



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: April 23, 2024

DATE: Thursday, April 18, 2024

TO: Board of County Commissioners

FROM: Gabrielle Enfield, Community Reinvestment Manager
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THROUGH: Kate Thomas, Assistant County Manager
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SUBJECT: Recommendation to accept Coronavirus State and Local Fiscal Recovery Funds subgrant award from the State of Nevada, for the West Hills Facility Rehabilitation, in the amount of [\$14,500,000; no county match], all funds must be expended by July 31, 2026; and authorize the County Manager to sign award documents and direct the Comptroller's Office to make the necessary budget amendments and net-zero cross-fund budget appropriation transfers. (All Commission Districts.) FOR POSSIBLE ACTION

SUMMARY

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund (SLFRF). The State of Nevada's portion of the Coronavirus State and Local Fiscal Recovery Funds is \$2.739 billion. The State is awarding Washoe County \$14,500,000 of these funds to support the West Hills Facility Rehabilitation.

Washoe County Strategic Objective supported by this item: Safe, Secure and Healthy Communities

PREVIOUS ACTION

On December 20, 2022, the Board approved the allocation of SLFRF to support the purchase of 1240 E. Ninth Street, formerly West Hills, in the amount of \$4,800,000.

On November 28, 2023, the Board approved the allocation of an additional \$60,000 of SLFRF to cover acquisition closing costs for the purchase of 1240 E. Ninth Street, formerly West Hills.

BACKGROUND

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund. Washoe County has been awarded a grant of \$91,587,038 in State and Local Fiscal Recovery Funds.

AGENDA ITEM # _____

The Washoe County Board of Commissioners purchased the mental health inpatient facility to address the pressing need for increased acute, long-term, and stabilization care for mental health services in the community. The shortage of mental health providers, coupled with the inadequate Medicaid reimbursement rate in Nevada, has created a significant gap in accessible mental health services, which has increased in severity over the past 24 months. The closure of the 95-bed West Hills Behavioral Health Hospital was a significant loss to the region and greatly reduced the availability of behavioral health beds. By securing this facility and partnering with a provider, Washoe County can create a model that allows for Medicaid reimbursement and subsidies for facility costs, thereby improving mental health services coverage and reducing future burdens on County services.

After completing significant due diligence regarding the viability of the facility as a behavioral health resource for the community, the Board of County Commissioners approved the purchase of the facility in August 2023. Washoe County closed escrow on the facility on February 28, 2024. Approval of this award allows Washoe County to immediately begin the capital improvement projects.

GRANT AWARD SUMMARY

Project/Program Name: State and Local Fiscal Recovery Funds

Scope of the Project: Complete renovation of existing building, including HVAC repair and replacement for the entire facility, fire alarm, fire sprinklers, technology infrastructure, physical security, and the need for roof replacement. Include sustainable design principles to meet net zero emissions by 2050.

Benefit to Washoe County Residents: There are currently no acute mental health pediatric beds available in Washoe County, resulting in a lack of stabilization service offerings in the community. Currently, the population needing these services must either travel out of the area or visit a local emergency room, which does not provide the appropriate level of care for this population. A minimum of 50 beds per 100,000 people is necessary to provide for minimally adequate treatment for individuals with severe mental illness; Nevada fails to meet this standard within Washoe County.

The capital expenditures to complete the rehabilitation and re-opening of the former West Hills Behavioral Hospital will allow Washoe County to provide a venue for critically needed psychiatric residential treatment beds for the pediatric and adolescent population, as well as services for youth with developmental and behavioral health needs.

On-Going Program Support: No ongoing support is provided past the term of this award.

Award Amount: \$14,500,000

Grant Period: Funds must be expended by July 31, 2026

Funding Source: U.S Department of the Treasury

Pass Through Entity: State of Nevada, Governor's Office

CFDA Number: 21.027

Grant ID Number: 24WCWHR01

Match Amount and Type: NA

Sub-Awards and Contracts: It is anticipated that contracts will be needed for this project. The scope of services include complete renovation of existing building, including HVAC repair and replacement for the entire facility, fire alarm, fire sprinklers, technology infrastructure, physical security, and the need for roof replacement. Include sustainable design principles to meet net zero emissions by 2050. Community Services Department, Capital Projects Division will work with Community Reinvestment to ensure that procurement complies with the Washoe County Purchasing Manual and federal procurement guidelines in 2 CFR Part 200.

FISCAL IMPACT

Should the board accept this SLFRF subgrant award from the State of Nevada for West Hills Facility Rehabilitation, the FY24 budget will need the following proposed budget amendments including net-zero, cross-fund budget appropriation transfers. The recording treatment may change due to generally accepted accounting principles and governmental accounting standards, however the award amounts will not change:

Cost Object	G/L Description	Amount of Increase/Decrease
IO TBD West Hills Rehabilitation	Federal Grants-431100	14,500,000.00
IO TBD West Hills Rehabilitation	Other Expense - 710500	500,000
IO TBD West Hills Rehabilitation	Transfer to Public Works - 814092	14,000,000.00
PW920XXX West Hills Rehabilitation INXXXXXX	Construction Contracts - 781080	14,000,000.00
PW920XXX West Hills Rehabilitation INXXXXXX	Transfer from Other Restricted – 622270	14,000,000.00

All funds must be expended by July 31, 2026.

RECOMMENDATION

Recommendation to accept Coronavirus State and Local Fiscal Recovery Funds subgrant award from the State of Nevada, for the West Hills Facility Rehabilitation, in the amount of [\$14,500,000; no county match], all funds must be expended by July 31, 2026; and authorize the County Manager to sign award documents and direct the Comptroller's Office to make the necessary budget amendments and net-zero cross-fund budget appropriation transfers.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: *“move to accept Coronavirus State and Local Fiscal Recovery Funds subgrant award from the State of Nevada, for the West Hills Facility Rehabilitation, in the amount of [\$14,500,000; no county match], all funds must be expended by July 31, 2026; and authorize the County Manager to sign award documents and direct the Comptroller's Office to make the necessary budget amendments and net-zero cross-fund budget appropriation transfers.*