Hill Blvd, Suite B
Claremont, CA 91711
Attn: Ms. Antonette Navarro, LMFT, Executive Director

Notices herein shall be deemed given one business day after delivery to a reputable overnight delivery service for next day delivery, or three (3) consecutive calendar days after deposit of the same in the custody of the United States Postal Service.

ARTICLE 8

MISCELLANEOUS

8.1 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party or the failure by the party to exercise its rights under or upon a default by the other party herein shall not constitute a waiver of such party's right to demand strict compliance from such other party in the future.

8.2 Severability. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

8.3 Relevant Agreements; Merger. This Agreement, the DDA, and the Supportive Housing Services Agreement contain the sole and entire agreements and understandings of the parties with respect to the subject matter hereof. No representations, oral or otherwise, express or implied, other than those contained herein, have been made by the parties.

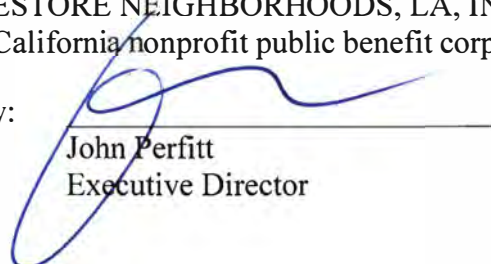
8.4 Counterparts. Counterparts of this Agreement may be executed, acknowledged, delivered and recorded, and each of which, and all of which together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

DEVELOPER:

RESTORE NEIGHBORHOODS, LA, INC.,
a California nonprofit public benefit corporation

By:



John Perfitt
Executive Director

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On February 26, 2024, before me, Soon Gyu Guimm,
(insert name and title of the officer)

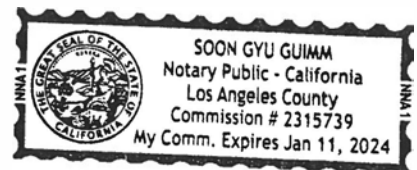
Notary Public, personally appeared John Perfitt,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(Seal)



TCMHA:

TRI-CITY MENTAL HEALTH AUTHORITY

By: 
Antonette Navarro, Executive Director

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On February 24, 2021, before me, Micaela P. Olmos,
(insert name and title of the officer)

Notary Public, personally appeared Antonette Marie Navarro,
who proved to me on the basis of satisfactory evidence to be the person whose name is/~~are~~
subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same
in ~~his~~/her/~~their~~ authorized capacity , and that by ~~his~~/her/~~their~~ signature(s) on the instrument the
person , or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____



(Seal)

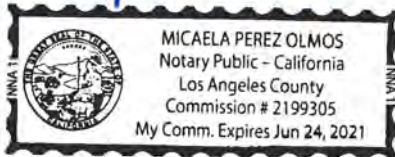


EXHIBIT "A"

LEGAL DESCRIPTION

A.P.N.: 8669-019-029

Real property in the City of Claremont, County of LOS ANGELES, State of California,
described as follows:

THE NORTHERLY 333.00 FEET OF THE EAST HALF OF THE WEST HALF OF THE NORTH WEST QUARTER OF THE NORTH WEST QUARTER OF SECTION 4, TOWNSHIP 1 SOUTH, RANGE 8 WEST, S.B.B. & M., IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

EXCEPTING THEREFROM THE WESTERLY 200 FEET THEREOF AND THE NORTH 33 FEET CONVEYED FOR ROAD PURPOSES.

ALSO EXCEPTING THE SOUTHERLY 10 FEET OF THE NORTH 333 FEET OF THE EAST HALF OF THE WEST HALF OF THE NORTH WEST QUARTER OF THE NORTH WEST QUARTER OF SECTION 4, TOWNSHIP 1 SOUTH, RANGE 8 WEST, S.B.B. & M.

AND ALSO EXCEPTING THEREFROM, THE SOUTHERLY 13.50 FEET OF THE NORTHERLY 46.50 FEET THEREOF, AS CONVEYED TO THE CITY OF CLAREMONT, A MUNICIPAL CORPORATION BY VIRTUE OF A DEED RECORDED JULY 25, 1996 AS INSTRUMENT NO. 1996-1196226 OF OFFICIAL RECORDS.

EXCEPTING ONE-HALF RIGHT, TITLE AND INTEREST IN AND TO ALL OIL, ASPHALTUM, GAS OR OTHER HYDRO-CARBON SUBSTANCES IN SAID LAND WITH FULL AND FREE RIGHT TO ENTER SAID LAND TO TAKE, DIG DRILL OR MINE FOR SAME, AS RESERVED BY JESSE L. MORAIN AND ADELHEIDE MORAIN, BY DEED RECORDED IN BOOK 9814 PAGE 59 OFFICIAL RECORDS.

EXHIBIT "C"

RIDER TO DEED OF TRUST

This **RIDER TO DEED OF TRUST** is made and delivered pursuant to and in implementation of the Regulatory Agreement ("Agreement") entered by and between the Trustor and the Beneficiary substantially concurrently with the Deed of Trust to which this Rider is attached, a copy of which Agreement is on file as a public record with the Beneficiary at 1717 N. Indian Hill Blvd., Suite B, Claremont CA 91711, and is incorporated herein by reference. Unless definitions of terms have been expressly set out at length herein, each term shall have the same definition as set forth in the Agreement. Trustor and Beneficiary further covenant and agree as follows:

1. Acceleration of Payment. All sums outstanding under the Promissory Note secured by this Deed of Trust and all other payments due under this Deed of Trust and under the Agreement shall become due and be immediately payable to the Beneficiary by the Trustor upon the occurrence of any one of the following events of acceleration:

(a) the sale or transfer of the Property (or any part thereof) by any means, including, without limitation, the lease, exchange or other disposition of the Property or any interest therein, whether voluntary or involuntary, except a sale of the Property as to which the prior written approval of Beneficiary has been obtained and where the transferee agrees to perform in accordance with the Agreement;

(b) the Trustor refinances any purchase money lien or encumbrance to which this Deed of Trust is subordinate (each such lien, a "Superior Lien") for a loan amount in excess of the then current loan balance secured by such lien or encumbrance and loan closing costs; and/or

(c) the Trustor (and all co-signors and co-mortgagors, if any) fails to operate the Property in conformity with the Regulatory Agreement.

At the request of the Trustor, and for a specific occasion, the Beneficiary may, in its sole and absolute discretion, in writing waive the requirements of these subparagraphs. Any waiver or deferment shall be on a case by case basis, and no future rights for waiver or deferment shall arise or be implied. Notwithstanding the foregoing, the Trustor may, upon prior written approval by the Beneficiary, refinance any Superior Lien for a loan amount equal to or less than the then current loan balance secured by such Superior Lien.

IN WITNESS WHEREOF, Trustor has executed this Rider to Deed of Trust as of the date set forth below.

TRUSTOR:

RESTORE NEIGHBORHOODS LA, INC.,
a California nonprofit public benefit corporation

By: _____
John Perfitt, Executive Director

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF Los Angeles)

On February 26, 2021, before me, Soon Gyu Guimm, Notary Public,
(Print Name of Notary Public)

personally appeared John Perfitt

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Soon Gyu Guimm
Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- Individual
- Corporate Officer

Title(s)

- Partner(s) Limited General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Exhibit C
Rider to Deed of Trust
Title Or Type Of Document

2
Number Of Pages

+
Date Of Documents

No other signers
Signer(s) Other Than Named Above

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
 COUNTY OF _____)

On _____, before me, _____, Notary Public,
 (Print Name of Notary Public)

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

 Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

 Title(s)

- Partner(s) Limited General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

Signer is representing:
 Name Of Person(s) Or Entity(ies)

 Title Or Type Of Document

 Number Of Pages

 Date Of Documents

 Signer(s) Other Than Named Above



Tri-City Mental Health Authority
AGENDA REPORT

DATE: October 19, 2022

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

BY: Dana Barford, Director of MHSA and Ethnic Services

SUBJECT: Consideration of Resolution No. 677 Authorizing the Executive Director to Execute a Memorandum of Understanding with the Bonita Unified School District (BUSD) to Provide Drop-In Mental Health Services to Students in its District

Summary:

Since 2005 Tri-City Mental Health Authority (TCMHA) and Bonita Unified School District (BUSD) have collaborated in providing skills-based behavior modification counseling services. Staff requests for approval of the MOU to continue services beginning October 1, 2022 to May 31, 2023.

Background:

For over 15 years, TCMHA has partnered with BUSD and the City of La Verne Youth and Family Action Committee in providing brief, intermittent skills-based counseling services to eight elementary and two high schools. Master's in Social Work student interns and staff have provided services at the school setting through each academic year.

Funding:

The MOU for Academic Year 2022-2023 continues the work done in previous years. No additional funds will be allocated by TCMHA. Funds for this MOU in the amount of \$20,000 will be appropriated from the BUSD. These funds have been set aside to support general program operations, materials cost, mileage, and portion of MSW student intern's contractual hours for services provided beyond the requirements of each graduate program's placement curriculum hours.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 677 approving the MOU with BUSD and authorize Executive Director to execute the MOU.

Attachment:

Attachment 7-A: Resolution No. 677 – DRAFT

Attachment 7-B: TCMHA and BUSD MOU effective October 1, 2022

RESOLUTION NO. 677

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE BONITA UNIFIED SCHOOL DISTRICT TO PROVIDE DROP-IN MENTAL HEALTH SERVICES TO STUDENTS IN ITS DISTRICT

The Governing Board of the Tri-City Mental Health Authority does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority (“Authority” or “TCMHA”) desires to continue to provide drop-in mental health services to the students in eight elementary and three high schools located in the Bonita Unified School District.

B. The BUSD will compensate TCMHA an amount not to exceed \$20,000 beginning October 1, 2022 through May 31, 2023 for brief, intermittent skills-based counseling services.

2. Action

The Governing Board authorizes the Authority’s Executive Director to enter into, and execute, a Memorandum of Understanding with the Bonita Unified School District to provide drop-in mental health services to students attending Bonita High School, Chaparral High School and Vista High School, and eight (8) elementary schools beginning October 1, 2022 through May 31, 2023.

3. Adoption

PASSED AND ADOPTED at a regular meeting of the Governing Board held on October 19, 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By:_____

By:_____

**MEMORANDUM OF UNDERSTANDING BETWEEN
TRI-CITY MENTAL HEALTH AUTHORITY
AND
BONITA UNIFIED SCHOOL DISTRICT**

This Memorandum of Understanding is entered into by Tri-City Mental Health Authority (TCMHA) and Bonita Unified School District (BUSD) to provide drop-in mental health services to students attending Bonita High School, Chaparral High School and Vista High School, and eight (8) elementary schools (Allen Avenue, Ekstrand, Gladstone, Grace Miller, La Verne Heights, Oak Mesa, Roynon, and Shull.)

This agreement will begin on October 1, 2022 and will end on May 31, 2023.

Bonita Unified School District agrees to:

1. Compensate Tri-City Mental Health Authority an amount not to exceed \$20,000 for the above stated period; no additional services will be provided without written prior approval from the Bonita Unified School District Board.
2. Reimburse Tri-City Mental Health Authority within 45 days of submittal of billing to the District.
3. Provide appropriate space at all schools for Tri-City Mental Health Authority staff.
4. Provide appropriate school staff for consultation as requested by Tri-City Mental Health Authority.
5. Identify a contact person at each school. This contact person will approve and screen all referrals to Tri-City Mental Health Authority staff.
6. Evaluate any 'crisis' to differentiate between normal school 'crisis' verses significant psychological crisis.

Tri-City Mental Health Authority agrees to:

1. Provide 3 hours per week mental health services (as further defined in items 4 through 8 below) to Bonita High School and Chaparral and High School for the period of October 1, 2022 through May 31, 2023.
2. Provide up to 3 hours of mental health services per week at each above referenced elementary schools for the period of October 1, 2022 through May 31, 2023.
3. Bill for services rendered in the months of October 2022, November 2022, December 2022, January 2023, February 2023, March 2023, April 2023 and May 2023.

4. Provide scheduled services at Bonita High School, Chaparral and Vista High Schools, and the eight (8) elementary schools referenced above when schools are in session.
5. Tri-City Mental Health Authority will also agree to see students residing outside of the La Verne city limits, but enrolled in the Bonita Unified School District and attending Bonita High School, Chaparral and Vista High Schools, or one of the eight (8) elementary schools referenced above when schools are in session.
6. Provide regular summary reports to Bonita Unified School District.
7. Respond to identified significant psychological crisis on the day Tri-City Mental Health Authority is present at the school.
8. Respond to any crisis request at Bonita High, Chaparral and Vista High Schools or any of the previously listed elementary schools within the scope of Tri-City Mental Health Authority's area of expertise.
9. Provide an agency representative to attend the monthly Youth and Family Action Committee Meetings at the La Verne City Hall. It is understood that these meetings take place at 6:30 PM on the 4th Tuesday of every month.

Tri-City Mental Health Authority will absorb the following costs:

1. Overhead expenses (administrative, supervisory, and support staff time).
2. Cost for therapeutic staff time if necessary in the event of a crisis.
3. Travel time by the assigned site staff persons and other necessary staff.
4. General overhead expenses (paper, medical record, etc.) Both Tri-City Mental Health Authority and Bonita Unified School District agree that this Memorandum of Understanding may be terminated by either party with a minimum of thirty days' written notice. It is further agreed that the terms of this Understanding cannot be modified without the written consent of both parties.

Rimmi Hundal
Executive Director
Tri-City Mental Health Authority

Sonia Gomez Eckley
Assistant Supt. of Business Services
Bonita Unified School District



Tri-City Mental Health Authority
AGENDA REPORT

DATE: October 19, 2022

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

BY: Dana Barford, MHSA Director and Ethnic Services

SUBJECT: Consideration of Resolution No. 678 Authorizing the Executive Director to Execute the Memorandum of Understanding with National Alliance of Mental Health Greater Los Angeles County (NAMI GLAC) to Provide Peer-Led Support Services and Education Classes under TCMHA's MHSA Community Services and Supports (CSS) Plan

Summary:

Staff is requesting that the Governing Board approve a Memorandum of Understanding (MOU) with the National Alliance of Mental Illness Greater Los Angeles County (NAMI GLAC) to continue to provide peer-led support services and education classes.

Background:

Since 2011, Tri-City has partnered with NAMI Pomona Valley under Tri-City's Mental Health Services Act (MHSA) Community Services and Supports (CSS) Plan to provide peer led support services in the form of support groups by trained NAMI PV volunteers throughout the Tri-City area in addition to providing education classes. The trained NAMI GLAC volunteers provide monthly support groups and multi-week education classes with the intention of expanding the outreach and engagement to unserved and underserved community members. The original funding allocation of \$14,300 per year will remain the same. This program was made part of the MHSA Annual Update for FY 2022-23 and was approved by the Governing Board on April 20, 2022.

Fiscal Impact:

As approved in the FY 2022-23 MHSA Annual Update, the total amount of \$14,300 will be funded 100% by MHSA Community Services and Support (CSS) funds.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 678 authorizing the Executive Director to enter into the Memorandum of Understanding with NAMI Greater Los Angeles County for Peer-Led Support Services Classes.

Attachments

Attachment 8-A: Resolution No. 678 - DRAFT
Attachment 8-B: TCMHA and NAMI GLAC MOU

RESOLUTION NO. 678

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A MOU WITH THE NATIONAL ALLIANCE OF MENTAL ILLNESS GREATER LOS ANGELES COUNTY TO PROVIDE PEER-LED SUPPORT SERVICES AND EDUCATION CLASSES UNDER TCMHA'S MHSA COMMUNITY SERVICES AND SUPPORTS (CSS) PLAN

The Governing Board of the Tri-City Mental Health Authority does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority ("TCMHA" or "Authority"), desires to approve a Memorandum of Understanding (MOU) with the National Alliance of Mental Illness Greater Los Angeles County (NAMI GLAC) to continue to provide peer-led support services and education classes under its Mental Health Services (MHSA) Community Services and Supports Plan.

B. The Authority affirms that NAMI GLAC is an independent contractor and not an employee, agent, joint venture or partner of TCMHA. The MOU does not create or establish the relationship of employee and employer between Contractor and TCMHA.

C. The Authority shall fund \$14,300, allocated under the Community Services and Support (CSS) Plan in its MHSA Annual Update for Fiscal Year 2022-23.

2. Action

The Authority's Executive Director is authorized to enter into, and execute, a MOU with NAMI GLAC in the amount of \$14,300, effective July 1, 2022 through June 30, 2023.

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on October 19, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By: _____

By: _____

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
TRI-CITY MENTAL HEALTH AUTHORITY
AND
NATIONAL ALLIANCE ON MENTAL ILLNESS GREATER LOS ANGELES COUNTY
FOR COMMUNITY SERVICES AND SUPPORTS (CSS)/ WELLNESS CENTER**

This MEMORANDUM OF UNDERSTANDING (MOU) is by and between National Alliance on Mental Illness Greater Los Angeles County (NAMI GLAC or Recipient), formerly known as NAMI Pomona Valley, a 501(c)(3) organization organized under the laws of the State of California with its principal office of operations at 233 West Harrison, Claremont, CA 91711; and Tri-City Mental Health Authority (Tri-City), a Joint Powers Agency organized under the laws of the State of California with its administrative office at 1717 N. Indian Hill Boulevard #B, Claremont, California 91711.

WHEREAS, Tri-City has received approval from the California Department of Health Care Services (DHCS) to implement a Community Services and Supports (CSS) Plan; and

WHEREAS, Tri-City is willing to contract with NAMI GLAC, a community based organization (CBO), to provide services on an existing program (CSS-Wellness Center) that was approved, under the CSS Plan as part of the Mental Health Services Act (MHSA) Annual Expenditure Plan for Fiscal Year 2022-23, by Tri-City Mental Health Authority Governing Board at its April 20, 2022 meeting for the purpose of providing trained NAMI GLAC volunteers to provide peer-led support groups throughout the Tri-City area.

NOW, THEREFORE, in consideration of the covenants, conditions, and stipulations hereinafter expressed, and in consideration of the mutual benefits to be derived there from, the parties hereby mutually agree as follows:

1. **SCOPE OF PROJECT:** Recipient shall perform the activities as described in the Scope of Work is attached hereto as Exhibit A and made a part of this MOU, and is hereafter referred to as “PROJECT.”
2. **PRINCIPAL SUPERVISOR:** PROJECT shall be under the supervision of Traute Winters, Executive Director of NAMI GLAC, who shall serve as Principal Supervisor. If for any reason the Principal Supervisor shall be unable to continue to serve and a successor acceptable to both parties is not available, this MOU shall be terminated as hereafter provided.
3. **PERIOD OF PERFORMANCE:** The activities of PROJECT shall commence on July 1, 2022 and continue through completion, not later than June 30, 2023. This period will be subject to modification or renewal only by mutual written agreement of the parties hereto. To the extent this MOU is subject to renewal or modification for a subsequent period, the parties hereto shall use their best efforts to execute the MOU for the subsequent period prior to the end of the current period.
4. **PAYMENT OF COSTS:** In consideration of Recipient’s performance hereunder, Tri-City agrees to support Recipient’s costs incurred conducting the activities of PROJECT, in the total amount **not-to-exceed** Fourteen Thousand Three Hundred Dollars (\$14,300) (without the written authorization of Tri-City). The total maximum amount of \$14,300 may be utilized for the following activities and distributed as follows:

A. Support Groups

- a. Spanish Family Support Groups-\$297.91 would be paid **monthly**, provided a minimum of 1 Spanish Family Support Group is held during the month (with a minimum of three attendees).
- b. Spanish Peer Support Group-\$297.91 would be paid **monthly**, provided a minimum of 1 Spanish Peer Support Group is held during the month (with a minimum of three attendees).
- c. English Family Support Group-\$297.91 would be paid **monthly**, provided a minimum of 1 English Family Support Group is held during the month (with a minimum of three attendees).
- d. English Peer Support Group-\$297.91 would be paid **monthly**, provided a minimum of 1 English Peer Support Group is held during the month (with a minimum of three attendees).

B. Education Classes

- a. Spanish Family to Family Education Classes-A total maximum of \$2,750 will be paid, for each 12-week or 8-week course session that is completed (with a minimum of three attendees).
- b. Spanish Basic Education Classes-A total maximum of \$2,750 will be paid, for each 6-week course session completed (with a minimum of three attendees).
- c. English Basic Education Classes-A total maximum of \$2,750 will be paid, for each 6-week course session completed (with a minimum of three attendees).
- d. English Family to Family Education Class-a total maximum of \$2,750 would be paid, for each 12-week or 8-week course session completed (with a minimum of three attendees).
- e. English Peer to Peer Class-a total maximum of \$2,750 would be paid, for each 8-week course session completed (with a minimum of three attendees).

Payment will be made within fifteen (15) days upon receipt of an invoice detailing costs incurred, in addition to sign-in sheets and surveys for each class. Payments will be based on attainment of the work plan and completion of services set forth in Exhibit A.

Payments due under the MOU shall be made payable to NAMI Greater Los Angeles County, and shall be mailed to:

NAMI Greater Los Angeles County
3600 Wilshire Blvd Ste 1804
Los Angeles, California 90010
ATTN: Traute Winters, Executive Director

5. **POLICIES AND PROCEDURES:** The PROJECT conducted hereunder shall be performed in accordance with the policies and procedures of Recipient.
6. **SPECIAL FUNDING PROVISIONS.** This PROJECT is funded by California Mental Health Services Act funds. As such, the use of the funds is subject to certain obligations and limitations that are set forth in Exhibit B and made a part of this MOU. PROJECT covenants and agrees to comply with the provisions of Exhibit B.

7. **TERMINATION:** Performance under this MOU may be terminated by either party upon thirty (30) days written notice to the authorized personnel listed in the notices section of this Memorandum of Understanding. Upon termination by Tri-City, Recipient will be entitled to retain sufficient funds to reimburse it for all costs and non-cancelable commitments incurred in performance of the MOU prior to the date of termination in an amount not to exceed the total commitment set forth in Paragraph 4. Upon termination by Recipient, all costs and non-cancelable commitments incurred thereafter will be the responsibility of Recipient. Recipient will return any unused funds to Tri-City within three (3) months of the written notice of termination.
8. **INDEMNIFICATION:** Recipient shall indemnify, defend and hold harmless Tri-City, its officers, employees, representatives, and agents from and against any and all claims, liability, loss, damage, demands, suits, judgments, expenses and costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with the Recipient's negligent acts, willful misconduct, or omissions arising from, or alleged to arise from, or related to, performance hereunder or its failure to comply with any of its obligations contained in the Memorandum of Understanding, except such loss or damage which was caused by the sole negligence or willful misconduct of Tri-City
9. **USE OF NAMES:** Recipient shall not employ or use the name of Tri-City in any promotional materials, advertising, or in any other manner without the prior express written permission of Tri-City, except that Tri-City and Recipient may, during the term of this Memorandum of Understanding or thereafter state that Tri-City is sponsoring, or has sponsored, the PROJECT.
10. **NOTICES:** Any notice given under this MOU shall be in writing to the individuals below and shall be deemed delivered three (3) days after deposit in the United States mail, certified or registered, postage prepaid, and addressed to the parties as follows:

NAMI: NAMI Greater Los Angeles County
 3600 Wilshire Blvd Ste 1804
 Los Angeles, California 90010
 Traute Winters, Executive Director
 (424) 542-5689
 E-Mail: twinters@namiglac.org

Tri-City: Tri-City Mental Health Authority
 1717 N. Indian Hill Boulevard #B
 Claremont, CA 91711-2788
 Attn: Rimmi Hundal, Ex Director
 (909) 623-6131
 E-Mail: rhundal@tricitymhs.org

11. **INDEPENDENT PARTIES:** For purpose of this MOU, the parties hereto shall be independent contractors and shall at all times be considered neither an agent nor employee of the other. No joint venture, partnership, or like relationship is created between the parties by this MOU. Tri-City and Recipient are independent legal entities and none have any authority to act for, or on behalf of, or bind another to, any contract, without the other's written approval or except as otherwise expressly set forth in this MOU.
12. **ASSIGNMENTS:** This MOU shall be binding upon and inure to the benefit of the parties hereto, and may be assigned only to the successors of these parties. Any other assignment by either party without prior written consent of the other party shall be void.

13. OWNERSHIP: Title to any equipment purchased or manufactured in performance of the PROJECT funded under this MOU shall vest with Tri-City, however, at the end of the contract, Recipient will have an option to purchase said equipment at the depreciated value.
14. FORCE MAJEURE: Recipient shall not be liable for any failure to perform as required by this MOU, to the extent such failure to perform is caused by any of the following: labor disturbances or disputes of any kind, accidents, failures of any required governmental approval, civil disorders, acts of aggression, acts of God, energy or other conservation measures, failure of utilities, mechanical breakdowns, material shortages, disease, or similar occurrences.
15. SEVERABILITY: In the event that a court of competent jurisdiction holds any provision of this MOU to be invalid, such holding shall have no effect on the remaining provisions of this MOU, and they shall continue in full force and effect.
16. GOVERNING LAW: The formation, interpretation and performance of this MOU shall be governed by the laws of the State of California. Venue for mediation, arbitration and/or actions arising out of this MOU shall be in Los Angeles County, California.
17. AUTHORITY: Each party represents to the other that the person signing on its behalf has the legal right and authority to execute, enter into and bind such party to the commitments and obligations set forth herein.
18. ENTIRE MOU: Unless otherwise specified herein, this MOU embodies the entire understanding of the parties for this PROJECT and any prior contemporaneous representations, either oral or written, are hereby superseded. No amendments or changes to this MOU including, without limitation, changes in the activities of the PROJECT, total estimated cost, and period of performance, shall be effective unless made in writing and signed by authorized representatives of both parties. If any provisions stated in the MOU, resulting purchase orders, and the project proposal are in conflict, the order of precedence, from first to last shall be: (a) Exhibit B, (b) MOU, (c) other Exhibits, (d) the project proposal, and (e) the purchase order, it being understood and agreed that any purchase order or similar document issued by Recipient will be for the sole purpose of establishing a mechanism for payment of any sums due and owing hereunder. Notwithstanding any terms and conditions contained in said purchase order, the purchase order will in no way modify or add to the terms of this MOU.

IN WITNESS WHEREOF, the parties hereto have executed this MEMORANDUM OF UNDERSTANDING by their duly authorized officers or representatives as of the latest date set forth below.

TRI-CITY MENTAL HEALTH AUTHORITY

NAMI GREATER LOS ANGELES COUNTY

By: _____
Rimmi Hundal, Executive Director

By: _____
Traute Winters, Executive Director

Dated: _____

Dated: _____

EXHIBIT A

SCOPE OF WORK

1. **Project Name:** CSS/Wellness Center Support Groups and Education Classes
2. **Purpose:** The purpose of the NAMI GLAC Wellness Center CSS Groups and Classes are to continue to provide peer-led support services by trained NAMI GLAC volunteers throughout the Tri-City area. Funded under the Community Services and Supports Plan (CSS), NAMI GLAC will provide trained NAMI GLAC volunteers to facilitate peer-led support groups throughout the Tri-City area.
3. **Brief Summary of the Project:** With the intention of expanding the outreach and engagement of the unserved and underserved community members, trained NAMI GLAC volunteers will provide monthly support groups and multi-week education classes within the performance period. Education classes will have a minimum of three attendees. Best efforts will be used to provide Spanish language support groups and education classes.
 - A. Monthly Support Groups:
 - a) Spanish Family Support Group
 - b) Spanish Peer Support Group
 - c) English Family Support Group
 - d) English Peer Support Group
 - B. Multi-Week Education Classes:
 - a) Spanish Family to Family Education Classes (12-Week or 8-Week Course Sessions)
 - b) Spanish Basics Education Class (6-Week Course Sessions)
 - c) English Basics Education Class (6-Week Course Sessions)
 - d) English Family to Family Education Classes (12-Week or 8-Week Course Sessions)
 - e) English Peer to Peer Class (8-Week Course Sessions)
4. **Work Plan and Timeline:**
 - A. Timeframe for project –Fiscal Year July 1, 2022 to June 30, 2023
 - B. NAMI GLAC will provide monthly support groups and multi-week education classes within the performance period.
 - C. Invoices submitted to Tri-City Mental Health Authority for each presentation shall include:
 - a) Sign-in sheets for each presentation (with a minimum of three attendees)
 - b) Surveys
 - c) Where applicable, but not limited to, time sheets, copies of invoices, signed statements by persons performing the work, or other documentation as deemed appropriate to support invoices by Recipient to Tri-City.
5. **Estimated budget:**
 - A. Upon receipt of invoice, sign-in sheets and surveys verifying the groups/classes (with a minimum of three attendees) will be reimbursed at as follows:
 - a) Monthly Support Groups (as noted above) shall be paid at a monthly rate as specified in the Memorandum of Understanding
 - b) Multi-Week Education Classes (as noted above) shall be paid per each education course completion.

6. Other Requirements:

- A. The Executive Director of NAMI GLAC (or representative) will make best efforts to attend monthly Commission meetings and participate in MHSA Stakeholder meetings.
- B. Contractor/NAMI GLAC shall provide evidence of its capacity to provide culturally competent trainings to culturally diverse participants.
- C. Trainings provided by Contractor/NAMI GLAC shall be staffed with personnel who can communicate in participants preferred language, or Contractor shall provide interpretation services.
- D. Contractor/NAMI GLAC is responsible for providing evidence of cultural competence trainings attended by all NAMI GLAC training staff. If Contractor/NAMI GLAC is unable to provide said training, training staff must arrange to participate in a minimum of two cultural competence trainings per year provided by Tri-City Mental Health.

DRAFT

EXHIBIT B

MENTAL HEALTH SERVICES ACT CONTRACT PROVISIONS

1. Compliance

In performance of this agreement, NAMI GLAC (RECIPIENT) will fully comply with:

- a) The provisions of the Mental Health Services Act and all applicable regulations, related statutes, directives, policies, procedures and amendments.
- b) State of California, Department of General Services, Terms and Conditions which can be accessed at <http://www.documents.dgs.ca.gov/ol/GTC-307.doc>.

If, at any point during the duration of this Agreement, Tri-City Mental Health Authority (Tri-City) determines that RECIPIENT is out of compliance with any provision in this Agreement, Tri-City may request a plan of correction, after providing RECIPIENT with written notification and the basis for the finding of noncompliance.

This agreement contains the entire agreement of the parties and supersedes all negotiations, verbal or otherwise and any other agreement between the parties hereto. This agreement is not intended to and will not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association between Tri-City and the RECIPIENT. The RECIPIENT represents and warrants it is free to enter into and fully perform this agreement.

2. Certification / Assurances

Except as otherwise indicated, the following certifications apply to the RECIPIENT:

- a) Unenforceable Provision: In the event that any provision of this agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this agreement have force and effect and shall not be affected hereby.
- b) Indemnification: Pursuant to the provision of Section 895.4 of the California Government Code, each party agrees to indemnify and hold the other party harmless from all liability for damage to persons or property arising out of or resulting from acts or omissions of the indemnifying party.

3. Standards of Conduct

The following standards apply to the RECIPIENT:

- a) Every reasonable course of action will be taken by the RECIPIENT in order to maintain the integrity of this expenditure of public funds and to avoid favoritism and questionable or improper conduct. This Agreement will be administered in an impartial manner, free from efforts to gain personal, financial or political gain.
- b) An executive or employee of the RECIPIENT or an elected official of a RECIPIENT, will not solicit or accept money or any other consideration from a third person, for the performance of an act reimbursed in whole or part by Tri-City. Supplies, materials, equipment or services purchased with Agreement funds will be used solely for purposes allowed under this Agreement. No member of a RECIPIENT's Board will cast a vote on the provision of services by that member (or any organization, which that member represents) or vote on any matter which would provide direct financial benefit to that member (or immediate family of the member) or any business or organization which the member directly represents.

- c) Tri-City, by written notice to the RECIPIENT, may terminate the right of the RECIPIENT to proceed under this Agreement if it is found, after notice and hearing by Tri-City, that gratuities were offered or given by the RECIPIENT or any agent or representative of the RECIPIENT to any officer or employee of Tri-City with a view toward securing a contract or securing favorable treatment with respect to the awarding, amending, or performing of such Agreement, provided that the existence of the facts upon which Tri-City makes such findings that shall be an issue may be reviewed in any competent court.

In the event this Agreement is terminated as provided in the paragraph above, Tri-City shall be entitled:

- (a) to pursue the same remedies against the RECIPIENT as it could pursue in the event of the breach of the Agreement by the RECIPIENT, and
- (b) as a predetermined amount of liquidated damages in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount which shall be not less than three times the cost incurred by the RECIPIENT in providing any such gratuities to any such officer or employee.

The rights and remedies of Tri-City provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement. The RECIPIENT warrants by execution of this Agreement that no person or selling agency has been employed or retained to solicit or secure this Agreement upon a Contract or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees of the RECIPIENT, for the purpose of securing business. For breach or violation of this warranty, Tri-City shall have the right to annul this Agreement without liability, paying only for the values of the work actually returned, or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

4. Subcontracting

The RECIPIENT certifies that:

- a) Any of the work or services specified in this agreement which will be performed by other than the RECIPIENT will be evidenced by a written agreement specifying the terms and conditions of such performance.
- b) The RECIPIENT will maintain and adhere to an appropriate system, consistent with federal, state and local law, for the award and monitoring of contracts which contain acceptable standards for insuring accountability.
- c) The system for awarding contracts will contain safeguards to insure that the RECIPIENT does not contract with any entity whose officers have been convicted of fraud or misappropriation of funds.
- d) Subcontractors will comply with the Confidentiality requirements set forth in provision 10 of this Agreement.

5. Insurance

The RECIPIENT hereby warrants that it carries and shall maintain in full force and effect during the full term of this contract and any extensions to said term:

- a) Sufficient and adequate Worker's Compensation Insurance for all of its employees who will be engaged in the performance of this Agreement and agrees to furnish to Tri-City satisfactory evidence thereof at any time Tri-City may request the same; and,
- b) Sufficient and adequate Liability Insurance to cover any and all potential liabilities and agrees to furnish to Tri-City satisfactory evidence thereof upon request by the Tri-City.

6. Amendments

This Agreement may be unilaterally modified by Tri-City only under any of the following circumstances:

- a) There is a change in state law or regulation requiring a change in the provisions of this agreement.

7. Reporting

The RECIPIENT will compile and submit reports of services, activities, performance attainment, expenditures, status of cash and closeout information by the specified dates as prescribed by Tri-City in regulations, directives, and policies. Failure to adhere to the specified reporting requirements may result in funds not being released.

8. Records

- a) The RECIPIENT will retain all records pertinent to this Agreement for a period of five (5) years from the date of expiration of this Agreement. If, at the end of five (5) years, there is litigation or an audit involving those records, the RECIPIENT will retain the records until the resolution of such litigation or audit.
- b) Tri-City or its designee will have access to and right to examine, monitor and audit all records, documents, conditions and activities related to programs funded by this Agreement. For purposes of this section, "access to" means that the RECIPIENT shall at all times maintain a complete set of records and documents related to programs funded by this agreement and shall make these records available to Tri-City or their designee in a central location. The RECIPIENT's performance under the terms and conditions herein specified will be subject to an evaluation by Tri-City of the adequacy of the services performed, timeliness of response and a general impression of the competency of the RECIPIENT and its staff.

9. Audits

- a) From time to time, Tri-City may inspect the facilities, systems, books and records of the RECIPIENT to monitor compliance with this Agreement. The RECIPIENTS shall promptly remedy any violation of any provision of this Agreement and shall certify the same to Tri-City in writing. The fact that Tri-City inspects, or fails to inspect, or has the right to inspect, the RECIPIENT's facilities, systems and procedures does not relieve the RECIPIENTS of its responsibilities to comply with this Agreement. Tri-City's failure to detect or detection, but failure to notify the RECIPIENT or require the RECIPIENT's remediation of any unsatisfactory practice, does not constitute acceptance of such practices or a waiver of Tri-City's enforcement rights under this Agreement.
- b) The RECIPIENT will maintain and make available to auditors, at all levels, accounting and program records including supporting source documentation and cooperate with all auditors.

- c) The RECIPIENT and/or auditors performing monitoring or audits of the RECIPIENT or its sub-contracting service providers will immediately report to Tri-City any incidents of fraud, abuse or other criminal activity in relation to this agreement, the MHSA, or its regulations.

10. Confidentiality Requirements

Acknowledging the RECIPIENT's continuing obligation to follow existing legal mandates regarding protection and/or release of information maintained by the RECIPIENT, the following Confidentiality Requirements apply:

A. General Requirements:

- a) The RECIPIENT will not disclose data or documents or disseminate the contents of the final or any preliminary report without express permission of Tri-City.
- b) Permission to disclose information or documents on one occasion or at public hearings held by Tri-City relating to the same shall not authorize the RECIPIENT to further disclose such information or documents on any other occasions.
- c) The RECIPIENT will not comment publicly to the press or any other media regarding the data or documents generated, collected, or produced in connection with this Agreement, or Tri-City's actions on the same, except to Tri-City's staff, the RECIPIENT's own personnel involved in the performance of this Agreement, at a public hearing, or in response to the questions from a legislative committee.
- d) If requested by Tri-City, the RECIPIENT shall require each of its employees or officers who will be involved in the performance of this Agreement to agree to the above terms in a form to be approved by Tri-City and shall supply Tri-City with evidence thereof.
- e) Each subcontract shall contain the foregoing provisions related to the confidentiality of data and nondisclosure of the same.
- f) After any data or documents submitted has become a part of the public records of Tri-City, the RECIPIENT may, if it wishes to do so, at its own expense and upon approval by Tri-City, publish or utilize the same but shall include the following legend:

LEGAL NOTICE: This report was prepared as an account of work sponsored by the Department of Health Care Services, but does not necessarily represent the views of the Department or any of its employees except to the extent, if any, that it has formally been approved by the Department. For information regarding any such action, communicate directly with the Department Director at P.O. Box 997413, MS 0000 Sacramento, California, 95899-7413. Neither said Department nor the State of California, nor any officer or employee thereof, or Tri-City Mental Health Center make any warranty, express or implied, or assumes any legal liability whatsoever for the contents of this document. Nor does any party represent that use of the data contained herein would not infringe upon privately owned rights without obtaining permission or authorization from any party who has any rights in connection with the data.

- g) "Data" as used in this Agreement means recorded information, regardless of form or characteristics, of a scientific or technical nature. It may, for example, document research, experimental, developmental or engineering work; or be usable or be used to define a design or process; or support a premise or conclusion asserted in any deliverable document called for by this Agreement. The data may be graphic or pictorial delineations in media, such as drawings or

photographs, charts, tables, mathematical models, collections or extrapolations of data or information, etc. It may be in machine form, as punched cards, magnetic tape, computer printouts, or may be retained in computer memory.

- h) "Proprietary data" is such data as the RECIPIENT has identified in a satisfactory manner as being under Recipient's control prior to commencement of performance of this Agreement and which has been reasonably demonstrated as being of a proprietary force and effect at the time this Agreement is commenced.
 - i) "Generated data" is that data, which a RECIPIENT has collected, collated, recorded, deduced, read out or postulated for utilization in the performance of this Agreement. Any electronic data processing program, model or software system developed or substantially modified by the RECIPIENT in the performance of this Agreement at RECIPIENTS expense, together with complete documentation thereof shall be treated in the same manner as generated data.
 - j) "Deliverable data" is that data which under terms of this Agreement is required to be delivered to Tri-City. Such data shall be property of Tri-City.
 - k) "Generated data" shall be the property of Tri-City unless and only to the extent that it is specifically provided otherwise herein.
 - l) The title to the Recipient's proprietary data shall remain in the Recipient's possession throughout the term of this Agreement and thereafter. As to generated data which is reserved to the RECIPIENT by express terms of this Agreement and as to any preexisting or proprietary data which has been utilized to support any premise, postulate or conclusion referred to or expressed in any deliverable hereunder, the RECIPIENT shall preserve the same in a form which may be introduced in evidence in a court of competent jurisdiction at the Recipient's own expense for a period of not less than three years after receipt by Tri-City of the final report or termination of this Agreement and any and all amendments hereto, or for three years after the conclusion or resolution of any and all audits or litigation relevant to this Agreement, whichever is later.
 - m) Prior to the expiration of such time and before changing the form of or destroying any such data, the RECIPIENT shall notify Tri-City of any such contemplated action; and Tri-City may within 30 days after said notification determine whether it desires said data to be further preserved and, if Tri-City so elects, the expense of further preserving said data shall be paid for by Tri-City. The RECIPIENT agrees that Tri-City shall have unrestricted reasonable access to the same during said three-year period and throughout the time during which said data is preserved in accordance with this Agreement, and the RECIPIENT agrees to use best efforts to furnish competent witnesses or to identify such competent witnesses to testify in any court of law regarding said data.
 - n) Each party shall designate an employee who shall be responsible for overall security and confidentiality of its data and information systems and each party shall notify the other of any changes in that designation.
- B. Confidentiality Requirements relating to the Health Insurance Portability and Accountability Act (HIPAA)-The Parties agree that no information or services subject to HIPAA form part of the services to be provided under this Agreement. The RECIPIENT agrees not to use any portion of the funds received under this Agreement for purposes that would be subject to HIPAA requirements.



**Tri-City Mental Health Authority
AGENDA REPORT**

DATE: October 19, 2022

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

BY: Dana Barford, MHSA Director and Ethnic Services

SUBJECT: Consideration of Resolution No. 779 Authorizing the Executive Director to Execute the Memorandum of Understanding with National Alliance of Mental Health Greater Los Angeles County (NAMI GLAC) to Provide Presentations and Training on Mental Health under TCMHA's Mental Health Services Act (MHSA) Prevention and Early Intervention Plan

Summary:

Staff is requesting that the Governing Board approve a Memorandum of Understanding (MOU) with the National Alliance of Mental Illness Greater Los Angeles (NAMI GLAC) to continue to provide trainings for the purpose of increasing awareness among teachers, staff, parents and students regarding the prevention and early intervention of mental disorders, and to decrease stigma and increase compassion for those who may be showing symptoms of early onset mental illness in the Tri-City schools located in the Cities of Claremont, La Verne, and Pomona.

Background:

Since 2011, Tri-City has partnered with NAMI GLAC under Tri-City's Mental Health Services Act (MHSA) Prevention and Early Intervention (PEI) plan to provide training in schools located in the cities of Claremont, La Verne and Pomona. The original program budget provided funding to NAMI GLAC to support their community capacity building programs which included the "Parents and Teachers as Allies" program. In July 2019, Parents and Teachers as Allies (PTAA) was replaced by a more comprehensive training called Ending the Silence (ETS), which included the same components as PTAA as well as a component dedicated to training students to recognize early warning signs of mental illness.

As a result of the impact of COVID-19 and the limited access of school personnel, parents and students, and an increase in requests for more general training on mental health, NAMI GLAC introduced an expansion to their ETS program. In April of 2021, stakeholders unanimously agreed to add NAMI 101 to the existing Ending the Silence program thereby creating two training options for community members. The NAMI 101 program includes curriculum that can present the program to a wider array of community members in the 0 - 25 age range.

Governing Board of Tri-City Mental Health Authority
Consideration of Resolution No. 679 Authorizing the Executive Director to Execute the Memorandum of Understanding with National Alliance of Mental Health Greater Los Angeles County (NAMI GLAC) to Provide Presentations and Training on Mental Health under TCMHA's Mental Health Services Act (MHSA) Prevention and Early Intervention Plan
October 19, 2022
Page 2

The original funding allocation for ETS of \$35,500 per year has remained the same and is available for both programs.

Fiscal Impact:

As approved in the FY 2022-23 MHSA Annual Update, the total amount of \$35,500 will be funded 100% by MHSA Prevention and Early Intervention (PEI) funds.

Recommendation:

Staff recommends that the Governing Board adopt Resolution No. 779 approving the MOU with NAMI GLAC to provide presentations and training on Mental Health and authorizing Executive Director to execute the MOU.

Attachments:

Attachment 9-A: Resolution No. 779 - DRAFT

Attachment 9-B: TCMHA and NAMI GLAC MOU

RESOLUTION NO. 679

A RESOLUTION OF THE GOVERNING BOARD OF THE TRI-CITY MENTAL HEALTH AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A MOU WITH THE NATIONAL ALLIANCE OF MENTAL ILLNESS GREATER LOS ANGELES COUNTY TO PROVIDE PRESENTATIONS AND TRAINING ON MENTAL HEALTH UNDER TCMHA'S MENTAL HEALTH SERVICES ACT (MHSA) PREVENTION AND EARLY INTERVENTION PLAN

The Governing Board of the Tri-City Mental Health Authority does resolve as follows:

1. Findings. The Governing Board hereby finds and declares the following:

A. Tri-City Mental Health Authority ("TCMHA" or "Authority"), desires to approve a Memorandum of Understanding (MOU) with the National Alliance of Mental Illness Greater Los Angeles County (NAMI GLAC) to support their community capacity building programs which includes the training called "Ending the Silence" (ETS), and NAMI 101.

B. The Authority affirms that NAMI GLAC is an independent contractor and not an employee, agent, joint venture or partner of TCMHA. The MOU does not create or establish the relationship of employee and employer between Contractor and TCMHA.

C. The Authority shall fund \$35,500, from the Prevention and Early Intervention Plan in its Mental Health Services Act (MHSA) Annual Update for Fiscal Year 2022-23.

2. Action

The Authority's Executive Director is authorized to enter into, and execute, a MOU with NAMI GLAC in the amount of \$35,500, effective July 1, 2022 through June 30, 2023.

3. Adoption

PASSED AND ADOPTED at a Regular Meeting of the Governing Board held on October 19, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JED LEANO, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MICAELA P. OLMOS, RECORDING SECRETARY

By: _____

By: _____

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
TRI-CITY MENTAL HEALTH AUTHORITY AND
NATIONAL ALLIANCE ON MENTAL ILLNESS GREATER LOS ANGELES COUNTY
FOR ENDING THE SILENCE & NAMI 101 PROGRAMS**

This MEMORANDUM OF UNDERSTANDING is by and between National Alliance on Mental Illness Greater Los Angeles County (NAMI GLAC), formerly known as NAMI Pomona Valley (NAMI PV), a 501(c)(3) organization organized under the laws of the State of California with its principal office of operations at 233 West Harrison, Claremont, California 91711 and Tri-City Mental Health Authority (Tri-City), a joint powers agency organized under the laws of the State of California with its administrative office at 1717 N. Indian Hill Boulevard #B, Claremont, California 91711.

WHEREAS, Tri-City has received approval from the California Department of Health Care Services (DHCS) Health to implement a Community Capacity and Wellbeing (CCW) program as defined in Tri-City's Prevention and Early Intervention (PEI) Plan; and

WHEREAS, Tri-City is willing to contract with NAMI GLAC, a community-based organization (CBO), to provide presentations and support through two programs named, Ending the Silence and NAMI 101, which were approved, under the PEI Plan as part of the Mental Health Services Act (MHSA) Annual Expenditure Plan for Fiscal Year 2022-23, by Tri-City Mental Health Authority Governing Board at its April 20, 2022 meeting, for the purpose of increasing awareness among teachers, staff, parents and students regarding the prevention and early intervention of mental disorders, and to decrease stigma and increase compassion for those who may be showing symptoms of early onset mental illness in the Tri-City school districts-Pomona Unified School District, Bonita Unified School District, and Claremont Unified School District, including the private schools.

WHEREAS, Tri-City is willing to contract with NAMI GLAC to provide services as required by the approved CCW program in accordance with its budget, in consideration of the terms and conditions of this MOU;

NOW, THEREFORE, in consideration of the covenants, conditions, and stipulations hereinafter expressed, and in consideration of the mutual benefits to be derived there from, the parties hereby mutually agree as follows:

1. **SCOPE OF PROJECT:** Recipient shall perform the activities as described in the Scope of Work attached hereto as Exhibit A and made a part of this MOU, and is hereafter referred to as "PROJECT."
2. **PRINCIPAL SUPERVISOR:** PROJECT shall be under the supervision of Traute Winters, Executive Director of NAMI GLAC, who shall serve as Principal Supervisor. If for any reason the Principal Supervisor shall be unable to continue to serve and a successor acceptable to both parties is not available, this MOU shall be terminated as hereafter provided.
3. **PERIOD OF PERFORMANCE:** The activities of PROJECT shall commence on July 1, 2022 and are expected to continue through June 30, 2023. This period will be subject to modification or renewal only by mutual written agreement of the parties hereto. To the extent this MOU is subject to renewal or modification for a subsequent period, the parties hereto shall use their best efforts to execute the MOU for the subsequent period prior to the end of the current period.

4. NAMI GLAC will provide a minimum of four Ending the Silence and NAMI 101 presentations at each of the respective school districts, within the performance period including as follows:
 - 1) Minimum of two (2) ENDING THE SILENCE trainings and a minimum of two (2) NAMI 101 trainings for Bonita Unified School District (BUSD), for a total four (4) trainings.
 - 2) Minimum of two (2) ENDING THE SILENCE trainings and a minimum of two (2) NAMI 101 trainings for Claremont Unified School District (CUSD), for a total of four (4) trainings.
 - 3) Minimum of two (2) ENDING THE SILENCE trainings and a minimum of two (2) NAMI 101 trainings for Pomona Unified School District (PUSD), for a total of four (4) trainings.
 - 4) Minimum of two (2) ENDING THE SILENCE trainings and a minimum of two (2) NAMI 101 trainings for a total of four (4) trainings to be provide at private schools within the three cities.
 - 5) Additionally, both Ending the Silence and NAMI 101 presentations shall be made available in Spanish at least two times per year.

5. PAYMENT OF COSTS: In consideration of Recipient's performance hereunder, Tri-City agrees to support Recipient's costs incurred conducting the activities of PROJECT, in the amount of not-to-exceed Thirty-Five Thousand Five Hundred Dollars (\$35,500.00), which will include payments for Ending the Silence and NAMI 101 presentations at the rate of \$2,750 per presentation which shall include stipends for teacher substitutes. The total amount of \$35,500 shall not be exceeded by Recipient without the written authorization of Tri-City. Payment shall be made to Recipient as follows:
 - a) Within fifteen (15) days upon receipt of an invoice detailing costs incurred, sign-in sheets and surveys. The invoices should be submitted to Tri-City within 15 (days) following the completion services.
 - b) Payments will be based on attainment of the work plan and completion of services set forth in Exhibit A.
 - c) Should meet their minimums as noted above at item no. 4
 - d) A total of \$35,500 will be available to fund the various training meetings as identified in Exhibit A and stipends. The stipends are specifically for teachers or employees of the schools noted above. Considering that funding could be a barrier for attendance by school representatives, these stipends are intended to facilitate and encourage these school representatives to attend the trainings, and provide reimbursement to either the school district or the employee for their participation. The \$35,500 shall be available funding for trainings provided within the three cities as follows:
 - a) Up to \$8,875 for Bonita Unified School District in La Verne, California including trainings at private schools (including stipends)
 - b) Up to \$8,875 for Claremont Unified School District in Claremont, California including trainings at private schools (including stipends)
 - c) Up to \$17,750 for Pomona Unified School District or in Pomona, California including training for a private school within the Tri-City area (including stipends)

Payments due under the MOU shall be made payable to NAMI Greater Los Angeles County, and shall be mailed to:

NAMI Greater Los Angeles County
ATTN: Traute Winters
3600 Wilshire Blvd Ste 1804
Los Angeles, California 90010

6. POLICIES AND PROCEDURES: The PROJECT conducted hereunder shall be performed in accordance with the policies and procedures of Recipient.

7. SPECIAL FUNDING PROVISIONS. This PROJECT is funded by California Mental Health Services Act funds. As such, the use of the funds is subject to certain obligations and limitations that are set forth in Exhibit B and made a part of this MOU. PROJECT covenants and agrees to comply with the provisions of Exhibit B.
8. TERMINATION: Performance under this MOU may be terminated by either party upon thirty (30) days written notice to the authorized personnel listed in the notices section of this MOU. Upon termination by Tri-City, Recipient will be entitled to retain sufficient funds to reimburse it for all costs and non-cancelable commitments incurred in performance of the MOU prior to the date of termination in an amount not to exceed the total commitment set forth in Paragraph 4. Upon termination by Recipient, all costs and non-cancelable commitments incurred thereafter will be the responsibility of Recipient. Recipient will return any unused funds to Tri-City within three (3) months of the written notice of termination.
9. INDEMNIFICATION: Recipient shall indemnify, defend and hold harmless Tri-City, its officers, employees, representatives, and agents from and against any and all claims, liability, loss, damage, demands, suits, judgments, expenses and costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with the Recipient's negligent acts, willful misconduct, or omissions arising from, or alleged to arise from, or related to, performance hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of Tri-City
10. USE OF NAMES: Recipient shall not employ or use the name of Tri-City in any promotional materials, advertising, or in any other manner without the prior express written permission of Tri-City, except that Tri-City and Recipient may, during the term of this MOU or thereafter state that Tri-City is sponsoring, or has sponsored, the PROJECT.
11. NOTICES: Any notice given under this MOU shall be in writing to the individuals below and shall be deemed delivered three (3) days after deposit in the United States mail, certified or registered, postage prepaid, and addressed to the parties as follows:

NAMI: NAMI Greater Los Angeles County
3600 Wilshire Blvd Ste 1804
Los Angeles, California 90010
Traute Winters, Executive Director
(424) 542-5689
E-Mail: twinters@namiglac.org

Tri-City: Tri-City Mental Health Authority
1717 N. Indian Hill Boulevard #B
Claremont, CA 91711-2788
Attn: Rimmi Hundal, Ex Director
(909) 623-6131
E-Mail: rhundal@tricitymhs.org

12. INDEPENDENT PARTIES: For purpose of this MOU, the parties hereto shall be independent contractors and shall at all times be considered neither an agent nor employee of the other. No joint venture, partnership, or like relationship is created between the parties by this MOU. Tri-City and Recipient are independent legal entities, and none have any authority to act for, or on

behalf of, or bind another to, any contract, without the other's written approval or except as otherwise expressly set forth in this MOU.

13. ASSIGNMENTS: This MOU shall be binding upon and inure to the benefit of the parties hereto and may be assigned only to the successors of these parties. Any other assignment by either party without prior written consent of the other party shall be void.
14. OWNERSHIP: Title to any equipment purchased or manufactured in performance of the PROJECT funded under this MOU shall vest with Tri-City; however, at the end of the contract, Recipient will have an option to purchase said equipment at the depreciated value.
15. FORCE MAJEURE: Recipient shall not be liable for any failure to perform as required by this MOU, to the extent such failure to perform is caused by any of the following: labor disturbances or disputes of any kind, accidents, failures of any required governmental approval, civil disorders, acts of aggression, acts of God, energy or other conservation measures, failure of utilities, mechanical breakdowns, material shortages, disease, or similar occurrences.
16. SEVERABILITY: In the event that a court of competent jurisdiction holds any provision of this MOU to be invalid, such holding shall have no effect on the remaining provisions of this MOU, and they shall continue in full force and effect.
17. GOVERNING LAW: The formation, interpretation and performance of this MOU shall be governed by the laws of the State of California. Venue for mediation, arbitration and/or actions arising out of this MOU shall be in Los Angeles County, California.
18. AUTHORITY: Each party represents to the other that the person signing on its behalf has the legal right and authority to execute, enter into and bind such party to the commitments and obligations set forth herein.
19. ENTIRE MOU: Unless otherwise specified herein, this MOU embodies the entire understanding of the parties for this PROJECT and any prior contemporaneous representations, either oral or written, are hereby superseded. No amendments or changes to this MOU including, without limitation, changes in the activities of the PROJECT, total estimated cost, and period of performance, shall be effective unless made in writing and signed by authorized representatives of both parties. If any provisions stated in the MOU, resulting purchase orders, and the project proposal are in conflict, the order of precedence, from first to last shall be: (a) Exhibit B, (b) MOU, (c) other Exhibits, (d) the project proposal, and (e) the purchase order, it being understood and agreed that any purchase order or similar document issued by GRANTEE will be for the sole purpose of establishing a mechanism for payment of any sums due and owing hereunder. Notwithstanding any terms and conditions contained in said purchase order, the purchase order will in no way modify or add to the terms of this MOU.

IN WITNESS WHEREOF, the parties hereto have executed this MEMORANDUM OF UNDERSTANDING by their duly authorized officers or representatives as of the latest date set forth below.

TRI-CITY MENTAL HEALTH AUTHORITY

NAMI GREATER LOS ANGELES COUNTY

By: _____
Rimmi Hundal, Executive Director

By: _____
Traute Winters, Executive Director

Dated: _____

Dated: _____

EXHIBIT A

SCOPE OF WORK

1. **Project Name:** Ending the Silence & NAMI 101
2. **Purpose:** The purpose of these programs is to increase awareness among teachers, staff, parents and students, regarding the prevention and early intervention of mental disorders, and to decrease stigma and increase compassion for those who may be showing symptoms of early onset mental illness in the Tri-City school districts – Pomona Unified School District, Bonita Unified School District and Claremont Unified School District, including private schools located within the three school districts. NAMI 101 is being added as an expansion of and to compliment the current Ending the Silence program. Specifically, NAMI 101 will strengthen program participants' knowledge acquisition, provide a more solid development of skill and knowledge to program participants and more structured content. The topics to be covered in NAMI 101 will include: what is mental illness?; how do we maintain mental wellness?; identifying triggers; identifying a support system; mental health warning signs; empathy; boundary setting; and self-care .
3. **Brief Summary of the Project:** The Ending the Silence & NAMI 101 programs provide an overview of emotional disorders and mental illnesses commonly encountered among children and adolescents.
 - A. Teachers, staff and parents will learn about:
 - a) The latest research on brain disorders in children and adolescents.
 - b) Signs of early onset mental illnesses in children and adolescents as seen at home and at school.
 - c) Understand family reactions to mental illnesses.
 - d) Community resources.
 - e) Early interventions and treatment, which lead to better educational outcomes for students.
 - B. Trained presenters with both professional and personal experience will present. Information on NAMI GLAC programs and community resources will be handed out to the participants at the presentation. Ending the Silence and NAMI 101 presentations will be offered in one-hour periods.
4. **Work Plan and Timeline:**
 - A. Timeframe for project - July 1, 2022 to June 30, 2023
 - B. With support from School District and individual schools' leadership, NAMI GLAC will continue to conduct outreach to schedule and secure appointments for these programs in the three school districts, including private schools.
 - C. NAMI GLAC will provide a minimum of four ENDING THE SILENCE & NAMI 101 presentations at each of the respective school districts, within the performance period as follows:
 - a) Minimum of two (2) ENDING THE SILENCE trainings and a minimum of two (2) NAMI 101 trainings for Bonita Unified School District (BUSD), for a total four (4) trainings.

- b) Minimum of two (2) ENDING THE SILENCE trainings and a minimum of two (2) NAMI 101 trainings for Claremont Unified School District (CUSD), for a total of four (4) trainings.
 - c) Minimum of two (2) ENDING THE SILENCE trainings and a minimum of two (2) NAMI 101 trainings for Pomona Unified School District (PUSD), for a total of four (4) trainings
 - d) Additionally, both Ending the Silence and NAMI 101 presentations shall be made available in Spanish at least two times per year at each of the school districts.
- D. Invoices submitted to Tri-City Mental Health Authority for each presentation shall be submitted to Tri-City within 45 days of the presentation and shall include:
- a) Sign-in sheets for each presentation, with a minimum of three attendees.
 - b) Participant surveys for each presentation.
 - c) Where applicable, but not limited to, time sheets, copies of invoices, signed statements by persons performing the work, or other documentation as deemed appropriate to support invoices by Recipient to Tri-City.
 - d) Demographic information reports are to be turned in on a monthly basis and by the 15th of each month following the month-end. (A separate report of information gathered from the surveys).
 - e) Supporting documentation for teacher stipends such as copies of checks issued for teacher stipends.

5. Other Requirements:

- A. NAMI GLAC will provide a final comprehensive learning document detailing the ENDING THE SILENCE & NAMI 101 presentations/activities, survey results, and strategies to address and/or plan for improvements of the project moving forward, no later than September 30, 2023.
- B. The Executive Director of NAMI GLAC (or representative) will make best efforts to attend monthly Commission meetings and participate in MHSA Stakeholder meetings.
- C. Contractor/NAMI GLAC shall provide evidence of its capacity to provide culturally competent trainings to culturally diverse participants.
- D. Trainings provided by Contractor/NAMI GLAC shall be staffed with personnel who can communicate in participants preferred language, or Contractor shall provide interpretation services.
- E. Contractor/NAMI GLAC is responsible for providing evidence of cultural competence trainings attended by all NAMI GLAC training staff. If Contractor/NAMI GLAC is unable to provide said training, training staff must arrange to participate in a minimum of two cultural competence trainings per year provided by Tri-City Mental Health Authority.

6. Estimated budget: The estimated budget, including budget categories, for each year the project is funded, is as follows:

- A. A total of \$35,500 will be available to fund all of the training meetings and stipends. The stipends are specifically for teachers or employees of the schools noted above. Considering that funding could be a barrier for attendance by school representatives,

these stipends are intended to facilitate and encourage these school representatives to attend the trainings, and provide reimbursement to either the school district or the employee for their participation. The \$35,500 shall be available funding for trainings provided within the three cities as follows:

- d) Up to a total of \$8,875 for Bonita Unified School District in La Verne, California (including stipends).
- e) Up to a total of \$8,875 for Claremont Unified School District in Claremont, California (including stipends).
- f) Up to a total of \$17,750 for Pomona Unified School District or in Pomona, California (including stipends).

EXHIBIT B

MENTAL HEALTH SERVICES ACT CONTRACT PROVISIONS

1. Compliance

In performance of this agreement, NAMI GLAC (RECIPIENT) will fully comply with:

- a) The provisions of the Mental Health Services Act and all applicable regulations, related statutes, directives, policies, procedures and amendments.
- b) State of California, Department of General Services, Terms and Conditions which can be accessed at <http://www.documents.dgs.ca.gov/ol/GTC-307.doc>.

If, at any point during the duration of this Agreement, Tri-City Mental Health Authority (Tri-City) determines that RECIPIENT is out of compliance with any provision in this Agreement, Tri-City may request a plan of correction, after providing RECIPIENT with written notification and the basis for the finding of noncompliance.

This agreement contains the entire agreement of the parties and supersedes all negotiations, verbal or otherwise and any other agreement between the parties hereto. This agreement is not intended to and will not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association between Tri-City and the RECIPIENT. The RECIPIENT represents and warrants it is free to enter into and fully perform this agreement.

2. Certification / Assurances

Except as otherwise indicated, the following certifications apply to the RECIPIENT:

- a) Unenforceable Provision: In the event that any provision of this agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this agreement have force and effect and shall not be affected hereby.
- b) Indemnification: Pursuant to the provision of Section 895.4 of the California Government Code, each party agrees to indemnify and hold the other party harmless from all liability for damage to persons or property arising out of or resulting from acts or omissions of the indemnifying party.

3. Standards of Conduct

The following standards apply to the RECIPIENT:

- a) Every reasonable course of action will be taken by the RECIPIENT in order to maintain the integrity of this expenditure of public funds and to avoid favoritism and questionable or improper conduct. This Agreement will be administered in an impartial manner, free from efforts to gain personal, financial or political gain.
- b) An executive or employee of the RECIPIENT or an elected official of a RECIPIENT, will not solicit or accept money or any other consideration from a third person, for the performance of an act reimbursed in whole or part by Tri-City. Supplies, materials, equipment or services purchased with Agreement funds will be used solely for purposes allowed under this Agreement. No member of a RECIPIENT's Board will cast a vote on the provision of services by that member (or any organization, which that member represents) or vote on any matter which would provide direct financial benefit to that member (or immediate family of the member) or any business or organization which the member directly represents.

- c) Tri-City, by written notice to the RECIPIENT, may terminate the right of the RECIPIENT to proceed under this Agreement if it is found, after notice and hearing by Tri-City, that gratuities were offered or given by the RECIPIENT or any agent or representative of the RECIPIENT to any officer or employee of Tri-City with a view toward securing a contract or securing favorable treatment with respect to the awarding, amending, or performing of such Agreement, provided that the existence of the facts upon which Tri-City makes such findings that shall be an issue may be reviewed in any competent court.

In the event this Agreement is terminated as provided in the paragraph above, Tri-City shall be entitled:

- (a) to pursue the same remedies against the RECIPIENT as it could pursue in the event of the breach of the Agreement by the RECIPIENT, and
- (b) as a predetermined amount of liquidated damages in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount which shall be not less than three times the cost incurred by the RECIPIENT in providing any such gratuities to any such officer or employee.

The rights and remedies of Tri-City provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement. The RECIPIENT warrants by execution of this Agreement that no person or selling agency has been employed or retained to solicit or secure this Agreement upon a Contract or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees of the RECIPIENT, for the purpose of securing business. For breach or violation of this warranty, Tri-City shall have the right to annul this Agreement without liability, paying only for the values of the work actually returned, or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

4. Subcontracting

The RECIPIENT certifies that:

- a) Any of the work or services specified in this agreement which will be performed by other than the RECIPIENT will be evidenced by a written agreement specifying the terms and conditions of such performance.
- b) The RECIPIENT will maintain and adhere to an appropriate system, consistent with federal, state and local law, for the award and monitoring of contracts which contain acceptable standards for insuring accountability.
- c) The system for awarding contracts will contain safeguards to insure that the RECIPIENT does not contract with any entity whose officers have been convicted of fraud or misappropriation of funds.
- d) Subcontractors will comply with the Confidentiality requirements set forth in provision 10 of this Agreement.

5. Insurance

The RECIPIENT hereby warrants that it carries and shall maintain in full force and effect during the full term of this contract and any extensions to said term:

- Sufficient and adequate Worker's Compensation Insurance for all of its employees who will be engaged in the performance of this Agreement and agrees to furnish to Tri-City satisfactory evidence thereof at any time Tri-City may request the same; and,
- Sufficient and adequate Liability Insurance to cover any and all potential liabilities and agrees to furnish to Tri-City satisfactory evidence thereof upon request by the Tri-City.

6. Amendments

This Agreement may be unilaterally modified by Tri-City only under any of the following circumstances:

- a) There is a change in state law or regulation requiring a change in the provisions of this agreement.

7. Reporting

The RECIPIENT will compile and submit reports of services, activities, performance attainment, expenditures, status of cash and closeout information by the specified dates as prescribed by Tri-City in regulations, directives, and policies. Failure to adhere to the specified reporting requirements may result in funds not being released.

8. Records

- a) The RECIPIENT will retain all records pertinent to this Agreement for a period of five (5) years from the date of expiration of this Agreement. If, at the end of five (5) years, there is litigation or an audit involving those records, the RECIPIENT will retain the records until the resolution of such litigation or audit.
- b) Tri-City or its designee will have access to and right to examine, monitor and audit all records, documents, conditions and activities related to programs funded by this Agreement. For purposes of this section, "access to" means that the RECIPIENT shall at all times maintain a complete set of records and documents related to programs funded by this agreement and shall make these records available to Tri-City or their designee in a central location. The RECIPIENT's performance under the terms and conditions herein specified will be subject to an evaluation by Tri-City of the adequacy of the services performed, timeliness of response and a general impression of the competency of the RECIPIENT and its staff.

9. Audits

- a) From time to time, Tri-City may inspect the facilities, systems, books and records of the RECIPIENT to monitor compliance with this Agreement. The RECIPIENTS shall promptly remedy any violation of any provision of this Agreement and shall certify the same to Tri-City in writing. The fact that Tri-City inspects, or fails to inspect, or has the right to inspect, the RECIPIENT's facilities, systems and procedures does not relieve the RECIPIENTS of its responsibilities to comply with this Agreement. Tri-City's failure to detect or detection, but failure to notify the RECIPIENT or require the RECIPIENT's remediation of any unsatisfactory practice, does not constitute acceptance of such practices or a waiver of Tri-City's enforcement rights under this Agreement.
- b) The RECIPIENT will maintain and make available to auditors, at all levels, accounting and program records including supporting source documentation and cooperate with all auditors.

- c) The RECIPIENT and/or auditors performing monitoring or audits of the RECIPIENT or its sub-contracting service providers will immediately report to Tri-City any incidents of fraud, abuse or other criminal activity in relation to this agreement, the MHSA, or its regulations.

10. Confidentiality Requirements

Acknowledging the RECIPIENT's continuing obligation to follow existing legal mandates regarding protection and/or release of information maintained by the RECIPIENT, the following Confidentiality Requirements apply:

A. General Requirements:

- a) The RECIPIENT will not disclose data or documents or disseminate the contents of the final or any preliminary report without express permission of Tri-City.
- b) Permission to disclose information or documents on one occasion or at public hearings held by Tri-City relating to the same shall not authorize the RECIPIENT to further disclose such information or documents on any other occasions.
- c) The RECIPIENT will not comment publicly to the press or any other media regarding the data or documents generated, collected, or produced in connection with this Agreement, or Tri-City's actions on the same, except to Tri-City's staff, the RECIPIENT's own personnel involved in the performance of this Agreement, at a public hearing, or in response to the questions from a legislative committee.
- d) If requested by Tri-City, the RECIPIENT shall require each of its employees or officers who will be involved in the performance of this Agreement to agree to the above terms in a form to be approved by Tri-City and shall supply Tri-City with evidence thereof.
- e) Each subcontract shall contain the foregoing provisions related to the confidentiality of data and nondisclosure of the same.
- f) After any data or documents submitted has become a part of the public records of Tri-City, the RECIPIENT may, if it wishes to do so, at its own expense and upon approval by Tri-City, publish or utilize the same but shall include the following legend:

LEGAL NOTICE: This report was prepared as an account of work sponsored by the Department of Health Care Services, but does not necessarily represent the views of the Department or any of its employees except to the extent, if any, that it has formally been approved by the Department. For information regarding any such action, communicate directly with the Department Director at P.O. Box 997413, MS 0000 Sacramento, California, 95899-7413. Neither said Department nor the State of California, nor any officer or employee thereof, or Tri-City Mental Health Authority make any warranty, express or implied, or assumes any legal liability whatsoever for the contents of this document. Nor does any party represent that use of the data contained herein would not infringe upon privately owned rights without obtaining permission or authorization from any party who has any rights in connection with the data.

- g) "Data" as used in this Agreement means recorded information, regardless of form or characteristics, of a scientific or technical nature. It may, for example, document research, experimental, developmental or engineering work; or be usable or be used to define a design or process; or support a premise or conclusion asserted in any deliverable document called for by this Agreement. The data may be graphic or pictorial delineations in media, such as drawings or

photographs, charts, tables, mathematical models, collections or extrapolations of data or information, etc. It may be in machine form, as punched cards, magnetic tape, computer printouts, or may be retained in computer memory.

- h) "Proprietary data" is such data as the RECIPIENT has identified in a satisfactory manner as being under Recipient's control prior to commencement of performance of this Agreement and which has been reasonably demonstrated as being of a proprietary force and effect at the time this Agreement is commenced.
 - i) "Generated data" is that data, which a RECIPIENT has collected, collated, recorded, deduced, read out or postulated for utilization in the performance of this Agreement. Any electronic data processing program, model or software system developed or substantially modified by the RECIPIENT in the performance of this Agreement at RECIPIENTS expense, together with complete documentation thereof shall be treated in the same manner as generated data.
 - j) "Deliverable data" is that data which under terms of this Agreement is required to be delivered to Tri-City. Such data shall be property of Tri-City.
 - k) "Generated data" shall be the property of Tri-City unless and only to the extent that it is specifically provided otherwise herein.
 - l) The title to the Recipient's proprietary data shall remain in the Recipient's possession throughout the term of this Agreement and thereafter. As to generated data which is reserved to the RECIPIENT by express terms of this Agreement and as to any preexisting or proprietary data which has been utilized to support any premise, postulate or conclusion referred to or expressed in any deliverable hereunder, the RECIPIENT shall preserve the same in a form which may be introduced in evidence in a court of competent jurisdiction at the Recipient's own expense for a period of not less than three years after receipt by Tri-City of the final report or termination of this Agreement and any and all amendments hereto, or for three years after the conclusion or resolution of any and all audits or litigation relevant to this Agreement, whichever is later.
 - m) Prior to the expiration of such time and before changing the form of or destroying any such data, the RECIPIENT shall notify Tri-City of any such contemplated action; and Tri-City may within 30 days after said notification determine whether it desires said data to be further preserved and, if Tri-City so elects, the expense of further preserving said data shall be paid for by Tri-City. The RECIPIENT agrees that Tri-City shall have unrestricted reasonable access to the same during said three-year period and throughout the time during which said data is preserved in accordance with this Agreement, and the RECIPIENT agrees to use best efforts to furnish competent witnesses or to identify such competent witnesses to testify in any court of law regarding said data.
 - n) Each party shall designate an employee who shall be responsible for overall security and confidentiality of its data and information systems and each party shall notify the other of any changes in that designation.
- B. Confidentiality Requirements relating to the Health Insurance Portability and Accountability Act (HIPAA) The Parties agree that no information or services subject to HIPAA form part of the services to be provided under this Agreement. The RECIPIENT agrees not to use any portion of the funds received under this Agreement for purposes that would be subject to HIPAA requirements.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: October 19, 2022

TO: Governing Board of Tri-City Mental Health Authority

FROM: Rimmi Hundal, Executive Director

SUBJECT: Executive Director's Monthly Report

TCMHA RECEIVED THE 'ORGANIZATIONAL IMPACT' AWARD

Tri-City was honored by an award of "Organizational Impact" by the Pomona Pride Center at their annual Gayla on Saturday, October 8th. The plaque states, "Thank you for demonstrating leadership and service while enhancing the wellbeing of our LGBTQIA+ Community". It was a festive evening honoring the LGBTQIA+ community in the Pomona Valley and was attended by Tri-City's Governing Board Chair and Vice-Chair, three members of Tri-City's Executive Team, the DEI Coordinator, a Clinical Supervisor and the Chair of Tri-City's Rainbow Advisory Council. Tri-City was also presented with a certificate from Supervisor Hilda Solis' office for organizational impact.

PEER CERTIFICATION

Tri-City is very excited to support peers that we have on staff as they work on becoming officially certified as Certified Peer Specialists through the process established by the California Department of Healthcare Services (DHCS) and administered through California Mental Health Services Authority (CalMHSA). This is such an exciting opportunity, which will allow for the vital work that our peers do to be counted as billable for Medi-Cal and to give them the recognition that they so richly deserve.

There are currently two tracks for becoming a Certified Peer Specialist for Tri-City Mental Health.

1. Staff members that have worked for Tri-City and have already been approved, completed online training using our Relias online learning platform and additional trainings as needed. Those participants received a "grandfathered" scholarship. Their names were submitted to the Workforce Education and Training Supervisor to be sent for eligibility in the scholarship. Those participants will take an examination in a space designated in a Tri-City facility for this purpose, and will be certified upon successful completion of this examination.
2. New staff, and eligible participants and volunteers can also become Certified Peer Specialists. Their names will be submitted to the Workforce Education and Training Supervisor. Upon successful acceptance into the program, whether or not they receive a scholarship, they will undergo an 80 hour training course by an institution approved by CalMHSA. They will then need to pass the certification examination in order to be certified.

AGENDA ITEM NO. 10

HUMAN RESOURCES

Staffing – Month Ending September 2022:

- Total Staff is 192 full-time and 12 part-time plus 48 full-time vacancies 2 part-time vacancies for a total of 247 positions.
- There were 8 new hires in September 2022.
- There were 2 separations in September 2022.

Workforce Demographics in September 2022

- American Indian or Alaska Native = 0.49%
- Asian = 10.29%
- Black or African American = 6.86%
- Hispanic or Latino = 58.33%
- Native Hawaiian/Other Pacific Islander = 0.49%
- Other = 7.35%
- Two or more races = 1.96%
- White or Caucasian = 14.22%

Posted Positions in September 2022

- Administrative Assistant (1 FTE)
- Clinical Supervisor – AOP (1 FTE) *1 hire pending*
- Clinical Supervisor – MHSSA Grant (1 FTE)
- Clinical Therapist I/II - Adult (6 FTEs) *3 hires pending*
- Clinical Therapist I/II – Child & Family (3 FTEs) *1 hire pending*
- Clinical Therapist I/II – MHSSA Grant (2 FTEs) *1 hire pending*
- Clinical Therapist II – PACT (1 FTE)
- Clinical Wellness Advocate I/II/III (1 FTE) *1 hire pending*
- Clinical Wellness Advocate I/II/III – MHSSA Grant (2 FTEs)
- Community Navigator (3 FTEs)
- Human Resources Analyst (1 FTE)
- Mental Health Specialist – FSP/TAY (1 FTE) *1 hire pending*
- Mental Health Specialist – MHSSA Grant (2 FTEs)
- Mental Health Worker – Adult FSP (1 FTE)
- MHSA Projects Manager (1 FTE)
- Program Supervisor I – AOP (1 FTE)
- Program Support Assistant II (1 FTE)
- Residential Services Coordinator – Housing (1 FTE)

COVID-19 UPDATE

March 1, 2022 was the State required vaccination booster deadline for all healthcare workers who are booster eligible. As of October 12, 2022, Tri-City staff have a vaccination compliancy rate of 86.76% with a vaccination booster compliancy rate of 86.76%.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: October 19, 2022

TO: Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, Executive Director

FROM: Diana Acosta, CPA, Chief Financial Officer

SUBJECT: Monthly Finance and Facilities Report

UNAUDITED FINANCIAL STATEMENTS FOR THE TWO MONTHS ENDED AUGUST 31, 2022 (2023 FISCAL YEAR-TO-DATE):

The financials presented herein are the PRELIMINARY and unaudited financial statements for the two months ended August 31, 2022. These financial statements include the activities from the clinical outpatient operations as well as activities from the implemented MHSA programs under the CSS, PEI, INN, WET and CFTN plans.

The increase in net position (income) is approximately \$11.7 million. MHSA operations accounted for approximately \$12.5 million of the increase, which is primarily the result of recognizing MHSA revenues on hand at the beginning of the fiscal year. MHSA non-operating revenues are reflected when MHSA funds have been received and are eligible to be spent.

During fiscal 2022, Tri-City received MHSA funding of approximately \$17.3 million, of which \$13.3 million were for approved programs for fiscal 2022-23 MHSA operations and was reflected as MHSA Revenue Restricted for Future Period on the Statement of Net Position (balance sheet) at June 30, 2022. These restricted MHSA revenues have now been recorded as non-operating revenues in fiscal 2022-23. In addition, during this current fiscal year 2022-23 approximately \$4.1 million in MHSA funding has been received of which \$1.5 million was identified and approved for use in the current fiscal year 2022-23 and recorded as non-operating revenues, bringing the total MHSA non-operating revenues recognized to date up to approximately \$14.8 million. Unlike the requirement to reflect all available and **approved** MHSA funding when received as non-operating revenues, MHSA operating costs are reflected when incurred. Therefore, the matching of revenue to expense is not consistent as the timing of expenditures will lag behind the timing of revenue recognition.

The decrease in net position of approximately \$776 thousand is from Clinic outpatient operations, which is the result of operations for the two months ended August 31, 2022 which includes one-time payments made at the beginning of the year.

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The total cash balance at August 31, 2022 was approximately \$40.7 million, which represents an increase of approximately \$385 thousand from the June 30, 2022 balance of approximately \$40.3 million.

Outpatient Clinic operations, after excluding any intercompany receipts or costs resulting from MHSA operations, had a decrease in cash of approximately \$1.0 million primarily as a result of delayed cash receipts from LADMH. MHSA operations reflected an increase in cash of approximately \$1.4 million, after excluding intercompany receipts or costs resulting from clinic operations. The increase reflects the receipt of approximately \$4.1 million in MHSA funds offset by the use of cash for MHSA operating activities.

No Medi-Cal cash receipts have been collected for both Outpatient Clinic Operations and MHSA Operations within the two months ended August 31, 2022. However, \$2.1 million have been received through October 13, 2022.

UPCOMING, CURRENT EVENTS & UPDATES

Overall Financial Update:

We continue to closely monitor for any new developments and updated revenue projections from CBHDA. As such, planning appropriately to ensure we meet the needs of our community, and having the ability to make changes as we go will be necessary in the upcoming years, especially if projections wind up being significantly different than currently projected.

The Finance Department continues to turn their attention over to various projects including the completion of the annual financial statement independent audit, implementing Cerner, the new grants and finalizing the compensation study.

CalAIM:

Tri-City management is currently working with CBHDA and LA DMH to prepare for the transition away from a cost reimbursement model to a fee-for-service model that will be resulting from the CalAIM initiatives. A few months ago, we submitted a cost survey to CBHDA and LA DMH. As DHCS starts its rate setting process for payment reform, the survey, along with past cost report data will be utilized by CBHDA to advocate on behalf of the Counties for rates that are not only able to meet our current cost needs but that are also sustainable. The timeline for the rate setting process is expected to take us into January of 2023, at which time we expect to have rates established from DHCS. As always, Management will continue to keep the Board informed of progress or any changes we may see along the way.

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MHSA Funding Updates:

Estimated Current Cash Position – The following table represents a brief summary of the estimated (unaudited) current MHSA cash position as of the two months ended August 31, 2022.

	MHSA
Cash at August 31, 2022	\$ 31,878,264
Receivables net of Reserve for Cost Report Settlements	887,194
Prudent Reserves	(2,200,000) *
Estimated Remaining Expenses for Operations FY 2022-23	(14,823,280) **
Reserved for future CFTN Projects including approved TCG Project	(1,247,389)
Total Estimated Adjustments to Cash	<u>(17,383,475)</u>
Estimated Available at June 30, 2023	<u>\$ 14,494,789</u>
Estimated remaining MHSA funds to be received in FY 2022-23	\$ 12,408,169

* Per SB 192, Prudent Reserves are required to be maintained at an amount that does not exceed 33% of the average Community Services and Support (CSS) revenue received for the fund, in the preceding 5 years.

** Estimated based on to-date actuals projected through year-end June 30, 2023, net of estimated Medi-Cal revenue, including actual and estimated amounts to year end 06/30/2023.

MHSA Expenditures and MHSA Revenue Receipts – As announced at the June 15, 2022 Governing Board meeting, MHSA actual revenue receipts during fiscal year 2021-22 had actually exceeded the original projected amounts by approximately \$4.7 million. The Fiscal Year 2021-22 Operating budget included a projection of \$12.6 million in MHSA cash collections while the actual receipts totaled \$17.3 million.

Additionally, based on the most recent estimates disclosed by CBHDA, the amount of MHSA funds projected to be collected in Fiscal year 2022-23 is also expected to be in line with what was just collected. As such the Fiscal Year 2022-23 Operating budget reflects a projected collection of MHSA funds totaling \$16.5 million. As noted in the table below, the original estimate of new funding in the MHSA Annual Update was \$11.1 million. As a result of the updated projections the MHSA revenues are now expected to be \$5.3 million higher.

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For reference the following is the information included in the MHSa Fiscal Year 2022-23 Annual Update:

<u>Included in the MHSa FY 2022-23 Annual Update</u>	<u>CSS</u>	<u>PEI</u>	<u>Innovation</u>	<u>WET</u>	<u>CFTN</u>	<u>Totals</u>
Estimated Unspent Funds from Prior Fiscal Years	19,278,875	4,037,204	2,697,746	808,952	1,529,299	28,352,076
Transfers in FY 2022-23	(2,700,000)	-		1,000,000	1,700,000	-
Available for Spending in FY 2022-23	16,578,875	4,037,204	2,697,746	1,808,952	3,229,299	28,352,076
Approved Plan Expenditures during FY 2022-23	(12,284,819)	(2,221,506)	(253,661)	(857,628)	(703,183)	(16,320,797)
Remaining Cash before new funding	4,294,056	1,815,698	2,444,085	951,324	2,526,116	12,031,279
Estimated New FY 2022-23 Funding	8,477,602	2,119,401	557,737			11,154,740
Estimated Ending FY 2022-23 Unspent Fund Balance	12,771,658	3,935,099	3,001,822	951,324	2,526,116	23,186,019

For reference the following information demonstrates the changes in estimated cash flow between the MHSa Fiscal Year 2022-23 Annual Update and the Fiscal Year 2022-23 Operating Budget:

<u>Included in the FY 2022-23 Operating Budget</u>	<u>CSS</u>	<u>PEI</u>	<u>Innovation</u>	<u>WET</u>	<u>CFTN</u>	<u>Totals</u>
Updated Funding Estimates for FY 2022-23	12,519,290	3,129,822	823,638	-	-	16,472,750
Previously Estimated New FY 2022-23 Funding	8,477,602	2,119,401	557,737	-	-	11,154,740
Difference/Projected Additional Funding	4,041,688	1,010,421	265,901	-	-	5,318,010

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MHSA Reversion Update:

Each remittance of MHSA funds received by Tri-City is required to be allocated among three of the five MHSA Plans, CSS, PEI and INN. The first 5% of each remittance is required to be allocated to INN and the remaining amount is split 80% to CSS and 20% to PEI. While the WET and the CapTech plans have longer time frames in which to spend funds (made up of one-time transfers into these two plans), the CSS, PEI and INN plans have three years.

Amounts received within the CSS and PEI programs must be expended within three years of receipt. INN amounts must be programmed in a plan that is approved by the Mental Health Services Oversight and Accountability Commission (MHSOAC) within three years of receipt, and spent within the life of the approved program. Upon approval by the MHSOAC, INN amounts have to be expended within the life of said program. For example, a program approved for a five-year period will have the full five years associated with the program to expend the funds.

To demonstrate the three-year monitoring of CSS, PEI and INN dollars, the following tables are **excerpts** from DHCS’s annual reversion report received by Tri-City in May of 2022 based on the fiscal year 2020-21 Annual Revenue and Expense Report (ARER) and then updated with more current information through June 30, 2022 (unaudited) and to be updated on a quarterly basis:

CSS reversion waterfall analysis

CSS amounts received						
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
	8,676,848	8,797,914	9,293,482	11,824,329	13,178,277	51,770,850
Expended in:						
2017-18						-
2018-19	939,014					939,014
2019-20	7,737,834	1,290,269				9,028,103
2020-21		7,507,645	746,924			8,254,569
2021-22 *			8,546,558	715,575		9,262,133
2022-23 **				10,099,177		10,099,177
2023-24						-
Total Expended	8,676,848	8,797,914	9,293,482	10,814,752	-	37,582,996
Unspent Balance	-	-	-	1,009,577	13,178,277	14,187,854

*=These expenses are based on estimated to date and not final.

**=Planned Expenditures based on approved MHSA Plan

PEI reversion waterfall analysis

PEI amounts received						
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
	2,145,788	2,119,324	2,176,109	2,948,240	3,294,569	12,684,030
Expended in:						
2017-18	726,119					726,119
2018-19	1,419,669	387,017				1,806,686
2019-20		1,644,825				1,644,825
2020-21		87,482	1,746,984			1,834,466
2021-22 *			429,125	1,313,992		1,743,117
2022-23 **				1,711,404	510,102	2,221,506
2023-24						-
Total Expended	2,145,788	2,119,324	2,176,109	3,025,396	510,102	9,976,719
Unspent Balance	-	-	-	(77,156)	2,784,467	2,707,311

*=These expenses are based on estimated to date and not final.

**=Planned Expenditures based on approved MHSA Plan

INN reversion waterfall analysis

INN amounts received						
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
	575,034	580,471	550,879	784,114	866,992	3,357,490
Expended in:						
2017-18						-
2018-19						-
2019-20						-
2020-21	272,146					272,146
2021-22 *	302,888	26,735		Need OAC Approval of \$234,229	Need OAC	329,623
2022-23 **		261,660			Approval by FY 23/24 of \$866,992	261,660
2023-24		318,811	284,669			603,480
2024-25						-
2025-26						-
2026-27						-
Total Expended	575,034	607,206	284,669	-	-	1,466,909
Unspent Balance	-	(26,735)	266,210	784,114	866,992	1,890,581

*=These expenses are based on estimated to date and not final.

**=Planned Expenditures based on approved MHSA Plan

PADS Project approved May of 2022 in the total amount of \$789,360.

FACILITIES DEPARTMENT

Status of Governing Board Approved Upcoming, Current or Ongoing projects:

- The Pharmacy-The construction phase is now complete and is now open and operating, serving Tri-City clients. A grand opening is scheduled in October.
- Electrical/Power Upgrade Project at 2001 N. Garey Ave. (MHSA Administrative Building): Project concept was initially approved in March of 2020 as part of the approved CFTN Plan. As previously reported, a contractor was selected back in October of 2021 and the project is now considered complete.
- The Community Garden Upgrades: Project concept was initially approved in March of 2020 as part of the approved CFTN Plan. This project is currently still in the planning phase however progress continues to be made. The most recent update includes having received approval from the City to move forward on this project as of June 6, 2022 and the RFP process is currently underway. Target date of project completion is first quarter of 2023.
- Office Space Remodel at the MHSA Administrative Building: Project concept was initially approved in March of 2020 as part of the approved CFTN Plan. This project is currently in the planning phase however had been temporarily on hold until the Electrical/Power Upgrade Project noted above, is complete as this project is also being performed in the same building, however conceptual plans have been prepared. The next phase will involve submitting formal construction plans to the City for approval and once approved, soliciting contractors through an RFP process. Target date of project completion will be closer to calendar year end 2022.

Attachments

Attachment 11-A: August 31, 2022 Unaudited Monthly Financial Statements

**TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF NET POSITION**

	AT AUGUST 31, 2022			AT JUNE 30, 2022		
	TCMH	MHSA	Consolidated	TCMH	MHSA	Consolidated
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Current Assets						
Cash	\$ 6,777,281	\$ 33,930,559	\$ 40,707,840	\$ 8,444,819	\$ 31,878,264	\$ 40,323,083
Accounts receivable, net of reserve for uncollectible accounts \$727,371 at August 31, 2022 and \$619,443 at June 30, 2022	5,076,506	3,781,625	8,858,131	5,136,408	3,180,707	8,317,115
Total Current Assets	<u>11,853,787</u>	<u>37,712,184</u>	<u>49,565,971</u>	<u>13,581,227</u>	<u>35,058,971</u>	<u>48,640,198</u>
Property and Equipment						
Land, building, furniture and equipment	3,830,812	9,765,983	13,596,794	3,828,354	9,742,614	13,570,969
Accumulated depreciation	(2,671,973)	(4,209,418)	(6,881,391)	(2,646,773)	(4,138,210)	(6,784,983)
Rights of use assets-building lease	1,753,343	-	1,753,343	1,753,343	-	1,753,343
Accumulated amortization-building lease	(739,086)	-	(739,086)	(679,424)	-	(679,424)
Total Property and Equipment	<u>2,173,096</u>	<u>5,556,564</u>	<u>7,729,660</u>	<u>2,255,500</u>	<u>5,604,404</u>	<u>7,859,904</u>
Other Assets						
Deposits and prepaid assets	373,876	508,459	882,335	38,122	508,459	546,581
Note receivable-Housing Development Project	-	2,800,000	2,800,000	-	2,800,000	2,800,000
Total Noncurrent Assets	<u>2,546,972</u>	<u>8,865,023</u>	<u>11,411,995</u>	<u>2,293,622</u>	<u>8,912,863</u>	<u>11,206,485</u>
Total Assets	<u>\$ 14,400,759</u>	<u>\$ 46,577,207</u>	<u>\$ 60,977,966</u>	<u>\$ 15,874,849</u>	<u>\$ 43,971,834</u>	<u>\$ 59,846,683</u>
Deferred Outflows of Resources						
Deferred outflows related to the net pension liability	2,857,668	-	2,857,668	2,857,668	-	2,857,668
Total Deferred Outflows of Resources	<u>2,857,668</u>	<u>-</u>	<u>2,857,668</u>	<u>2,857,668</u>	<u>-</u>	<u>2,857,668</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 17,258,427</u>	<u>\$ 46,577,207</u>	<u>\$ 63,835,634</u>	<u>\$ 18,732,517</u>	<u>\$ 43,971,834</u>	<u>\$ 62,704,351</u>
LIABILITIES						
Current Liabilities						
Accounts payable	198,383	24,000	222,383	274,821	24,000	298,821
Accrued payroll liabilities	202,404	336,011	538,416	133,589	166,355	299,944
Accrued vacation and sick leave	609,318	1,046,875	1,656,193	619,557	1,052,384	1,671,941
Deferred revenue	41,584	-	41,584	41,584	-	41,584
Reserve for Medi-Cal settlements	3,482,631	2,894,431	6,377,063	3,482,631	2,894,431	6,377,063
Current portion of lease liability	298,309	-	298,309	357,971	-	357,971
Total Current Liabilities	<u>4,832,631</u>	<u>4,301,317</u>	<u>9,133,948</u>	<u>4,910,153</u>	<u>4,137,171</u>	<u>9,047,324</u>
Intercompany Acct-MHSA & TCMH	119,137	(119,137)	-	740,003	(740,003)	-
Long-Term Liabilities						
Mortgages and home loan	-	29,435	29,435	-	29,435	29,435
Lease liability	715,948	-	715,948	715,948	-	715,948
Net pension liability	2,302,724	-	2,302,724	2,302,724	-	2,302,724
Unearned MHSA revenue	-	3,666,330	3,666,330	-	1,027,955	1,027,955
Total Long-Term Liabilities	<u>3,018,672</u>	<u>3,695,765</u>	<u>6,714,437</u>	<u>3,018,672</u>	<u>1,057,390</u>	<u>4,076,062</u>
Total Liabilities	<u>7,970,440</u>	<u>7,877,945</u>	<u>15,848,385</u>	<u>8,668,828</u>	<u>4,454,558</u>	<u>13,123,386</u>
Deferred Inflow of Resources						
MHSA revenues restricted for future period	-	-	-	-	13,290,168	13,290,168
Deferred inflows related to the net pension liability	2,010,157	-	2,010,157	2,010,157	-	2,010,157
Total Deferred Inflow of Resources	<u>2,010,157</u>	<u>-</u>	<u>2,010,157</u>	<u>2,010,157</u>	<u>13,290,168</u>	<u>15,300,325</u>
NET POSITION						
Invested in capital assets net of related debt	2,173,096	5,556,564	7,729,660	2,255,500	5,604,404	7,859,904
Restricted for MHSA programs	-	33,142,698	33,142,698	-	20,622,704	20,622,704
Unrestricted	5,104,734	-	5,104,734	5,798,032	-	5,798,032
Total Net Position	<u>7,277,830</u>	<u>38,699,262</u>	<u>45,977,092</u>	<u>8,053,532</u>	<u>26,227,109</u>	<u>34,280,640</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 17,258,427</u>	<u>\$ 46,577,207</u>	<u>\$ 63,835,634</u>	<u>\$ 18,732,517</u>	<u>\$ 43,971,834</u>	<u>\$ 62,704,351</u>

Definitions:

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
TWO MONTHS ENDED AUGUST 31, 2022 AND 2021

	PERIOD ENDED 8/31/22			PERIOD ENDED 8/31/21		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited
OPERATING REVENUES						
Medi-Cal FFP	\$ 516,472	\$ 502,488	\$ 1,018,960	\$ 485,248	\$ 429,013	\$ 914,262
Medi-Cal SGF-EPSDT	82,340	91,115	173,455	102,466	99,695	202,161
Medicare	3,062	850	3,912	2,395	1,150	3,545
Contracts	-	5,051	5,051	-	4,844	4,844
Patient fees and insurance	89	57	146	342	-	342
Rent income - TCMH & MHSA Housing	924	10,385	11,309	3,087	13,715	16,802
Other income	124	35	158	121	59	180
Net Operating Revenues	603,011	609,980	1,212,991	593,659	548,476	1,142,135
OPERATING EXPENSES						
Salaries, wages and benefits	1,600,246	2,436,092	4,036,338	1,420,017	2,217,345	3,637,363
Facility and equipment operating cost	94,319	210,451	304,769	128,276	199,395	327,671
Client lodging, transportation, and supply expense	3,185	13,447	16,631	44,383	70,061	114,444
Depreciation & amortization	53,611	102,459	156,070	26,347	74,067	100,414
Other operating expenses	247,552	216,312	463,864	105,240	192,222	297,462
Total Operating Expenses	1,998,912	2,978,760	4,977,673	1,724,264	2,753,090	4,477,354
OPERATING (LOSS) (Note 1)	(1,395,902)	(2,368,780)	(3,764,682)	(1,130,605)	(2,204,614)	(3,335,219)
Non-Operating Revenues (Expenses)						
Realignment	609,225	-	609,225	609,225	-	609,225
MHSA funds	-	14,780,860	14,780,860	-	11,337,925	11,337,925
Grants and Contracts	-	-	-	80,504	-	80,504
Interest Income	10,975	60,074	71,048	1,969	8,796	10,766
Interest expense	-	-	-	(6,525)	-	(6,525)
Total Non-Operating Revenues (Expense)	620,200	14,840,934	15,461,134	685,173	11,346,721	12,031,894
INCOME (LOSS)	(775,702)	12,472,154	11,696,452	(445,432)	9,142,107	8,696,675
INCREASE (DECREASE) IN NET POSITION	(775,702)	12,472,154	11,696,452	(445,432)	9,142,107	8,696,675
NET POSITION, BEGINNING OF YEAR	8,053,532	26,227,108	34,280,640	4,787,631	24,868,486	29,656,117
NET POSITION, END OF MONTH	\$ 7,277,830	\$ 38,699,262	\$ 45,977,092	\$ 4,342,199	\$ 34,010,593	\$ 38,352,792

(Note 1) "Operating Loss" reflects loss before realignment funding and MHSA funding which is included in non-operating revenues.

Definitions:

Medi-Cal FFP= Federal Financial Participation Reimbursement

Medi-Cal SGF-EPSDT=State General Funds reimbursement for Medi-Cal services provided to children under the "Early and Periodic Screening, Diagnosis and Treatment" regulations.

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)

**TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF CASH FLOWS
TWO MONTHS ENDED AUGUST 31, 2022 AND 2021**

	PERIOD ENDED 8/31/22			PERIOD ENDED 8/31/21		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited
Cash Flows from Operating Activities						
Cash received from and on behalf of patients	\$ 5,366	\$ 14,104	\$ 19,469	\$ 10,779	\$ 20,220	\$ 30,998
Cash payments to suppliers and contractors	(785,658)	(471,460)	(1,257,117)	(712,530)	(462,623)	(1,175,152)
Payments to employees	(1,541,669)	(2,271,945)	(3,813,614)	(1,934,459)	(2,123,758)	(4,058,218)
	<u>(2,321,961)</u>	<u>(2,729,301)</u>	<u>(5,051,263)</u>	<u>(2,636,210)</u>	<u>(2,566,161)</u>	<u>(5,202,372)</u>
Cash Flows from Noncapital Financing Activities						
MHSA Funding	-	4,064,581	4,064,581	-	5,692,276	5,692,276
CalHFA-State Administered Projects	-	64,485	64,485	-	110	110
Realignment	1,267,447	-	1,267,447	609,225	-	609,225
Grants and Contracts	-	-	-	74,393	-	74,393
	<u>1,267,447</u>	<u>4,129,067</u>	<u>5,396,514</u>	<u>683,618</u>	<u>5,692,387</u>	<u>6,376,005</u>
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	(2,457)	(23,368)	(25,825)	(55,903)	(10,270)	(66,173)
Principal paid on capital debt	-	-	-	(5,251)	-	(5,251)
Interest paid on capital debt	-	-	-	(6,525)	-	(6,525)
Intercompany-MHSA & TCMH	(620,866)	620,866	-	(1,013,997)	1,013,997	-
	<u>(623,323)</u>	<u>597,498</u>	<u>(25,825)</u>	<u>(1,081,677)</u>	<u>1,003,727</u>	<u>(77,949)</u>
Cash Flows from Investing Activities						
Interest received	10,300	55,032	65,331	3,952	18,409	22,362
	<u>10,300</u>	<u>55,032</u>	<u>65,331</u>	<u>3,952</u>	<u>18,409</u>	<u>22,362</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,667,537)	2,052,295	384,758	(3,030,317)	4,148,362	1,118,046
Cash Equivalents at Beginning of Year	8,444,819	31,878,264	40,323,083	8,578,296	26,320,242	34,898,537
Cash Equivalents at End of Month	<u>\$ 6,777,281</u>	<u>\$ 33,930,560</u>	<u>\$ 40,707,841</u>	<u>\$ 5,547,979</u>	<u>\$ 30,468,604</u>	<u>\$ 36,016,583</u>

Definitions:

TCMH=Tri-City's Outpatient Clinic

MHSA=Mental Health Services Act (Proposition 63)

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL TO BUDGET COMPARISON
TWO MONTHS ENDING AUGUST 31, 2022
(UNAUDITED)

	TRI-CITY MENTAL HEALTH OUTPATIENT CLINIC (TCMH)			TRI-CITY MENTAL HEALTH SERVICES ACT (MHSA)			TRI-CITY MENTAL HEALTH AUTHORITY CONSOLIDATED		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
OPERATING REVENUES									
Medi-Cal FFP	\$ 563,219	\$ 1,060,197	\$ (496,978)	\$ 547,969	\$ 976,154	\$ (428,185)	\$ 1,111,189	\$ 2,036,352	\$ (925,163)
Medi-Cal SGF-EPSDT	89,793	350,074	(260,281)	99,362	278,394	(179,032)	189,155	628,468	(439,313)
Medicare	3,062	2,000	1,062	850	350	500	3,912	2,350	1,562
Patient fees and insurance	89	183	(94)	57	-	57	146	183	(38)
Contracts	-	3,333	(3,333)	5,051	4,167	884	5,051	7,500	(2,449)
Rent income - TCMH & MHSA Housing	924	1,848	(924)	10,385	11,667	(1,282)	11,309	13,515	(2,206)
Other income	124	183	(60)	35	-	35	158	183	(25)
Provision for contractual disallowances	(54,200)	(137,561)	83,361	(53,729)	(125,455)	71,726	(107,929)	(263,015)	155,087
Net Operating Revenues	603,011	1,280,259	(677,248)	609,980	1,145,277	(535,297)	1,212,991	2,425,535	(1,212,544)
OPERATING EXPENSES									
Salaries, wages and benefits	1,600,246	1,893,137	(292,891)	2,436,092	2,720,767	(284,675)	4,036,338	4,613,904	(577,566)
Facility and equipment operating cost	97,561	157,498	(59,937)	210,451	332,295	(121,844)	308,011	489,793	(181,781)
Client program costs	2,112	9,246	(7,133)	4,019	179,196	(175,177)	6,131	188,441	(182,310)
Grants	-	-	-	19,900	55,000	(35,100)	19,900	55,000	(35,100)
MHSA training/learning costs	-	-	-	1,000	15,833	(14,833)	1,000	15,833	(14,833)
Depreciation & amortization	53,611	27,238	26,373	102,459	72,483	29,976	156,070	99,721	56,349
Other operating expenses	245,382	94,017	151,366	204,840	268,360	(63,520)	450,222	362,377	87,845
Total Operating Expenses	1,998,912	2,181,136	(182,223)	2,978,760	3,643,934	(665,174)	4,977,673	5,825,070	(847,397)
OPERATING (LOSS)	(1,395,902)	(900,877)	(495,025)	(2,368,780)	(2,498,657)	129,877	(3,764,682)	(3,399,534)	(365,147)
Non-Operating Revenues (Expenses)									
Realignment	609,225	733,333	(124,108)	-	-	-	609,225	733,333	(124,108)
MHSA Funding	-	-	-	14,780,860	14,780,860	-	14,780,860	14,780,860	-
Grants and contracts	-	134,167	(134,167)	-	-	-	-	134,167	(134,167)
Interest (expense) income, net	10,975	3,900	7,075	60,074	25,070	35,004	71,048	28,970	42,078
Total Non-Operating Revenues (Expense)	620,200	871,400	(251,200)	14,840,934	14,805,930	35,004	15,461,134	15,677,330	(216,196)
INCREASE(DECREASE) IN NET POSITION	\$ (775,702)	\$ (29,477)	\$ (746,225)	\$ 12,472,154	\$ 12,307,273	\$ 164,881	\$ 11,696,452	\$ 12,277,796	\$ (581,344)

Definitions:

Medi-Cal FFP= Federal Financial Participation Reimbursement

Medi-Cal SGF-EPSDT=State General Funds reimbursement for Medi-Cal services provided to children under the "Early and Periodic Screening, Diagnosis and Treatment" regulations.

TCMH=Tri-City's Outpatient Clinic

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**TRI-CITY MENTAL HEALTH AUTHORITY
ACTUAL TO BUDGET VARIANCE EXPLANATIONS
TWO MONTHS ENDING AUGUST 31, 2022**

COMMENT: PLEASE NOTE, THE DISCUSSION BELOW MAY USE THE FOLLOWING ABBREVIATIONS:

TCMH==TRI-CITY MENTAL HEALTH (OUTPATIENT CLINIC OPERATIONS)

MHSA==MENTAL HEALTH SERVICES ACT (ACTIVITIES INCLUDE CSS, PEI, INN, WET AND CFTN PROGRAMS)

Net Operating Revenues

Net operating revenues are lower than budget by \$1.2 million for the following reasons:

- 1 Medi-Cal FFP revenues for FY 2022-23** were approximately \$925 thousand lower than the budget. Medi-Cal FFP revenues were \$497 thousand lower for TCMH and \$428 thousand lower for MHSA. At TCMH, the adult program revenues were lower than budget by \$356 thousand and the children program revenues were lower by \$141 thousand. For MHSA, the adult and older adult FSP programs were lower than budget by \$296 thousand and the Children and TAY FSP programs were lower by \$132 thousand.
- 2 Medi-Cal SGF-EPSTD revenues for fiscal year 2022-23** were lower than budget by \$439 thousand of which \$260 thousand lower were from TCMH and \$179 thousand lower were from MHSA. SGF-EPSTD relates to State General Funds (SGF) provided to the agency for provision of qualifying Medi-Cal services for Early Prevention Screening and Diagnostic Testing (EPSTD) to children and youth under 21 years. These funds are in addition to the FFP reimbursed by the federal government.
 - > *Medi-Cal and Medi-Cal SGF-EPSTD revenues are recognized when the services are provided and can vary depending on the volume of services provided from month to month. Projected (budgeted) services are based on estimated staffing availability and the assumption that vacant positions will be filled.*
- 3 Medicare revenues** are approximately \$2 thousand higher than the budget. Tri-City records revenue when the services are provided and the claims are incurred and submitted.
- 4 Contract revenues** are lower than the budget by \$2 thousand.
- 5 Rent income** was lower than the budget by \$2 thousand. The rental income represents the payments collected from Genoa Pharmacy space leasing at the 2008 Garey and from the tenants staying at the MHSA house on Park Avenue.
- 6 Provision for contractual disallowances** for fiscal year 2022-23 is \$155 thousand lower than budget.

Operating Expenses

Operating expenses were lower than budget by \$847 thousand for the following reasons:

- 1 Salaries and benefits** are \$578 thousand lower than budget and of that amount, salaries and benefits are approximately \$293 thousand lower for TCMH operations and are \$285 thousand lower for MHSA operations. These variances are due to the following:
 - TCMH** salaries are lower than budget by \$300 thousand due to vacant positions and benefits are higher than budget by \$7 thousand.
 - MHSA** salaries are lower than budget by \$342 thousand. The direct program salary costs are lower by \$305 thousand due to vacant positions and the administrative salary costs are lower than budget by \$37 thousand. Benefits are higher than the budget by \$57 thousand. Of that, health insurance is lower than budget by \$99 thousand, state unemployment insurance is lower by \$20 thousand and workers compensation is lower by \$15 thousand. These lower costs are offset by the annual payment of CalPERS Unfunded Accrued Liability in July.
- 2 Facility and equipment operating costs** were lower than the budget by \$182 thousand of which \$60 thousand lower were from TCMH and \$122 thousand lower were from MHSA. These lower costs are related to the CFTN expenses to be spent during the fiscal year that has not yet happened.
- 3 Client program costs** are lower than the budget by \$182 thousand mainly from MHSA due to lower FSP client costs.
- 4 Grants for fiscal year 2022-23** awarded under the Community Wellbeing project are \$35 thousand lower than the budget due to timing.
- 5 MHSA learning and training costs** are lower than the budget by approximately \$15 thousand.
- 6 Depreciation and amortization** is \$56 thousand higher than the budget mainly due to the implementation of the GASB 87 where building leases are reported as rights to use assets and lease liabilities. These liabilities will then be gradually reduced as they are amortized monthly.
- 7 Other operating expenses** were higher than the budget by \$88 thousand of which \$151 thousand higher were from TCMH and \$63 thousand lower were from MHSA. At TCMH, the higher cost was mainly due to the liability insurance cost incurred for the Psychiatric Assessment Care Team (PACT) program with the City of Claremont Police Department. As agreed, Tri-City will be reimbursed for 50% of this cost from the City of Claremont. At MHSA, the lower costs were from conference fees and professional fees.

**TRI-CITY MENTAL HEALTH AUTHORITY
ACTUAL TO BUDGET VARIANCE EXPLANATIONS
TWO MONTHS ENDING AUGUST 31, 2022**

COMMENT: PLEASE NOTE, THE DISCUSSION BELOW MAY USE THE FOLLOWING ABBREVIATIONS:

TCMH==TRI-CITY MENTAL HEALTH (OUTPATIENT CLINIC OPERATIONS)

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Non-Operating Revenues (Expenses)

Non-operating revenues, net, are lower than budget by \$216 thousand as follows:

1 TCMH non-operating revenues are \$251 thousand lower than the budget. Of that, realignment fund is lower than the budget by \$124 thousand, grants and contracts are lower than the budget by \$134 thousand, interest income net is higher than budget by \$7 thousand.

2 MHSA non-operating revenue is in line with than the budget.

In accordance with Government Accounting Standards Board, MHSA funds received and available to be spent must be recorded as non-operating revenue as soon as the funds are received. Funds are available to be spent when an MHSA plan and related programs have been approved and the proposed expenditures for those programs have been approved through an MHSA plan, MHSA update, or State Oversight and Accountability Commission.

The differences in actual to budget are broken out as follows:

	Actual	Budget	Variance
CSS funds received and available to be spent	\$ 12,284,819	\$ 12,284,819	\$ -
PEI funds received and available to be spent	2,221,507	2,221,507	-
WET funds received and available to be spent	-	-	-
CFTN funds received and available to be spent	-	-	-
INN funds received and available to be spent	274,534	274,534	-
Non-operating revenues recorded	<u>\$ 14,780,860</u>	<u>\$ 14,780,860</u>	<u>\$ -</u>

CSS, PEI and INN recorded revenues are in line with the budgets.

Interest income for MHSA is higher than budget by approximately \$35 thousand.

TRI-CITY MENTAL HEALTH AUTHORITY
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
TWO MONTHS ENDED AUGUST 31, 2022 AND 2021

	PERIOD ENDED 8/31/22			PERIOD ENDED 8/31/21		
	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited	TCMH Unaudited	MHSA Unaudited	Consolidated Unaudited
REVENUES						
Medi-Cal FFP, net of reserves	\$ 516,472	\$ 502,488	\$ 1,018,960	\$ 485,248	\$ 429,013	\$ 914,262
Medi-Cal SGF-EPSDT	82,340	91,115	173,455	102,466	99,695	202,161
Medicare	3,062	850	3,912	2,395	1,150	3,545
Realignment	609,225	-	609,225	609,225	-	609,225
MHSA funds	-	14,780,860	14,780,860	-	11,337,925	11,337,925
Grants and contracts	-	5,051	5,051	80,504	4,844	85,348
Patient fees and insurance	89	57	146	342	-	342
Rent income - TCMH & MHSA Housing	924	10,385	11,309	3,087	13,715	16,802
Other income	124	35	158	121	59	180
Interest Income	10,975	60,074	71,048	1,969	8,796	10,766
Total Revenues	1,223,210	15,450,914	16,674,124	1,285,357	11,895,197	13,180,554
EXPENSES						
Salaries, wages and benefits	1,600,246	2,436,092	4,036,338	1,420,017	2,217,345	3,637,363
Facility and equipment operating cost	94,319	210,451	304,769	128,276	199,395	327,671
Client lodging, transportation, and supply expense	3,185	13,447	16,631	44,383	70,061	114,444
Depreciation & amortization	53,611	102,459	156,070	26,347	74,067	100,414
Interest expense	-	-	-	6,525	-	6,525
Other operating expenses	247,552	216,312	463,864	105,240	192,222	297,462
Total Expenses	1,998,912	2,978,760	4,977,673	1,730,789	2,753,090	4,483,879
INCREASE (DECREASE) IN NET POSITION	(775,702)	12,472,154	11,696,452	(445,432)	9,142,107	8,696,675
NET POSITION, BEGINNING OF YEAR	8,053,532	26,227,108	34,280,640	4,787,631	24,868,486	29,656,117
NET POSITION, END OF MONTH	\$ 7,277,830	\$ 38,699,262	\$ 45,977,092	\$ 4,342,199	\$ 34,010,593	\$ 38,352,792

NOTE: This presentation of the Change in Net Assets is NOT in accordance with GASB, but is presented only for a simple review of Tri-City's revenue sources and expenses.

Definitions:

Medi-Cal FFP= Federal Financial Participation Reimbursement

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**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: October 19, 2022

TO: Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, LMFT, Executive Director

FROM: Elizabeth Renteria, LCSW, Chief Clinical Officer

SUBJECT: Monthly Clinical Services Report

UPDATE: Cerner Implementation and Data Collection

Tri-City Mental Health Authority continues to implement the Cerner electronic health record technology. We are learning about the software's data tracking and report generating capabilities in this process. Please note that monthly reports for the time being will not contain the data and outcomes previously reported on. We will be developing new reports that we will be able to share with the board in the months to come.

Access to Care and Current wait times:

The Access to Care department at Tri-City Mental Health serves as the main entry point for individuals trying to access services at Tri-City Mental Health. There continues to be a great need for mental health services, especially within our catchment area of Pomona, Claremont, and La Verne.

According to **policy 302.07-Access to Care** and in accordance with following Network Adequacy guidelines the following timelines must be adhered to stay within compliance (see graph 1). For Standard appointments, the wait time is 10 days from day of request; for hospital discharges the timeframe is 5 days from the time of request and for urgent requests the wait time is 48 hours.

Although wait times for offering timely appointments has improved due to onboarding newly hired staff and the Access to Care department now being fully staffed, our agency continues to work towards improving wait times. Four main factors impacting our wait times includes: staffing issues/position vacancies, recent implementation of new electronic health record (as this impacted our workflow and ability to secure back-up intakes), the high demand for mental health services and high rates of missed appointments (i.e., no-shows). Recently, we have seen an increase in referrals being sent through the (Service Request Tracking System) SRTS system from other agencies that lack capacity to provide mental health services.

Governing Board of Tri-City Mental Health Authority
 Rimmi Hundal, Executive Director
 Monthly Staff Report of Elizabeth Renteria, LCSW Chief Clinical Officer
 October 19, 2022

Graph 1: Access to Care Wait Time from Date of Request to First Offered Appointment.

Access to Care – Timeframe Reminder
 (Updated Chart Per QA Bulletin 21-06)

Wait Times from Date of Request to First Offered Appointment		
Emergency	Wait Time	Authority
Crisis Evaluation Services for a condition or situation in which a client presents a current danger to self or others or is immediately unable to provide for or utilize food, clothing, or shelter	ASAP, Same Day	CCR Title 9, Chapter 11 CA WIC 5150/5525
Urgent	Wait Time	Authority
Urgent Services Services for a condition or situation that, if not addressed, would be highly likely to result in an immediate emergency condition	48 hours (no pre-authorization) 96 hours (pre-authorization)	CFR Title 42, 438 CCR Title 28, 1300.67.2.2 DHCS IN 20-012
Expedited	Wait Time	Authority
Expedited Services Based on triage, services that require a more timely response than a regularly scheduled appointment consistent with good professional practice (e.g. has run out/will run out of medication prior to routine appointment, significant distress) (Title 28)	Prior to 10/15 business days as indicated	CCR Title 28, 1300.67.2.2
Other Types of Appointments	Wait Time	Authority
ACCESS - Priority Only the ACCESS Appointment Line priority designation	5 business days	—————
DC - Priority Discharged from acute inpatient facility, jail or juvenile justice facility	5 business days from date of discharge	NCCQA/HEDIS Measure
Routine Appointments	Wait Time	Authority
Routine Non-Psychiatry Specialty Mental Health Service (e.g. MHS, TCM, MSS, ICC, IHBS, TBS)	10 business days	DHCS Info Notice 20-012 CCR Title 28, 1300.67.2.2
Routine Psychiatrist Services	15 business days	DHCS Info Notice 20-012 CCR Title 28, 1300.67.2.2
Rescheduled Appointments	Wait Time	Authority
Canceled/Missed	Within above timeframes from date of appointment/request for new appointment	—————

Current wait times for an intake are as follows:

- Royalty site: As of 10/9/22, current wait times are:
 - There is currently a 9 day wait period for a standard intake. Next appointment on 10/20/22. We can use this intake slot for a hospital discharge appointment as well if needed.
 - There is currently a 4 day wait period for an SPT intake. Next appointment on 10/13/2022.
- Garey site: As of 10/9/2022, see wait times for Garey site below:
 - There is currently a 4 day wait period for a discharge priority intake appointment. Next appointment on 10/14/22 (SRTS/HD).
 - There is currently a 30day wait period for a standard intake. Next appointment on 11/18/22

NOABD-Un-timely Access to services:

- When we offer an untimely appointment, we must issue a Notification of Action for untimeliness to LA County and to the individual who was given an untimely appointment.

In accordance with Network Adequacy guidelines and **policy 302.14-Responding to Initial Request for Services**, we are under strict guidelines for processing incoming requests for services. For a standard request for services, we must make 2 attempts to reach the referred individual to process the referral/service request. For urgent or hospital discharge referrals we must make 3 attempts to reach the referred individual to process the referral/service request. This process can be time consuming due to individuals not responding to our attempts to contact them to process the referral. Additionally, processing a service request in general is time consuming and usually on average takes 20-40 minutes due to various screenings, crisis & medication triages and obtaining information needed to be inputted in the SRL tool (Service Request Log). All information obtained during the service request process is sent/transmitted directly to LA County.

Policy 302.14 – Responding to Initial Requests for Services

<p>Contact Attempts when Unable to Contact the Potential Client/Representative</p> <ol style="list-style-type: none">1. <u>At least two (2) attempts</u> to contact (if reasonably expected to be successful) shall be made prior to recording a disposition.2. For requests determined to need <u>expedited and/or medication services</u>, <u>at least three (3) attempts</u> shall be made prior to recording a disposition.3. If the <u>potential client/representative contacts the provider after the disposition has been recorded</u>, the contact will be <u>treated as a new request</u>.

In addition to following strict guidelines to process service requests, once the individual is scheduled for an intake appointment and they miss their intake appointment, we must make 3 attempts to reschedule the missed intake appointment. This process can also be time consuming due to multiple missed appointments and lack of response to our attempts to contact the individual for rescheduling their appointment.

Service Requests:

Tri-City Mental Health Authority receives multiple services requests for both adults and children per month. Reviewing service request data from June/2021 to June/2022, the approximate average number of service requests received monthly for adults was 190 per month and 77 for our children’s department. That is approximately 267 service requests on average received per month. Keep in mind that in February/2022 the age requirement for individuals served through our children’s department changed to include individuals under the age of 25.

Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, Executive Director
Monthly Staff Report of Elizabeth Renteria, LCSW Chief Clinical Officer
October 19, 2022

Month/Year-Adults	Service Requests for Adults	Month/Year-Royalty	Service requests for children and TAY aged youth
Jun-21	221	Jun-21	43
Jul-21	198	Jul-21	39
Aug-21	221	Aug-21	58
Sep-21	190	Sep-21	60
Oct-21	185	Oct-21	67
Nov-21	191	Nov-21	59
Dec-21	169	Dec-21	52
Jan-22	178	Jan-22	63
Feb-22	160	Feb-22	74
Mar-22	167	Mar-22	102
Apr-22	120	Apr-22	91
May-22	135	May-22	118
Jun-22	156	Jun-22	100
Average number	190	Average number	77

Most individuals that request services, will be given an intake appointment. For those individuals who are not given an intake appointment, the reasons may vary. Reasons why individuals would not be given an intake appointment include: declined services, unable to reach referred individual, pending outcome/disposition and referred to a different agency.

Intakes & Capacity

Currently, we have 27 clinicians from various departments (i.e., AOP, FSP, COP, FCCS, SPT) on our intake rotation schedule. Clinicians are scheduled for approximately 1 intake per week. We currently have 4 Access to Care intake clinicians on our rotation. Currently, our ATC intake clinicians are scheduled for 5 to 10 intakes per week each depending on their schedule. Intakes scheduled for Access to Care clinicians average 70 per month between the four ATC clinicians. Therefore, we have the capacity currently to offer approximately 133 intakes per month. Given we receive an average of 267 service requests per month and the majority are offered intake appointments (70-80%), currently we do not have the capacity to stay within compliance with our current staffing.

Access to Care is fully staffed as of 9/5/22.

ADULT PROGRAM

Active Clients and Discharges:

With outreach and discharge steps, staff are closing and re-engaging clients. Clinical Wellness Advocates and Co-Occurring Support Teams are aiding Adult Clinical teams by contacting clients in the interim. Despite groups, CWA, and COST assistance, there is a need for additional clinical support due to staff shortages.

Housing:

Currently, there are 0 cases receiving emergency housing. There are clients who are not housed and in the process of receiving supportive housing and accessing all available community resources.

Groups:

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Adult Department is currently running 15 groups due to there being a clinical need and due to staff shortages.

On Call:

Adult and CFS Departments merged on call effective September 2022. There will be 5 Adult/CFS staff for the on-call rotation due to an increase in community and active client calls afterhours and there being a clinical need at this time.

Recruitment Updates:

Interviews are currently being expedited to meet the clinical need. Staff retention is an area of focus in the department. The following vacant positions are posted on CalOpps:

- Clinical Supervisor I/II - AOP
- (2) Clinical Therapist I/II - Adult FSP
- Clinical Therapist I/II - AOP
- (2) Clinical Therapist I/II - Bilingual - AOP
- Mental Health Worker - Adult FSP
- Program Supervisor I - AOP

CHILD AND FAMILY SERVICES

The focus in September was the adjustment to Cerner and new CAL Aim protocols. In the initial weeks of Cerner, staff struggled as expected with the changes, however a couple of Cerner masters evolved leading the pact and sharing resources. The department hosted a chart party to set aside admin time to work on chart audits, answer questions, and make revisions.

On call Collaboration :

Changing on call services from 3 separate teams to one team has been a collaborative effort with Adult Manager, Chelsea Kingman, and COST Supervisor, Cristina Canzioneri and CFS Manager Debbie Johnson. All three brought in different perspectives, ideas, and suggestions to facilitate the merge, train the staff on necessary documentation, protocols and crisis respond with various ages. The number of calls seen with this month has been higher than expected with a significant amount of calls from community members needing support. The team consist of a 2 staff (Clinician or Case Manager) and 2 supervisors from Adult and Child services. The supervisors from each department will remain on until the end of October to help all supervisors familiarize themselves with LPS evaluations for all ages. A meeting will be held with supervisors in October to help provide further support and training.

It was determined early on that due to the amount and clinical acuity of calls a 3rd person was needed to support the team. In addition, the two managers and supervisor have continued to meet to troubleshoot any challenges as they arise. The teams repsonse has improved as they are becoming more accustomed with the on call

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process especially adult and community members calls.

Early Psychosis:

The Early Psychosis program continues to move forward with having two MFG groups (one in Spanish and one in English) with 3-4 families each.

Child Outpatient Program (COP)

The Children's Outpatient Team have experienced changes this month. There was the addition of a new therapist, to the COP team this month. The new employee was a Tri-City MHA intern in 2016 and has returned to be part of the team. That brings the COP team to 6 therapists and 1 Mental Health Worker. The staff have done well transitioning to the new Electronic Health Record and remain positive as they learn how to navigate Cerner. There were approximately 45 clients who had intakes/assessments completed during the month of September.

Full-Service Partnership (FSP):

During this month FSP continues to hire at least 2 additional clinicians and 1 MHS. 1 season clinician transfer to ATC and another one is on family leave. This has impacted the increasing number in caseloads. Yet, client care has not been interrupted.

School Partnership Team:

The SPT supervisor collaborated with various internal programs (community navigators, Diversity, Equity and Inclusion Coordinator, and Community Capacity Organizer) to be able to gather information and provide a comprehensive view of services to our school partners. This month SPT supervisor attended various school events from Claremont High back to school night to CUSD first SARB meeting.

In addition to the outreach the SPT supervisor continued to build relationships with school partners by establishing treatment team meetings for high-risk cases and responding to crisis. SPT supervisors will work on meeting with Pomona, Bonita, and School of Arts to resume monthly meetings to enhance partnership.

September SPT collaborations:

- Back to school night at Claremont High School- provided presentation to parents about mental health and tabled event
- Collaboration with Navigators- Resource flyers sent to three CUSD Elementary school partners
- Monthly collaboration meeting with CUSD and ULV/ CPP
- Attended first 2022-2023 SARB meeting for CUSD
- Attended Community Schools Advisory Council Meeting with Ganesha High School
- Meeting with Hannah to discuss SPT Program Marketing Materials

- Clinicians at 3 school districts attending school sites: Garey HS, Ramona MS, San Antonio HS

THERAPEUTIC COMMUNITY GARDEN (TCG)

This September has been a time of growing challenges in the natural world which also means growing challenges in our own gardens and the Therapeutic Community Garden. The multiple snags of triple digit temperatures and restriction of water for two of the hottest weeks due to the Colorado pipeline repair has stressed the plants and humans alike. When the ecosystem is stressed, all inhabitants feel it. The oppressive weather of heat and humidity took its toll and the effects of the continued drought exacerbated by water restrictions were magnified by these extreme conditions.

The growing season has been abbreviated and harvest not as dependable, but we continue to share what the garden offers with TCG participants and the greater Tri-City



community.

Left: Feeding the body – a personal-sized Japanese melon sweetens in the sun;
Center: Feeding the soul - mini pumpkin crop ripe for an art project; ***Right:*** A beautiful summer-loving Spanish Lavender thrives in the heat with little supplemental water

External Outreach

In the month of September, TCG Team communicated with several external programs. TCG continued to communicate with Cal Poly Pomona Veteran's Resource Center as well as the Joslyn Center in preparation for planned collaborative events for these programs coming in the next few months. Additionally, TCG Team was invited to tour Casa Colina hospital and in this time the team was able to reconnect with their children's center and begin to formulate plans for future collaborations. Likewise, TCG Team engaged in outreaching to The Center for the Arts, The Learning Center at the Fairplex, Sustainable Claremont and Blaisdell Senior Center. Finally, with the school year officially underway TCG Team has been communicating to k-12 schools as well as universities within our three cities.

Internal Outreach

Internal outreach was bountiful this month. In addition to regular harvests provided to staff, several workshops and outreach opportunities occurred as well. To name a few, TCG provided a seed planting workshop to Royalty's Anger Management group and to the FSP Resiliency group, participated in ¡Adelante! Loteria break, informed Wellness Center TAY staff of our services and advertised TCG groups to Child and Family Services (CFS) during their weekly meeting. With a goal of serving the TAY population, it was a very productive month in connecting with that age range through interdepartmental communications, as well as connecting to those who serve the younger demographic.



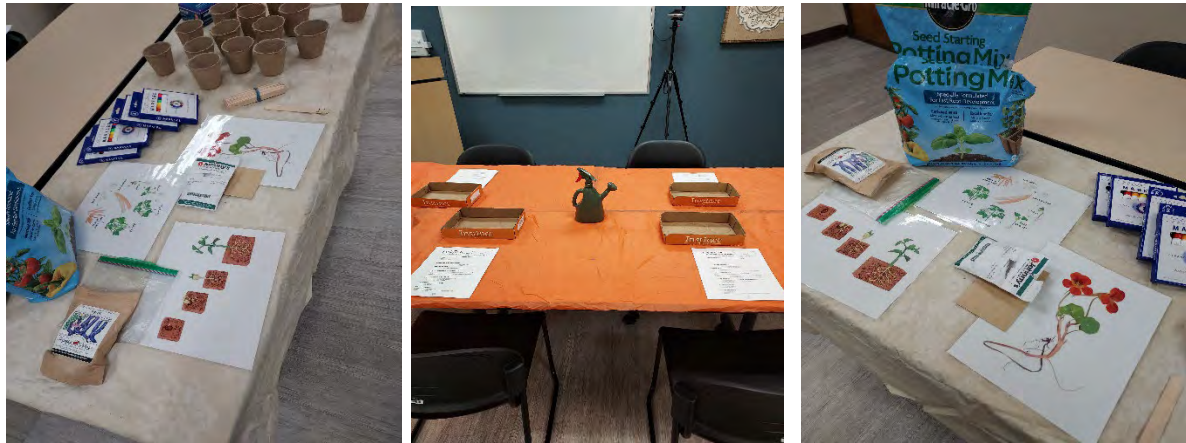
***Above:** Miniature pumpkins curing in the TCG office with the goal of becoming a garden art activity for young clients or community members.*

Number of Groups for September

Garden Bloomers, Mindfulness Through Virtual Gardening, Growing Youth Growing Gardens, and Reconnect Through the Garden continued to be offered to participants and have been praised by the participants involved with these groups. In September Florece En Tu Madera, a group in Spanish offered to our Spanish speaking participants, began to the joy of a growing population of Spanish speaking participants.

On September 14th TCG staff facilitated a workshop with Royalty Children's department. The workshop entailed a planting activity where the young participants. The Children's Royalty workshop was a success and TCG is extremely excited to share that there will be several upcoming 0-25 workshops within the next months, specifically with Casa Colina.

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Above: Royalty Children's Department- Workshop Setup.



Above: The first two pictures on your right, we have a harvest ready to go for a TCG participant. The third picture is a workshop set up for FSP Resiliency group.

In September there was an overall increase of referrals and enrollments, which resulted in the groups growing. Both clients and non-client community members have been calling to seek services or have been referred by 3rd parties.

HOUSING

In September, the Los Angeles Homeless Services Authority released the results of the 2022 Homeless Count held on February 25, 2022. The count had been put on hold during the 2021 year due to the ongoing pandemic and data comparison with the numbers collected are with the results from the January 2020 count.

All LA county saw a rise in unhoused individuals. When looking at our three cities, Pomona saw a small decrease in the last two years while Claremont and La Verne saw a significant increase.

	Percent Change	Unsheltered	Sheltered	Total
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LA County individuals	4% increase	20,596	48,548	69,144
LA County families	7% increase	14,248	47,586	61,834
SPA 3 individuals	2% increase	1,676	2,985	4,661
SPA 3 families	8% increase	1,277	2,941	4,218
Pomona	0.83% decrease	457	259	716
La Verne	310% increase	41	0	41
Claremont	52.94% increase	26	0	26

The numbers for the county SPA, and cites can be found in the following links:

<https://www.lahsa.org/data?id=54-homeless-count-by-city-community>

<https://www.lahsa.org/news?article=893-2022-greater-los-angeles-homeless-count-data>

Additional data that was released in the report:

- 60.5% of our unhoused neighbors DO NOT report experiencing serious mental illness or substance abuse.
- 4,012 unhoused people who reported serious mental illness or substance abuse accepted moving into a shelter compared to 2,697 in 2020.
- To address our homeless crisis, we need to increase housing availability by 250%

Conclusions made by LAHSA:

- Homelessness is rising much slower than in previous years.
- Tents, vehicles, and makeshift shelters on street increased, but fewer people are in them.
- Policies and investments prevented homelessness from growing worse during COVID.
- Investment in mental health and substance use disorder treatment services and beds is needed.
- More people than ever before are in shelter.
- Black community members are still overrepresented, although number of unhoused individuals is down slightly (9%).
- The number of Latinos community members experiencing homelessness has grown considerably (26%).
- Our region is in a very precarious position with policies and investments ending. As pandemic-era safety nets end, more low-income Angelenos may fall into homelessness. A significant amount of one-time shelter funding is ending. This loss could cause a rise in unsheltered homelessness.

The full slide deck that the above information was pulled from can be accessed at:

<https://www.lahsa.org/documents?id=6545-2022-greater-los-angeles-homeless-count-deck>

CO-OCCURRING SUPPORT TEAM (COST)

COST completed two trainings for National Recovery Month for TC staff:

- 1st training was in collaboration with vivitrol representative Nancy Hovey who presented on vivitrol, Medication Assisted Treatment (MAT) approach, and alcohol use disorder
- 2nd presentation was psychoeducation/history of how national recovery month developed; followed by three clients who shared

their stories portraying how working with COST in collaboration with their mental health team was beneficial to their recovery.

PEER SUPPORT SPECIALIST

Peer support specialist continue to support the adult outpatient team due to staffing shortages by providing wellness checks and calls to open clients. In the month of September peers have supported an additional 133 clients. In September, the team received 20 referrals for peer support services.

SUCCESS STORY: ADULT OUTPATIENT

(Client names are not used and demographic and identifying information have been changed to protect client privacy)

Client is a 38-year-old woman who initiated services with Tri-City after being court ordered by Department of Child and Family Services (DCFS). Prior to services, client had lost custody of her children and openly expressed how it was negatively impacting work, relationships, and daily activities. Client was struggling with severe depression and anxiety, would call treatment team multiple times daily and was hesitant to attend groups offered by the Adult Outpatient Program. However, Client decided to trust the process and began to attend treatment, including groups consistently. A shift began to take place.

It started small, agreeing to share about her week in groups (instead of passing her turn). She then started providing support to group members going through an analogous situation, relating to a quote. Before long she was volunteering to speak first every time, staying behind even after checking out to provide support as needed, and implementing the coping skills she learned in group at a rapid rate.

When client officially finished group services, she spoke to treatment team and expressed great gratitude for the support. Client also inquired about group services for her mother who had also been struggling with depression. Client also recommended her mother to attend group and consistently helped her mother log in to group each week as Client saw the benefit and wanted her mother to also benefit from services. Client and mother were both consistent with groups and treatment.

Around the time her mother finished group services, client and her mother informed the treatment team that they officially regained custody of their children. They again expressed their gratitude and stated that coming to Tri-City, and specifically those weekly groups, changed their lives and saved their family, and that they would never forget what Tri City did for them.

SUCCESS STORY : CHILD /YOUTH FSP

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Client is a 17 years old, Hispanic male who enrolled in FSP services due to history of ongoing legal issues that drove client to experience legal consequences and symptoms of depression including, aggression, isolation, and SI. Client gradually disconnected from close relationships impacting family dynamics, physical fights with siblings, limited access to healthy ways of coping, poor interactions with others in the community and school, poor school attendance, multiple suspensions, and substance use. At this time, client is in his last phase of treatment and will be graduating from FSP services in the next couple of months. Client is currently living at home, participates in family events and family relationships have improved, even becoming a good support for his parents. Client is attending school on regular basis; grades have improved, and he is enthusiastic about his first semester in college. Client is looking for a job and his reactions towards the community have changed, he is polite and encounters others in a calm manner. Client is proud of his accomplishments and is aware of the consequences of engaging in risky behaviors.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: October 19, 2022

TO: Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, Executive Director

FROM: Seeyam Teimoori, M.D., Medical Director

SUBJECT: Medical Director's Monthly Report

SERVICES PROVIDED BY TRI-CITY INTENSIVE OUTREACH AND ENGAGEMENT TEAM (IOET), and PACT TEAMS IN September 2022

IOET Program

- Number of all new outreach= 54
- Number client given intake appointments= 38
- Number of clients opened= 7
- Total number of ALL clients outreached= 230
- Total number of homeless served= 162
- Percentage of clients outreached that are homeless= 70%

Service area:

- Pomona= 219
- Laverne= 6
- Claremont= 5
- Total= 230

Enrollments:

- FSP (Full-Service Partnership)-Older Adult= 0
- FSP-adult= 1
- FSP-TAY (Transition Age Youth) = 1
- AOP (Adult Outpatient Program) = 5
- COP (Children Outpatient Program) = 0
- FCCS (Field Capable Clinical Services) = 0
- FSP Children= 0

Health Issues:

- Number of initial health assessments completed= 4
- Number of clients linked to PCP appointments with IOET LPT= 21

P.A.C.T. (Psychiatric Assessment Care Team)

- Number of new individuals added for the month= 20
- Number of holds written for the month= 4 holds
- Number enrolled in formal services for the month= 0
- Number of Wellness checks for the month = 14

In the context of our commitment to provide whole person care, our outreach and engagement team has been able to provide a wide range of services to our clients in need from arranging for free eye exams and free eyeglasses to many clients, helping clients to participate in needle exchange program and receive HIV and substance use counseling, transferring clients to and from Pop up clinic to get vaccinations and medical care, to helping clients with their legal and immigration issues and court hearing.



**Tri-City Mental Health Authority
Monthly Staff Report**

DATE: October 19, 2022

TO: Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, Executive Director

FROM: Dana Barford, Director MHSA and Ethnic Services

SUBJECT: Monthly MHSA and Ethnic Services Report

COMMUNITY PLANNING PROCESS

Tri-City staff are actively recruiting to fill the MHSA Projects Manager position. This person is responsible for providing project management of the Mental Health Services Act (MHSA) planning and implementation process as well as overseeing the development and drafting of MHSA Annual Updates, Three-Year Revenue and Expenditure Plans, and all new MHSA program proposals. Interviews began the week of October 10th with the goal of filling the position by the end of October.

ETHNIC SERVICES

On September 20th in collaboration with Latino Roundtable, twenty-four participants attended a virtual “Loteria Break” celebrating Hispanic Heritage and Suicide Prevention Month. This hour-long meeting allowed participants to learn about the warning signs of suicide while celebrating cultural traditions. Participants were able to win prizes such as gift cards to local Latino/a/e/x businesses in support of the community. In addition, Tri-City staff hosted an in-person event at Café Con Libros on October 13th which continued the Hispanic Heritage celebration.

The Diversity, Equity, and Inclusion Coordinator visited the Cultural Center at Cal Poly Pomona to outreach and increase partnerships. These efforts included the PRIDE Center where Tri-City was invited to host a table at their “Coming Out Day” event in October. Additionally, at the Native American Center, two organizers expressed interest in supporting Tri-City’s Native American Advisory Council with resources and feedback during the planning process.

COMMUNITY NAVIGATORS

The Community Navigators were able to connect multiple adult individuals experiencing homelessness to the Hope for Home Service Center. The five cohort beds at Hope for Home were utilized, and the program was successful in connecting one of the individuals to a longer-term substance abuse program.

Outreach efforts consisted of attending several community events including Pomona Hospital Medical Center Overdose Awareness Day and a Health and Resource Fair at the La Verne Community Center. Tables with information on the different services Tri-City offers were set up at both events, and the Navigators were able to connect with several community members and organizations. In addition, Navigators are preparing to attend multiple community weekend events that will be taking place in Pomona during the month of October.

WORKFORCE EDUCATION AND TRAINING (WET)

During the month of September, WET program staff continued efforts to educate and recruit for a workforce sufficient to meet the needs of the communities served. Twelve Tri-City staff members attended a conference held by the Southern California Regional Partnership on September 15th and 16th entitled Transforming Together: Culturally and Linguistically Responsive Care. The conference focused on providing education about how to best serve diverse clients and participants.

Social media data collected during September indicates TCMH reached 1229 people via Facebook, 615 people via Instagram, 342 impressions via Twitter, and 186 people via LinkedIn. Staff completed 204 courses over 118 hours using our online learning platform, Relias, during the month.

PREVENTION AND EARLY INTERVENTION (PEI)

Community Wellbeing

Program staff continue to host cohort meetings for all Community Wellbeing grantees. These virtual meetings provide important information including what is ahead for the Community Wellbeing Grant, upcoming deadlines, and provided an opportunity to network with each other via breakout rooms.

A Grantee Spotlight was posted on Tri-City's social media account for the month of September which highlights a specific grantee and the work that they do. This past month featured Bright Prospect, an organization that provides counseling and support systems for low-income, first-generation students to gain admission, succeed and graduate from four-year colleges and universities.

Peer Mentor Program

The Peer Mentor program launched their first meeting of the new fiscal year with presentations and trainings including orientation and introduction to the Peer Training Manual and team building activities. An additional 8-hour Mental Health First Aid training was held where mentors were certified to provide Mental Health First Aid. Overall, the program has 12 returning mentors and 6 new mentors making a total of 18 mentors.

Stigma Reduction/Suicide Prevention

September is nationally recognized as Suicide Prevention Awareness Month. In addition, Suicide Prevention Week (September 4-10) and World Suicide Prevention Day (September 10th) is a time when people and organizations across the nation come together to spread the message that everyone can help prevent suicide and to honor loved ones who have died by suicide. Throughout the month of September, there were virtual and in-person events held with community partners to help promote suicide prevention which can be found [here](#). Program staff provided suicide prevention resources and an interactive activity to help promote suicide prevention at 3 middle schools, 11 high schools, 5 colleges, and 2 after school programs in the Tri-City area. There was positive feedback from the school sites, and many have expressed interest in continuing a partnership with program staff to facilitate more mental health related activities with the students and potentially in the classrooms.

WELLNESS CENTER

In September, the Wellness Center welcomed a new MSW intern cohort. Two second-year interns from Azusa Pacific and Cal State Long Beach joined the agency for the academic year from September through May. During their tenure they will participate in the Wellness Center's support groups to learn and observe the recovery model, provide behavior modification services at the Bonita School District, and see clients at both the children's and adult clinics. As always, the goal is not only to provide them with the skills needed to apply for employment with Tri-City but also to qualified for employment with any local system of care or non-profit. A strong testament to this process is that Tri-City has recently hired a full-time therapist who served as an intern in this program almost 5 years ago.

INNOVATION

Help@Hand (Tech Suite): Tri-City's launch of the app myStrength is officially complete. Thirty-one participants have registered for this app since August. Through the robust social media campaigns on Facebook, Twitter, and Instagram, staff are seeing an increase in both interest and participation. Local community support includes a promotional video encouraging the use of myStrength hosted on social media by Jed Leano, Mayor of Claremont. In addition, Painted Brain, peer advocates contracted for this project, hosted two workshops in September for the monolingual Spanish population. Two additional workshops will be held in October focusing on transition age youth and older adults.

PADs (Psychiatric Advance Directives): Innovation staff has been working with members of the seven-county collaborative on logistics for the implementation of this project. A virtual information night is scheduled for October 22nd at 6:00 pm which is specifically for local law enforcement, first responders, crisis teams and hospitals so they can learn more about PADs and how they can provide input for this important project.



**Tri-City Mental Health Authority
MONTHLY STAFF REPORT**

DATE: October 19, 2022

TO: Governing Board of Tri-City Mental Health Authority
Rimmi Hundal, Executive Director

FROM: Natalie Majors-Stewart, Chief Compliance Officer

SUBJECT: Monthly Best Practices Report

CERTIFICATION

The Los Angeles Department of Mental health will be returning to perform a Certification Audit of the Tri-City Mental Health - Children and Family Program site (7798), located at 1900 Royalty Dr., Pomona, CA 91767. Certification/Re-Certification reviews occur every 3 years and are required for legal entities (agencies) to provide and be reimbursed for Specialty Mental Health Services.

The 7798 Certification Audit will occur in the month of November 2022 and will include: a review of agency service providers and credentials, a review of agency policies, procedures, and protocols, and an onsite physical plant inspection.

DATA QUALITY/QUALITY MONITORING

The Best Practice Team has begun the process of more critically reviewing, monitoring, improving record data entries and data reporting in the new Electronic Health Record. The data areas that are of current focus are:

1. Program Data – Ensuring that program data is accurately entered.
2. Appointment & Service Details – Ensuring that appointment and service data is accurately entered and reported.
3. Claiming and Billing – Ensuring that claiming data is accurately entered and reported.

As clinical care, performance outcomes, and revenues are based on Electronic Health Record data elements, these data quality efforts are essential in order to ensure accuracy and integrity of data.

DOCUMENTATION AND ELECTRONIC RECORD TRAININGS

Documentation and Electronic Record Trainings have been redesigned and relaunched to incorporate the fundamentals from new Electronic Health Record into the training material and curriculum.

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Documentation trainings will continue to be held ongoing for new employees in the clinical department, in order to provide a foundation of documentation quality and compliance for services providers. Electronic health record (EHR) trainings will also be offered to provide a comprehensive overview of the electronic health record for both service providers and other administrative staff.