



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

Department Name: Behavioral Wellness
Department No.: 043
For Agenda Of: March 15, 2022
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Antonette Navarro, LMFT, Director
Director(s) Department of Behavioral Wellness, (805) 681-5220
Contact Info: Laura Zeitz, Division Chief
Department of Behavioral Wellness, (805) 452-2760
SUBJECT: **Approval for the Department of Behavioral Wellness to apply for DHCS Behavioral Health Continuum Infrastructure Program (BHCIP) Round 3: Launch Ready grant funding and CDSS Community Care Expansion (CCE) Program funding**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management, General Services

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Authorize the Director of the Department of Behavioral Wellness to apply for California Department of Health Care Services (DHCS) Behavioral Health Continuum Infrastructure Program (BHCIP) Round 3: Launch Ready grant funding in the amount of \$6,000,000, for acquisition and renovation of a County of Santa Barbara site-controlled property in Santa Barbara;
- B. Authorize the Director of the Department of Behavioral Wellness to apply for California Department of Social Services (CDSS) Community Care Expansion (CCE) program funding in the amount of \$750,000, for the rehabilitation of Casa Omega, a County-owned property in Santa Barbara;
- C. Authorize the Director of the Department of Behavioral Wellness, or designee, to certify the Funding Terms for both the BHCIP Round 3: Launch Ready and CCE program applications (Attachment C);
- D. Direct staff to return to the Board of Supervisors for consideration of acceptance, should the funding be awarded; and

- E. Determine that the above actions are organizational or administrative activities of the government that will not result in direct or indirect physical changes in the environment and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(5) of the CEQA Guidelines.

Summary Text:

Behavioral Wellness is requesting Board authorization to submit two applications for the Behavioral Health Continuum Infrastructure Program (BHCIP) Launch Ready and Community Care Expansion (CCE) Program grant opportunity in response to the Joint Request for Applications (RFA) issued by the California Department of Health Care Services (DHCS) and California Department of Social Services (CDSS) on January 31, 2022 (Attachment A).

One application will be submitted for BHCIP Launch Ready grant funding to acquire and renovate one property in Santa Barbara, to provide outpatient treatment services in a centralized, underserved location. A second application will be submitted for CCE Program funding to renovate the Casa Omega facility, to provide step-down residential services to individuals discharged from higher levels of care. The application process requires the County to sign an Applicant's Certification of Funding Terms (Attachment C).

Approval of the recommended actions will allow Behavioral Wellness to apply for a grant opportunity to fund behavioral health infrastructure projects, allowing for the acquisition and renovation of facilities that will provide outpatient treatment services and step-down residential services.

Background:

The California Department of Health Care Services (DHCS) and California Department of Social Services (CDSS) are working in tandem to design and implement two new programs to support infrastructure projects: the Behavioral Health Continuum Infrastructure Program (BHCIP) and the Community Care Expansion (CCE) program. These investments will ensure care can be provided in the least restrictive settings by creating a wide range of options including outpatient alternatives, urgent care, peer respite, wellness centers, and social rehabilitation models. A variety of care placements can provide a vital off-ramp from intensive behavioral health service settings and transition individuals—including the most vulnerable and those experiencing or at risk of homelessness—to safe community living. Investing in adult and senior care facilities will divert Supplemental Security Income/State Supplementary Payment (SSI/SSP) and Cash Assistance Program for Immigrants (CAPI) applicants and recipients from homelessness as a key part of California's strategic multi-agency approach to increase housing options for seniors and persons with disabilities.

DHCS was authorized through 2021 legislation to establish BHCIP and award approximately \$2.1 billion to construct, acquire, and expand properties and invest in mobile crisis infrastructure related to behavioral health. CDSS oversees CCE, which was established through Assembly Bill (AB) 172 (Chapter 696, of Statutes 2021) as a companion effort focused on the acquisition, construction, and rehabilitation of adult and senior care facilities that serve SSI/SSP and CAPI applicants and recipients and other adults who are experiencing or at risk of homelessness.

These combined programs represent the largest provision of resources for such infrastructure in the state's history and an unprecedented opportunity to effect meaningful, sustainable change in the behavioral health and long-term care continuums in California.

DHCS BHCIP Grant

The Behavioral Health Continuum Infrastructure Program provides funding to qualified entities to construct, acquire, and rehabilitate real estate assets or to invest in mobile crisis infrastructure to expand the community continuum of behavioral health treatment resources. Facilities eligible for funding include

short-term crisis stabilization, acute and subacute care, crisis residential, community-based mental health residential, substance use disorder residential, peer respite, mobile crisis, community and outpatient behavioral health services, and other longer-term treatment and rehabilitation options.

DHCS is releasing BHCIP funds through six grant rounds targeting various gaps in the state's behavioral health facility infrastructure. BHCIP Rounds 1 and 2 were released in 2021:

- Round 1: Mobile Crisis, \$205M (\$55M Substance Abuse and Mental Health Services Administration grant funding)
- Round 2: County and Tribal Planning Grants, \$16M

The remaining BHCIP rounds will be released in 2022:

- Round 3: Launch Ready, \$518.5M
- Round 4: Children & Youth, \$480.5M
- Round 5: Behavioral Health Needs Assessment Phase One, \$480M
- Round 6: Behavioral Health Needs Assessment Phase Two, \$480.7M

Round 3: Launch Ready (\$518.5M), will provide funding to construct, acquire, and rehabilitate real estate assets to expand the behavioral health continuum of treatment and service resources in settings that serve Medicaid (Medi-Cal) beneficiaries. Proposed behavioral health infrastructure projects must demonstrate they have been through a planning process and are determined to be launch ready. Awarded grant funds for Round 3: Launch Ready must be obligated by June 2024 and liquidated by December 2026.

Funding is competitive and open to counties, tribes, non-profits, and for-profit entities within assigned regions. Santa Barbara County is within the Central Coast region along with Monterey, San Benito, San Luis Obispo, and Santa Cruz counties. The region has been allotted \$14,912,943 in funding for BHCIP Round 3: Launch Ready projects.

CDSS CCE Program

The CCE program will provide \$805 million in funding for acquisition, construction, and rehabilitation to preserve and expand adult and senior care facilities that serve SSI/SSP and CAPI applicants and recipients, including those who are experiencing or at risk of homelessness. Approximately 75 percent of funds (\$570,000,000) will be made available for capital expansion projects, including acquisition, construction, and rehabilitation of residential care settings. Grantees may be approved to use a portion of these funds to establish a capitalized operating subsidy reserve (COSR) for these projects, available for use for up to 5 years. A portion of the CCE budget includes Home and Community-Based Services (HCBS) funding that must be obligated by December 2023 and liquidated by June 2026, as well as State Fiscal Recovery Funds (SFRF) that must be obligated by June 2024 and liquidated by December 2026.

Santa Barbara County is within the Central Coast region along with Monterey, San Benito, San Luis Obispo, and Santa Cruz counties. The region has been allotted \$15,052,939 in funding for Community Care Expansion projects.

Behavioral Wellness Applications

With Board authorization, the Department of Behavioral Wellness will submit applications for two projects:

- **(BHCIP Round 3: Launch Ready Grant)** Acquisition of a facility centrally located in Santa Barbara to provide mental health and substance use disorder prevention, early intervention, and treatment services. Budget: \$6,000,000 for acquisition and renovations.
- **(CCE Program)** Renovations for Casa Omega, a County-owned property in Santa Barbara, to provide step-down residential services to individuals discharged from higher levels of care. Budget: \$750,000.

Should the County be awarded one or more grants, there is a 10% matching funds requirement and may be fulfilled through real property, American Rescue Plan Act (ARPA) funds, Mental Health Services Act (MHSA) funds, and other sources. Behavioral Wellness does not anticipate any barriers to providing the 10% match. In addition to the application information, a signed Applicant's Certification of Funding Terms is a required supporting document. Behavioral Wellness requests Board authorization for the Director of BWell, or her designee, to certify the Funding Terms (Attachment C).

Should the County be awarded one or more grants, BWell will return to the Board for execution of the Standard Agreement with Advocates for Human Potential, Inc. (AHP), the administrative entity for both BHCIP and CCE.

Performance Measure:

All BHCIP projects must make a commitment to serve Medi-Cal beneficiaries. We will have Medi-Cal site certification for both mental health and substance use disorder services at the proposed site before offering services.

Reporting requirements will include quarterly reports and a final report, along with an annual BHCIP Launch Ready or CCE Program and Expenditure Report for 5 years following Standard Agreement execution. As specified by DHCS or CDSS and upon request, the County will provide progress reports which include the project's completion milestones and any updates or substantial changes.

Fiscal and Facilities Impacts:

Budgeted: No

The \$6,000,000 in BHCIP Round 3: Launch Ready grant funds will be used for acquisition of a facility centrally located in Santa Barbara to provide mental health and substance use disorder prevention, early intervention, and treatment services.

The \$750,000 in CCE Program funds will be used to renovate Casa Omega, a County-owned property in Santa Barbara, which will provide step-down residential services to individuals discharged from higher levels of care.

Key Contract Risks:

If funds are awarded, the County will enter into a Standard Agreement with AHP. Entering into the Standard Agreement requires the County to meet BHCIP Launch Ready, CCE program, and other state and federal reporting, financial, and administrative requirements, as well as submit required reporting data.

Funding will be contingent upon provision of submission of data and reporting. These requirements will be fully detailed upon award. In addition to the foregoing reporting requirements (see Performance Measure), additional reporting requirements may be required by DHCS and CDSS for up to 30 years after completion of project construction.

As a condition of receiving funding, the County commits to the provision of services and building use restrictions (property title shall be legally encumbered for required term) for 30 years after the expansion project is placed in service for BHCIP, and 20 years for capacity expansion for an existing facility for CCE.

The County will be responsible for submitting invoices and ensuring expenses are allowable and have sufficient backup documentation. The County may be subject to desk or site audits conducted by the BHCIP Launch Ready and CCE program teams. Those teams may also request the repayment of funds or pursue any other remedies available, at law or in equity, for failure to comply with program requirements.

By certifying the Funding Terms (Attachment C), the County agrees to defend, indemnify, and hold harmless the Authority and the State of California, and all officers, trustees, agents, and employees of the same, from and against any and all claims, losses, costs, damages, or liabilities of any kind or nature, including attorneys' fees, whether direct or indirect, arising from or relating to the Grant or Project.

BWell will return to the Board for execution of the Standard Agreement.

Staffing Impacts:

Funding is for infrastructure only and does not include any staffing expenses.

Special Instructions:

Please return one (1) Minute Order to bethle@sbcbswell.org and to bwelcontractsstaff@sbcbswell.org.

Attachments:

Attachment A: BHCIP Launch Ready and CCE Program Joint Request for Applications

Attachment B: BHCIP Launch Ready/CCE Sample Application

Attachment C: BHCIP Launch Ready/CCE Sample Applicant's Certification of Funding Terms

Authored by:

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