



**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Submitted on:
(COB Stamp)

Department Name: Behavioral Wellness
Department No.: 043
Agenda Date: November 18, 2025
Placement: Administrative Agenda
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director(s): Antonette Navarro, LMFT, Director
Department of Behavioral Wellness

DS
JH

Contact: Laura Zeitz, RN, Assistant Director, Inpatient, Crisis, Long Term Care,
Justice and Housing

SUBJECT: First Amendments to the California Department of Social Services Community Care Expansion Preservation Program Operating Subsidy Payments Agreements with Mental Health Association in Santa Barbara County, DBA Mental Wellness Center for the preservation of Casa Juana Maria and Polly's House; and with PathPoint for the preservation of Phoenix House

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute a First Amendment to the California Department of Social Services Community Care Expansion Preservation Program (CCE-PP) Operating Subsidy Payments (OSP) Agreement with **Mental Health Association in Santa Barbara County, DBA Mental Wellness Center (MWC)**, (a local vendor)(BC No. 24-245), for the preservation of licensed residential adult and senior care facility "Casa Juana Maria," located at 106 Juana Maria Street, Santa Barbara (First District), to update the funds disbursement model to a flat rate model, resulting in no change to the total maximum funding amount of **\$100,000** and no change to the contract term of April 8, 2025, through June 30, 2029;
- b) Approve, ratify, and authorize the Chair to execute a First Amendment to the California Department of Social Services Community Care Expansion Preservation Program (CCE-PP) Operating Subsidy Payments (OSP) Agreement with **Mental Health Association in Santa**

Barbara County, DBA Mental Wellness Center (MWC), (a local vendor) (BC No. 24-246), for the preservation of licensed residential adult and senior care facility “Polly’s House,” located at 1801 Bath Street, Santa Barbara (First District), to update the funds disbursement model to a flat rate model, resulting in no change to the total maximum funding amount of **\$100,000** and no change to the contract term of April 8, 2025 through June 30, 2029;

- c) Approve, ratify, and authorize the Chair to execute a First Amendment to the California Department of Social Services Community Care Expansion Preservation Program (CCE-PP) Operating Subsidy Payments (OSP) Agreement with **PathPoint**, (a local vendor) (BC No. 24-242), for the preservation of licensed residential adult and senior care facility “Phoenix House,” located at 107 East Micheltorena Street, Santa Barbara (First District), to update the funds disbursement model to a flat rate model, resulting in no change to the total maximum funding amount of **\$224,869** and no change to the contract term of April 8, 2025, through June 30, 2029; and
- d) Determine that the above-recommended actions are not a project that is subject to environmental review under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines section 15378(b)(4), finding that the actions are governmental funding mechanisms and/or fiscal activities that will not result in direct or indirect physical changes in the environment.

Summary Text:

This item requests Board of Supervisors authorization for the Chair to execute First Amendments (Attachments A, B, and C) to California Department of Social Services Community Care Expansion Preservation Program (CCE-PP) Operating Subsidy Payments (OSP) Grant Agreements with two community-based organizations, Mental Health Association in Santa Barbara County, DBA Mental Wellness Center (MWC) and PathPoint. MWC has two CCE-PP OSP Agreements, for Casa Juana Maria and Polly’s House; and PathPoint has one, for Phoenix House. The purpose of the Amendments is to update the funds disbursement model from a reimbursement of cost model to a flat rate model in order to get the funds to the recipient organizations in a timely manner, better fulfilling the intent of the program. The changes requested will not change the total maximum funding amount of any of the Agreements and will not change the length of the Agreements, which are in place from April 8, 2025 to June 30, 2029.

Discussion:

The intent of the Community Care Expansion Preservation Program is to financially support organizations providing much needed residential adult senior care service. The Operating Subsidy Payment plan provides such organizations, the recipients of the funds, with ongoing financial support to cover operating cost deficits and allow the facilities to build reserves to ensure long-term sustainability of this imperative level of care. Per the agreement with California Department of Social Services, grant funds were awarded to the organizations that showed the most operational need. The original Agreements’ methods of funds disbursement was based on an annual reimbursement of cost model, which is administratively cumbersome for both the recipients and the County. In addition, this meant the funds were not disbursed until the end of FY25-26, long after the recipient incurred the cost. For these recipients, the wait for funds can be challenging after having paid out the costs.

However, California Department of Social Services, through their third-party program funding administrator, Horne, LLC, provided another method of reimbursement: a monthly reimbursement model based on the number of beds serving the prioritized population that were occupied every month. This is much easier to track administratively for the recipient, to review on County’s side, and

most importantly gets the funds to the recipient organization in a timely manner, better fulfilling the intent of the program. These Amendments will change the reimbursement model to the monthly reimbursement model. This will not require an amendment of the program funding agreement between Horne, LLC and County.

Background:

California has a shortage of adult and senior care facilities such as Adult Residential Facilities and Residential Care Facilities for the Elderly that accept individuals receiving or applying for Supplemental Security Income/State Supplementary Payment (SSI/SSP) or Cash Assistance Program for Immigrants (CAPI). The Community Care Expansion (CCE) program was established by Assembly Bill (AB) 172 (Chapter 696, Statutes of 2021) to fund capital projects, promote the sustainability of residential adult and senior care facilities, and to address historic gaps in the long-term care continuum. A total of \$249 million was reserved for the Community Care Expansion – Preservation Program (CCE-PP) which is intended to immediately preserve and avoid the closure of licensed residential adult and senior care facilities serving qualified residents, defined as applicants or recipients of SSI/SSP or CAPI, including the “prioritized population” of qualified residents who are experiencing or at risk of homelessness (Welfare & Institutions Code sections 18999.97(c)(1) and (2)). The funding source for the CCE-PP program is state general funds.

On May 7, 2024, Behavioral Wellness (BWell) entered into a Program Funding Agreement with Horne LLP, the third-party program funding administrator, in the amount of \$529,102 for Operating Subsidy Payment (OSP) programs. BWell was required to develop a Notice of Funding Availability (NOFA) process, including distribution of funds to sub-awardees, for eligible recipients consistent with the terms of Agreement No 23-3100 with Horne LLP.

On May 17, 2024, BWell issued a NOFA to accept applications for OSP funding allocation through the CCE-PP. Of those applications received, three were awarded – one to MWC Casa Juana Maria (Attachment D); one to MWC Polly’s House (Attachment E); one to PathPoint Phoenix House (Attachment F). OSP Projects do not require a Fund Match, however they do require a deed of restriction to ensure the property continues to be used to support the qualified residents. The Agreements stipulate a deed of restriction that sets the restrictions; and a performance deed of trust as security. To date, \$424,869 of these funds have been awarded. The other \$104,143 will be awarded at a future date.

Because of the annual reimbursement of cost model of funding in the original Agreements, to date, no OSP funds have been disbursed under these Agreements. With these Amendments, disbursements can begin in early 2026, contingent upon all deed restrictions being in place. This will then provide funds to the recipients in a timely manner and better fulfilling the intent of these programs.

Performance Measure:

The goal of each OSP Program Agreement is to support operating costs necessary to continue services. Therefore, reports required by Recipients include:

- Number of beds preserved by facility receiving funding.
- Number of qualified residents served per demographic category.
- Number of qualified residents served per target population group.
- Engagement and integration with community.
- Outreach activities conducted to identify and enroll qualified residents.
- Impact on homelessness.
- Number of beds and units occupied by residents with behavioral health needs.

- Number of beds and units occupied by residents with serious mental illness.

Subgrantees are required to provide outcome data with their monthly invoices.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

The OSP project costs will be fully funded with CCE-PP Funds between April 8, 2025 and June 30, 2029.

Funding Source	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
General Fund						
State – CCE-PP	\$0	\$174,000	\$242,000	\$8,869	\$0	\$424,869
Federal						
Fees						
Total	\$0	\$174,000	\$242,000	\$8,869	\$0	\$424,869

Special Instructions:

Please return one (1) copy of the Minute Order and one (1) copy of each of the executed Amendments to Chris Shorb at cshorb@sbcbswell.org, and to BWell Contracts Division at bwellcontractsstaff@sbcbswell.org.

Attachments:

Attachment A – MWC CCEPP-OSP Casa Juana Maria FY 24-29 BC24245 AM1

Attachment B – MWC CCEPP-OSP Pollys House FY 24-29 BC24246 AM1

Attachment C – PathPoint CCEPP-OSP Phoenix House FY 24-29 BC24242 AM1

Attachment D – Mental Wellness Center CCEPP-OSP Casa Juana Maria FY 24-29 BC24245

Attachment E – Mental Wellness Center CCEPP-OSP Polly's House FY 24-29 BC24246

Attachment F – PathPoint CCEPP-OSP Phoenix House FY 24-29 BC24242

Contact Information:

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