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To: CHAC JPA Member Agencies

From: Anne Ehresman, Interim Executive Director

Date: April 4, 2024

Re: Organizational Update

Over the past year, CHAC embarked on a critical journey to secure future access to mental health supports in our community. Built on five decades of unwavering commitment to children and families, this endeavor led us to explore various avenues to ensure the continuity and availability of services in a changing funding environment.

Following completion of a comprehensive Strategic Sustainability Planning Report in January 2024, and the determination/realization no sustainable financial path forward exists for CHAC as a standalone entity, we selected a partner to help ensure much needed mental health services will continue to be provided in our community in a sustainable model.

On March 11, 2024, CHAC signed a letter of intent with Pacific Clinics, a highly regarded non-profit agency with a 150-year history in Santa Clara County. Pacific Clinics offers children, youth, adults and families behavioral health, early education, and support services in schools, around the community and at home. The organizations are meeting regularly to complete due diligence and explore a transfer of assets. It is the express goal of the parties to finish due diligence, negotiate an agreement and accomplish the transfer of assets by the end of this fiscal year.

CHAC will provide another update once the terms of the transfer are finalized. As you may be aware, CHAC is a joint powers authority (JPA) that was created in 1973. It is unique because it also has nonprofit status. CHAC has commenced an introductory series of meetings with representatives of each member of the JPA to provide an update on the process and discuss the future of the JPA. Once the transfer of assets is approved by the CHAC Board of Directors, CHAC will focus on winding down the affairs of the joint powers authority. CHAC anticipates bringing an item to the board or council of each member to terminate the agreement and dissolve the JPA.