

July 18, 2017

Diane Stanton, Executive Director  
California Health Facilities  
Financing Authority  
915 Capitol Mall, Room 435  
Sacramento, CA 95814

Re: Termination of the California Health Facilities Financing Authority Investment in Mental Health  
Wellness Grant Program, Grant Agreement Number SHAS-01

Dear Ms. Stanton:

Shasta County Health and Human Services Agency (Shasta HHSA) is regrettably unable to accept the \$565,098.26 awarded in October 2016, from the California Health Facilities Financing Authority (CHFFA), for the purpose of establishing a mental health Crisis Stabilization Unit (CSU). Shasta HHSA intended to support the operational costs of the CSU in part with funds from a new tax measure that would have increased the City of Redding's (City) sales tax revenue, part of which the City had pledged to this project. This sales tax measure was not passed by voters in November 2016. Since then, Shasta HHSA has unsuccessfully attempted to secure alternate sources of additional funding. Although the need in our community is still great, the County is unable to fully fund the project without new funding for ongoing operational costs.

This letter constitutes notice of termination of the California Health Facilities Financing Authority Investment in Mental Health Wellness Grant Program, Grant Agreement number SHAS-01, dated May 26, 2016, due to Shasta HHSA's default pursuant to section 6.1(2) of the agreement.

Thank you for selecting Shasta County to receive this grant award. It is unfortunate that we will not be able to utilize this funding to improve services in our community.

Sincerely,

David A. Kehoe, Chairman  
Board of Supervisors  
County of Shasta  
State of California