



**San Luis Obispo
Countywide 10 Year
Plan to End
Homelessness**

*We envision a future
in which the housing
and comprehensive
services necessary to
remain housed are
available for all,
affording everyone
maximum self-
sufficiency, and the
opportunity to be
productive and
participating
members of our
community*

**HOMELESS SERVICES OVERSIGHT COUNCIL (HSOC)
Housing Committee Meeting Agenda**

April 5, 2022, 2 p.m.

Participate by Zoom video call:

[https://us06web.zoom.us/j/83778517651?
pwd=eGxvZ0FpYisreGF6bjRxZXJhcmlMz09](https://us06web.zoom.us/j/83778517651?pwd=eGxvZ0FpYisreGF6bjRxZXJhcmlMz09)

Or dial in:

+1 720 707 2699

Meeting ID: 837 7851 7651

Passcode: 777272

1. Call to Order and Introductions
2. Public Comment
3. Consent: Approval of Minutes
4. Action/Information/Discussion
 - 4.1 Discussion Item: Alternative Housing and Shelter Models
 - 4.1.1 Discussion Item: Tiny House Villages (Yael Korin)
 - 4.1.1.1 Discussion Item: Successful Examples
 - 4.1.1.2 Discussion Item: Barriers – Zoning Ordinances and Building Codes
 - 4.2 Discussion Item: Subpopulations Within Homeless Demographics
 - 4.2.1 Discussion Item: Community Care Expansion Program (Anne Robin)
 - 4.3 Discussion Item: Housing Element Compliance and Annual Reports
 - 4.4 Discussion Item: Strategic Plan to End Homelessness Update

4.5 Discussion Item: Federal and State Grants – Update on Opportunities

4.6 Discussion Item: Housing Developers Roundtable

5. Future Discussion/Report Items

6. Next Meeting Date: May 3, 2022

7. Adjournment

**HOMELESS SERVICES OVERSIGHT COUNCIL
 HSOC HOUSING COMMITTEE MEETING
 FEBRUARY 1st 2022, 2pm-3:30pm
 Zoom Call**

MEMBERS PRESENT	MEMBERS ABSENT	STAFF & GUESTS	
Anne Robin Anne Wyatt Ken Trigueiro Scott Smith Yael Korin	Kathy McClenathen Marianne Kennedy Mark Lamore	Abby Lassen Angela Smith Brenda Mack Elaine Archer George Solis Jeff Al-Mashat Kate Swarthout Kelsey Nocket Krista Jeffries Laurel Weir Leon Shordon Rachel Cohen Russ Francis Shay Stewart Steve Martin Teresa McClish Tom Sherman	
AGENDA ITEM	DISCUSSION		CONCLUSIONS/ACTIONS
1. Call to Order and Introductions	Brenda and Elaine indicated they wish to become members of the Housing Committee. Russ confirmed that Scott, as Committee Chair, will need to email the HSOC Chair Susan Funk to notify her of these appointments, per the HSOC bylaws.		
2. Public Comment	None.		

<p>3. Consent: Approval of Minutes</p>	<p>The following corrections were made to the minutes:</p> <ul style="list-style-type: none"> • Mark Lamore was listed as both a guest and a member, but should have been only listed as a member • Joanna Balsamo-Lillien was listed as a member but has left the committee so her name should be removed 	<p>Ken made a motion to approve the minutes with the corrections, seconded by Anne Robin. The motion passed with all in favor, none opposed and no abstentions.</p>
<p>4. Action/Information/Discussion</p>		
<p>4.1 Discussion Item: SLO City Inclusionary Housing Program</p>	<p>Rachel Cohen, Associate Planner with SLO City gave a presentation on SLO City's Inclusionary Housing Ordinance (IHO). The IHO is a local zoning ordinance that requires developers to include a percentage of affordable housing in their projects, or pay a fee. The IHO is used to determine how many units are needed per residential and commercial zoning, based on where the project is, the size of the average unit, and project density. A consultant has been hired to conduct an Economic Feasibility Analysis, and will present preliminary recommendations to SLO City Council in March. They will then develop a rough draft of the updated IHO for public feedback.</p> <p>Rachel took questions from the Committee and confirmed the following:</p> <ul style="list-style-type: none"> • All units are deed restricted and aimed at different levels of affordability. This increases the overall units available, so helps move more people into units. • The IHO applies to projects of over 5 units, though the City has discussed reducing this number to apply to projects of 2 or more units. • The City has not carried out a deep analysis of the percentage of buildout that will be affected by the new 	

	<p>ordinance. Through the process of drawing up agreements with developers, the City often uses the current ordinance as a starting point and is then able to negotiate for more affordable housing.</p> <p>Scott voiced concerns about large developers agreeing to inclusionary units to get approval for developments, then selling parts of the development off and trying to use city funding to meet these requirements. They also approach non-profits, believing non-profits can bring resources to help them meet the inclusive housing element, but this is for the developer's own profit and they are not forthcoming with support for the non-profits. Scott recommended cities should take a firm stance against developers claiming public money to subsidize their inclusionary housing, and suggested that a regional approach to inclusionary housing would be beneficial.</p>	
<p>4.2 Discussion Item: Ten-Year Plan to End Homelessness</p>	<p>Laurel shared that the Ten-Year Plan Steering Committee has been reviewing data that the consultant has pulled together from HMIS (Homeless Management Information System) and other sources. The Committee will be looking into shelter and housing inventory, how this has changed with the pandemic, and what is anticipated.</p> <p>Laurel asked for the Housing Committee's input on defining the housing universe, and how the Permanent Supportive Housing options are best understood or categorized. The Committee provided the following information and suggestions:</p> <ul style="list-style-type: none"> • There are year-round shelter beds, temporary beds, and semi-permanent beds; these should be distinguished in any data shared with policymakers and the public, as when the numbers are not broken out this way, it can lead people to believe shelters have more beds than they 	

	<p>really do.</p> <ul style="list-style-type: none"> • Some shelters require clients to leave in the morning, but they have no place to go afterwards, so even with the permanent shelter beds, communities will still see the high level of homelessness during the day. • The distinction between units and vouchers must be acknowledged, as it is often difficult finding landlords who will take the vouchers. • The difference between ‘households’ and ‘individuals’ has been confusing in some data sets, so this should be clarified. It is important to distinguish between subpopulations and types of unit and bed. 	
<p>4.3 Discussion Item: Safe Parking and Sanctioned Encampments</p>	<p>Jeff reported that more than 50 people are using the sanctioned safe parking program at Kansas Avenue. This site is being used as a learning opportunity for the County, so its successes can be replicated when opening other locations. The County are working with TMHA (Transitions Mental Health Association) and CAPSLO (Community Action Partnership of San Luis Obispo) who have been visiting the site. The greatest need of people at the site is to be connected with services and resources to help them move forward. The site has recently benefited from a vet clinic and several COVID vaccine clinics.</p>	
<p>4.4 Discussion Item: Federal and State Grants</p>	<p>George reported that the County receives CARES (Coronavirus Aid, Relief, and Economic Security) Act funding through the Emergency Solutions Grant program. This funds activities including shelter, diversion, outreach and Rapid Rehousing. Through the end of December, 69 households have been assisted to find housing via security deposits and rental assistance.</p>	

	<p>Laurel reported that a NOFA (Notice of Funding Availability) is due to be released in March for the State’s Family Homelessness Assistance grant. The second round of a State-funded Encampments grant is also anticipated, which will be for a larger amount of funding. The State will want applications to focus on a single encampment, and will want to see other resources leveraged for this work.</p>	
<p>4.5 Discussion Item: Housing Developers Roundtable</p>	<p>Scott reported that HASLO (Housing Authority of San Luis Obispo) are in construction on several projects currently, including a project in SLO City and one in Nipomo. These units will be affordable, as they have Section 8 vouchers attached to them. HASLO is also soon to be in construction for apartments in Morro Bay.</p>	
<p>5. Future Discussion/Report Items</p>	<ul style="list-style-type: none"> • Sanctioned encampments as a separate item to safe parking 	
<p>6. Next Meeting Date: March 1, 2022</p>		
<p>7. Adjournment</p>	<p>Scott adjourned the meeting at 3:45pm.</p>	

Tiny House Villages

- Rationale for building Tiny House Villages
- Types of Tiny House Villages
- Types of structures used in villages
- Examples of successfully operating Tiny House Villages
- Operation and Community Outreach
- Existing programs in SLO County
- Zoning and building permits in SLO County
- Discussion



Rationale for building Tiny House Villages

“Homelessness is a human issue that requires a human response”

Alan Graham of Mobile Loaves and Fishes/Community First in Austin TX

<https://www.youtube.com/watch?v=H5SiRrvDn3A>

<https://www.youtube.com/watch?v=27XDnHnzdc>

The solution for homelessness is housing within a supportive community

Housing First in a supportive community environment

This approach connects people back to a home as quickly as possible, while making readily available the services that people may need to be stable and secure.

Low barrier

Housing the most vulnerable, regardless of issues such as substance use disorders, mental health problems and criminal records.

Permanent housing solutions

Temporary/pilot projects indicate lack of commitment, resulting in a return to homelessness, loss of trust, additional trauma, and loss of community.

Temporary solutions are a formula for failure. Resources lost; nothing solved.



Permanent tiny house villages create successful transitional supportive housing communities

Providing for successful reintegration into society

They provide shelter, four solid walls and a lockable door, all of which are essential in providing for a person's sense of safety, dignity, and stability, in a supportive, village-like environment. There are homeless resident organizations that are operating self-managed villages where residents work together to handle day-to-day operations while employing democratic decision making, all the while reducing operating costs.

Tiny house villages are cost-effective

Unlike developing and building a new emergency shelter—which could take many years for siting, permitting, and construction, plus millions of dollars in construction costs—creating a tiny house village can be done in less than six months at a cost somewhere between \$100,000 and \$500,000. (A large variable is the cost of connections for water, sewer and electricity.) Each village can serve 20 to 70 people on an annual budget of \$30,000 to \$500,000, depending on staffing and services.

Villages can operate successfully in different sizes and types of locations

A tiny home village can be sited on land that is anywhere from 6,000 square feet up to several acres, depending on the number of tiny houses and common facilities. Possible locations include urban infill sites zoned for residential and mixed use, as well as commercial and industrial sites. It takes research and help from local government to identify good sites. Some nonprofit housing organizations own land that they hope to develop in the future, and these can be used on an interim basis for a tiny house village.

<https://shelterforce.org/2017/06/27/fad-tiny-houses-save-lives-provide-dignity/>

Types of Tiny House Villages

Transitional Villages

While intended to be a stepping-stone on which to stabilize one's life before moving on to permanent housing, some residents will find that this model may meet their needs for the long term. They can be self-managed with support from non-profits and volunteers. The village includes communal shower and bathroom facilities, laundry room, kitchen and community gathering space/dining area.

A transitional tiny house village can be built on a small scale, with low-cost structures and low-cost management. A typical insulated tiny house is 8 by 12 feet. Each house has a locking door, windows, light, electrical outlet, heating, and smoke detector.

Links to some successful transitional tiny house villages:

Low Income Housing Institute, Seattle, WA <https://lihi.org/tiny-houses/>

Square One Opportunity Village, Eugene, OR <https://www.squareonevillages.org/opportunity>

Occupy Madison, Madison, WI <https://occupymadisoninc.com/om-village-2046-e-johnson-st/>
<https://www.youtube.com/watch?v=C4QAb61aqAs>



Permanent Villages



Tiny House Plans:

<https://www.squareonevillages.org/tinyhouseplans>

Square One Emerald Village, Eugene, OR

<https://www.squareonevillages.org/emerald> https://www.youtube.com/watch?v=KX2_Q5ejUpc

Open since 2018, Emerald Village is a permanently affordable leasehold co-op consisting of 22 units on 1.1 acres. Including bathrooms and kitchenettes, they are available for those with 50% or less of median household income, with a carrying charge of \$204 - \$306/month.



Quixote Communities, Olympia, WA

<http://www.quixotecomunities.org/olympia-quixote-village.html>

Offering recovery housing in a drug and alcohol-free environment for people in all stages of recovery. As permanent supportive housing, the 30 residents can stay as long as they want while receiving staff support, peer mentorship and the benefits of community living. The cottages are permanently installed on sunken piers, with electricity, heating and running water (toilet and sink).

Permanent Villages

Community First!, Austin, TX

<https://mlf.org/community-first/> Video: <https://youtu.be/Db8NHiCyGTw>



Opened in 2015 by Mobile Loaves & Fishes, Community First! Village is a 51-acre master planned community that provides affordable, permanent housing and a supportive community for people coming out of chronic homelessness. The village has brought the surrounding community into a lifestyle of service with the homeless.

The Community Works program at Community First! Village empowers individuals to rediscover their talents and move those talents into the economy. Community Works provides micro-enterprise opportunities that enable residents to earn a dignified income, while developing new skills and cultivating enduring relationships.

100 RV/Park homes
130 Micro-homes
5 Laundry/Restroom/Shower Facilities
5 Outdoor Kitchens
Capital Metro Bus Stop
Community Art House

Community Cinema
Community Concessions & Catering
Community First! Car Care
Community Forge
Community Inn
Community Market

Genesis Gardens Organic Farm
Goodness Press Screen Printing
Memorial Garden and Prayer Labyrinth
Family Health Resource Center
Walking Trails
Woodworking Shop

Types of structures in various villages



*Tiny houses on foundation,
with insulation and electricity*
100 sf - \$4,500 for materials



*Tiny house on foundation, with
Toilet, sink, insulation and electricity*
144sf - \$19,000 material & labor



tiny house on wheels
77sf - \$6,000



Conestoga Hut
60 sf plus porch - \$2,500



*Pallet Shelter, no foundation,
with insulation, electricity,
heating and cooling systems.*
64 sq. ft. - \$7,000

Case Study Low Income Housing Institute

A model for building and managing successful transitional tiny house villages

<https://lihi.org/> <https://www.youtube.com/watch?v=lcyNO7wTgHU>

Seattle's Low Income Housing Initiative (LIHI) builds and manages traditional affordable housing projects, including 61 properties in six counties in the Pacific Northwest.

In 2013, LIHI realized that the time and money required to build traditional affordable housing projects was preventing them from keeping up with the needs of a growing unhoused population. LIHI understood that transitional tiny house villages were the only viable solution. To date, LIHI has built 16 tiny house villages in Seattle, Olympia and Tacoma. <https://lihi.org/tiny-houses/>

LIHI's success is because they have clearly defined all necessary steps to develop tiny house villages in an efficient manner. Once siting and permitting is complete it typically takes three months to build a village.

Short interview with Sharon Lee, executive director of LIHI:

<https://www.matteroffact.tv/a-tiny-solution-to-a-big-problem-2>

<https://www.youtube.com/watch?v=H5SiRrvDn3A>

Additional testimonial videos:

<https://www.youtube.com/watch?v=oedKozxmg3w>

<https://www.youtube.com/watch?v=FCViuEdmSr4>



Low Income Housing Institute's incredible track record



2,516 People Sheltered in Tiny House Villages

2,516 women, men, children, veterans, people with pets, people with disabilities, and seniors have been served since the program launched in 2015. Currently there are 11 villages in Seattle and King County.

745 People Sheltered in 2021

LIHI is one of the largest non-congregate shelter providers in King County. As a result people at a Tiny house Village have a very low transmission rate of Covid-19.

56% Found Stable Homes

Tiny Houses are a direct bridge to a home. 50% of people who moved out of a Tiny House found permanent housing and 6% moved into transitional housing; a pathway to permanent housing that typically includes services and Section 8 support.

57.2% Chronically Homeless People Served

Chronically homeless people almost always say yes to a Tiny House. Many will refuse to move into mat-on-the-floor congregate shelter. Villagers gain a sense of security with a 8'X12' tiny house with a locking door, electricity, heat, and a roof over their head.

Majority Black, Indigenous, People of Color Served

51% of people served were people of color; 199 Black/African American, 59 American Indian/Indigenous, 15 Asian, 12 Pacific Islander, and 58 people indicating Multiple Races. Given significant racial disparities that exist in the homeless population Tiny Houses are a crucial resource for BIPOC communities.

65% Move Out within 6 Months

Tiny Houses offer a bridge to a permanent home. New villages require villagers to accept placements to permanent housing within 6 months to ensure the program can shelter more people in need. The median stay in the program is 114 days.



**All program data compiled through HMIS. Length of Stay determined by all enrollments since 2015.*

Programs in San Luis Obispo

Non-congregate temporary emergency shelter in Grover Beach

This temporary emergency shelter will pilot the use of modular cabins, also referred to as “pallet shelters,” which will be placed on currently unused County-owned land. Zoned “quasi-public,” public use is allowed. The County modified building ordinances in order to pilot the cabin concept but will review in 6 months. Individuals will be housed in independent cabins rather than sleeping all together under one roof.

A temporary emergency shelter pilot project, it will provide a comprehensive system of care via an intensive case-managed, limited-stay program on a restricted campus. It will also take advantage of County services provided on the same campus. Through these combined resources, individuals can be lifted out of homelessness and into supportive services and permanent housing.



Hope's Village of SLO

<https://hopesvillageofslo.com/>

The primary purpose of Hope's Village is to provide community and housing to previously unhoused people. However, housing alone will never reduce homelessness. Our concept includes a secure place to live, work, rest, and meet all basic human needs.

The project will consist of 30 or more tiny cabins (based on size of site) built either on wheels or on foundations, depending on SLO County Planning & Building Department requirements.

The village will include a 2,500 sf common house with commercial kitchen, dining area, bathrooms, showers, office space, meeting rooms, and laundry facilities, a 2,000 sf barn for micro-enterprises to aid in supporting the village, and a one-acre organic garden to grow flowers for sale and produce for both resident consumption and sale.



Operation and Community Outreach

Rules of conduct

Each tiny house village has their own rules of acceptable behavior and expected responsibilities for residents within the village. All residents must agree, in writing, to these rules as part of their entry agreement.

Example of village manual and agreement from Opportunity Village in Eugene, Oregon:

https://www.squareonevillages.org/files/ugd/bd125b_32be9eddb4d34ea7ae64cf4beed1ddbb.pdf

Community concerns

Tiny home transitional and permanent villages have been successful because they provide safety and security to their residents, while answering common issues and concerns of the neighbors and surrounding communities. Rather than being an eyesore, they are pleasantly designed, gated, safe communities, that can be a welcome addition to their neighborhood. Some have even attracted the help of residents from the surrounding community, as the housed help the unhoused to reintegrate into society.

OM Madison, Wisconsin: <https://www.youtube.com/watch?v=C4QAb61aqAs>

Some community members may be reluctant to accept placement of a tiny house village in their neighborhood. [California's Housing Accountability Act](#) (Government Code section 65589.5) limits the ability of cities and counties to reject housing development projects that are consistent with local plans and zoning regulations:

Zoning – SLO County and City of San Luis Obispo

Supportive Housing - Definition

Dwelling units with no limit on length of stay, that are occupied by the “target population” as defined in subdivision (d) of Section 53260, and that are linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. (Health and Safety Code Section 50675.14).

"Target population" means adults with low incomes having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people. (Health and Safety Code Section 53260 d) [Added 2010; Ord. 3201]

Zoning – City of San Luis Obispo

Supportive and/or Transitional Housing with On or Offsite Services

March 2019

CITY OF SAN LUIS OBISPO
Title 17 – ZONING REGULATIONS

Table 2-1: Uses Allowed By Zone																	
Key:	A = Allowed; MUP = Minor Use Permit approval required; CUP = Conditional Use Permit approval required																Specific Use Regulations
	M/A = Minor Use Permit approval required on ground floor along street frontage, allowed on second floor or above																
Land Use	Permit Requirement by Zoning District																Specific Use Regulations
	AG	C/OS	R1	R2	R3	R4	PF	O	C-N	C-C	C-R	C-D	C-T	C-S	M	BP	
Elderly and Long Term Care					MUP	MUP		MUP			M/A	M/A	MUP				
Family Day Care (Small and Large)	A		A	A	A	A		A	A	A	A	A	A	A	A		See Sec. 17.86.100 and H&SC 1597.40
Fraternities and Sororities					CUP	CUP											
Hospice In-Patient Facility				CUP	CUP	MUP	CUP	CUP			MUP						
High Occupancy Residential Use			MUP	MUP													See Chapter 17.148
Mobile Home Park			A	A	A	A											See GC Sec. 65852.7, 65863.7, 65863.8
Residential Care Facilities - 6 or Fewer Residents	A		A	A	A	A		A	M/A		M/A	M/A	MUP				Multiple state statutes
Residential Care Facilities - 7 or More Residents			MUP	MUP	MUP	MUP		MUP			MUP	MUP					Multiple state statutes
Supportive and/or Transitional Housing, with On or OffSite Services			A	A	A	A	MUP	A	MUP		MUP						See GC Sec. 65583(a)(5)

Allowed

- R1 – Low Density Residential
- R2 – Medium Density Residential
- R3 – Medium/High Density Residential
- R4 – High Density Residential
- O – Office

Allowed with Minor Use Permit

- PF – Public Facility
- CN – Neighborhood Commercial
- CN – Retail Commercial

Zoning – Coastal Zone

LAND USE CATEGORY

LAND USE CATEGORIES

6-28

CZ FRAMEWORK FOR PLANNING
REVISED OCTOBER 2018

USE GROUP		PAGE NUMBER OF USE	LAND USE CATEGORY													
E) RESIDENTIAL USES			Agriculture - Prime Soils	Agriculture - Non-Prime Soils	Rural Lands	Recreation	Residential Rural	Residential Suburban	Residential Single-Family	Residential Multi-Family	Office & Professional	Commercial Retail	Commercial Service	Industrial	Public Facilities	Open Space
Caretaker Residence	1	6-42	S-8	S-8	S-8-P	S-8-P	S-8-P	S-8-P		S-8	S-8	S-8	S-8	S-8	S-14	
Farm Support Quarters	2	6-45	S-16	S-16-P	S-16-P											
Home Occupations	3	6-48	S-16-P	S-16-P	S-16-P	S-16	S-16-P	S-16-P	S-16-P	S-16	S-16	S-16	S-16	S-16		
Mobilehome Parks	4	6-51				S-8	S-8	S-8	S-8-P	S-8-P						
Mobilehomes	5	6-51	S-8	S-8-P	S-8-P	S-8-P	S-8-P	S-8-P	S-8-P	S-8	S-8			S-8		
Multi-Family Dwellings	6	6-52				S-8				P	S-8	S-8				
Nursing & Personal Care	7	6-53						S-6		S-6	P	S-6-P		A		
Organizational Houses	8	6-56			S-8		S-8	S-8		S-8	S-8	S-8				
Residential Accessory Uses	9	6-56	S-16-P	S-16-P	S-16-P	S-16-P	S-16-P	S-16-P	S-16-P	S-16-P	S-16-P	S-16-P	S-16-P	S-16-P	S-14	
Residential Care	10	6-56			S-6		S-6	S-6	S-6	S-6				S-6		
Residential Vacation Rental	11	6-56	S-8	S-8	S-8	S-8	S-8	S-8	S-8	S-8	S-8					
Secondary Dwelling	12	6-57					S-8	S-8	S-8							
Supportive Housing	14	6-48														
Single Family Dwellings			S-16	S-16-P	P	S-2-P	P	P	P	S-8	S-8					
Multi-Family Dwellings						S-8			P	S-8	S-8					
Transitional Housing	16	6-49														
Single Family Dwellings			S-16	S-16-P	P	S-2-P	P	P	P	S-8	S-8					
Multi-Family Dwellings						S-8			P	S-8	S-8					

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- A** Allowed use, unless otherwise limited by a specific planning area standard
- S** Special use, allowable subject to special standards and/or processing requirements
- P** Principally permitted use (a use to be encouraged)

Zoning – Non-Coastal Zone

Land Use or Development Characteristic	Criteria (1)	Permit Requirement			
		Zoning Clearance	Site Plan Review	Minor Use Permit	Conditional Use Permit
Dwellings	Number of proposed single- or multi-family dwellings per site (2)	4 or fewer	5 to 15	16 to 24	25 or more

Discussion:

Tasks

- Identifying and obtaining appropriate property
- Obtaining zoning and building permits
- Community outreach and support
- Funding
- Selecting entity for site management

Stumbling blocks

- Outdated mindset of creating temporary or pilot projects
- Misperceptions about the unhoused community
- Community opposition
- Lack of political leadership

Homelessness is a human issue that requires a human response



DHCS Behavioral Health Continuum Infrastructure Program CDSS Community Care Expansion Program Program Update

The California Department of Health Care Services (DHCS) and the California Department of Social Services (CDSS) are launching two new programs intended to expand the infrastructure of and address historic gaps in the behavioral health and long-term care continuum serving seniors, people with disabilities, and people with behavioral health needs. These new programs are the Behavioral Health Continuum Infrastructure Program (BHCIP) and the Community Care Expansion (CCE) Program. **The following information is provided as a supplement to the upcoming release of the joint Request for Applications (RFA) for BHCIP Round 3: Launch Ready and CCE program capital expansion projects.**

State priorities for BHCIP and CCE:

- Invest in behavioral health and community care options that advance racial equity
- Seek geographic equity of behavioral health and community care options
- Address urgent gaps in the care continuum for people with behavioral health conditions, including seniors, adults with disabilities, and children and youth
- Increase options across the life span that serve as an alternative to incarceration, hospitalization, homelessness, and institutionalization
- Meet the needs of vulnerable populations with the greatest barriers to access, including people experiencing homelessness and justice involvement
- Ensure care can be provided in the least restrictive settings to support community integration, choice, and autonomy
- Leverage county and Medi-Cal investments to support ongoing sustainability
- Leverage the historic state investments in housing and homelessness

Background

California Health & Human Services Agency (CalHHS) infrastructure funding, alongside significant new state and federal investments in homelessness, healthcare delivery reform, and the social safety net, is addressing historic gaps in the behavioral health and long-term care continuum to meet growing demand for services and supports across the life span.

DHCS and CDSS are working in tandem to design and implement two new programs to support infrastructure projects: the BHCIP and the 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 homelessness, to community living. Investing in adult and senior care facilities will divert Supplemental Security Income/State Supplementary Payment (SSI/SSP) and/or Cash Assistance Program for Immigrants (CAPI) recipients from homelessness as a key part of the state's strategic multi-agency approach to increase housing options for seniors and people with disabilities.

Behavioral Health Continuum Infrastructure Program

DHCS was authorized through 2021 [legislation](#) to establish BHCIP and award \$2.2 billion to construct, acquire, and expand properties and invest in mobile crisis infrastructure related to behavioral health. DHCS is releasing these funds through six grant rounds targeting various gaps in the state's behavioral health facility infrastructure. This is the third round, and through it, DHCS will award \$518.5 million for launch ready behavioral health infrastructure projects. (Refer to the attached exhibit, *Project Readiness Requirements*, for more information and to prepare for the release of the joint BHCIP/CCE RFA.) Awarded grant funds for BHCIP Round 3: Launch Ready must be obligated by June 2024 and liquidated by December 2026.

BHCIP rounds that have been released in 2021:

- Round 1: Mobile Crisis, \$205M
- 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: BH Needs Assessment Phase One, \$480M
- Round 6: BH Needs Assessment Phase Two, \$480M

Community Care Expansion Program

The CCE program was established by [Assembly Bill No. 172 \(Chapter 20, Statutes of 2021\)](#) and 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 Cash Assistance Program for Immigrants (CAPI) applicants and recipients, including those who are experiencing homelessness or at risk of homelessness.

Capital Expansion

- Approximately 75 percent of funds 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.
- Applications for CCE capital expansion project funding will be accepted on a project basis through this joint RFA and funded on a rolling basis until funds are exhausted. A portion of the CCE budget includes federal funding that must be obligated by June 2024 and liquidated by

December 2026. The exact timeline for obligation and liquidation of funds for each funded project will be provided in the grant award announcement.

Preservation, Including Capital Preservation

- Approximately 25 percent of the funds will be made available for rehabilitation to preserve settings that serve the target and prioritized populations, including \$55 million for a COSR for existing licensed facilities, including but not limited to those facilities that receive rehabilitation funding. These funds will be provided to counties and tribes through a direct-to-county and -tribe allocation process that will be announced in January 2022, separate from this joint RFA.

Together, BHCIP and CCE represent the largest provision of resources for behavioral health and social services infrastructure in the state's history and an unprecedented opportunity to address historic gaps in the behavioral health and long-term care continuums in California. Both funding efforts afford counties, tribal entities, nonprofits, and for-profit organizations the ability to expand infrastructure around the entire continuum of care for individuals to meet growing demand for services and supports across the life span.

Technical assistance

Advocates for Human Potential, Inc. (AHP), a consulting and research firm focused on improving health and human services systems, is serving as the administrative entity for both BHCIP and CCE. Founded in 1986, AHP provides research and evaluation, technical assistance (TA) and training, system and program development, and resource development and dissemination. AHP has a growing office in Pasadena and a team of employees in home offices across the country. AHP assists state and local organizations to implement and evaluate a wide range of services focusing on mental health treatment and recovery, substance use disorder (SUD) treatment and prevention, workforce development, homelessness, housing, and criminal justice.

Beginning in January 2022 and as part of the joint RFA process, AHP will provide pre-application consultations and TA to individual applicants. In addition, AHP will offer ongoing general training and TA throughout the life of the project. Applicants will submit a request for a pre-application consultation and complete a survey to indicate their understanding of the project readiness requirements. These include facility siting, permit and licensing requirements, construction plans, oversight and management, and budgeting practices. In addition, applicants will be required to discuss how their proposed project meets local gaps identified through an assessment and addresses the state priorities. An AHP implementation specialist will work with applicants to support them in these areas by connecting them with subject matter experts in real estate, facility financing, and programmatic best practices serving the prioritized or target population to bring targeted TA to applicants and grantees.

The Round 2 funding via BCHIP consisted of a planning RFA for counties. For BHCIP and CCE applicants who received a BHCIP Round 2 Planning Grant, that grant will be considered during the TA planning process in order to leverage local planning. Upon release of the joint BHCIP/CCE RFA, AHP will also conduct informational webinars on topics such as strategies to serve target and prioritized populations, braiding resources to ensure viability, and green/sustainable building practices. Additional information on webinars related to the RFA will be available at <https://www.buildingcalhhs.com/>. This will include topics to help address concerns common to capital development projects serving the prioritized populations, such as best practices related to siting facilities and community collaboration and support.

Eligible entities

Counties, cities, tribal entities (including 638s and urban clinics), nonprofit organizations, for-profit organizations, and private organizations whose projects reflect the state's priorities are eligible to apply for this funding, noting the following stipulations and specifications.

- Proposed projects need to expand community capacity for serving the target and prioritized populations.
 - For BHCIP, this includes the behavioral health (mental health and SUD) population, and projects must make a commitment to serve Medi-Cal beneficiaries.
 - Under CCE, this includes seniors and qualifying adults with disabilities who require long-term care supports, giving priority to applicants and recipients of SSI/SSP and/or CAPI benefits who are at risk of or experiencing homelessness.
- Private organizations, including private real estate developers, with related prior development experience who are collaborating with nonprofit organizations, tribal entities, or counties may apply, but will be required to demonstrate a legal agreement (e.g., memorandum of understanding [MOU]) with the county, tribe, cities, for-profits, or nonprofit organization.

Eligibility considerations

All prospective applicants will be required to engage in a pre-application consultation that will provide an opportunity to discuss proposed projects, match requirements and potential sources of local match, statutory and regulatory requirements, how the project addresses local need/gaps and the state's priorities, and other related considerations. These pre-application consultations will be provided by AHP, in coordination with Community Development Financial Institutions (CDFIs) and real estate development experts.

For BHCIP, Round 3 applications will only be accepted from projects that are determined to be launch ready and whose applications are submitted by the timeline identified in the upcoming joint RFA. Launch ready projects are those for which significant preparation and readiness can be demonstrated in specific areas. Refer to the attached exhibit, *Project Readiness Requirements*, for more information and to prepare for the release of the joint RFA.

For CCE, applications will be accepted and funded on a rolling basis. However, applications will not be funded until applicants have completed all necessary steps in the pre-development phase to ensure their projects are launch ready. Qualified applicants for CCE will have an opportunity to seek funding for pre-development costs through the pre-application consultation process. This may include, but is not limited to, funds to hire an architect to draw construction plans, working with a financial advisor to develop a business plan, and other required pre-development activities.

Funded projects for BHCIP and CCE will demonstrate an understanding of the facility siting and permit and licensing requirements. They will also submit construction plans, evidence of oversight and management in place, and a sound budget consistent with standard development underwriting requirements.

Refer to the attached exhibit, *Project Readiness Requirements*, for more information and to prepare for the release of the joint RFA.

Eligible facility types

The following facility types and subcategories may be considered for project funding through BHCIP or CCE, separately or together.

Outpatient Services (includes a variety of settings delivering clinical support services, but not overnight residential services)		
	BHCIP	CCE
Community wellness centers (including those that are youth focused)	x	
Hospital-based outpatient treatment (outpatient detoxification/withdrawal management)	x	
Intensive outpatient treatment	x	
Narcotic Treatment Programs (NTPs)	x	
NTP medication units	x	
Office-based outpatient treatment	x	
Sobering centers (funded under DMC-ODS and/or Community Supports)	x	

Residential Clinical Programs (includes a variety of settings primarily focused on delivering clinical services; also provide shelter and support, from overnight to many days, weeks, and months)		
	BHCIP	CCE
Acute inpatient hospitals—medical detoxification/withdrawal management (medically managed inpatient detoxification/withdrawal management facility)	x	
Acute psychiatric inpatient facilities	x	
Adolescent residential treatment facilities for SUD	x	
Adult residential treatment facilities for SUD	x	
Chemical dependency recovery hospitals	x	
Children’s crisis residential programs (CCRPs)	x	
Community treatment facilities (CTFs)	x	
Crisis stabilization units (CSUs)	x	
General acute care hospitals (GACHs) and acute care hospitals (ACHs)	x	
Mental health rehabilitation centers (MHRCs)	x	
Psychiatric health facilities (PHFs)	x	
Short-term residential therapeutic programs (STRTPs)	x	
Skilled nursing facilities with special treatment programs (SNFs/STPs)	x	
Social rehabilitation facility (SRF)	x	

Residential Support Programs

BHCIP-funded facilities listed here are primarily focused on shelter and support services, from overnight to many months; funded facilities are required to serve Medi-Cal recipients. CCE will fund adult and senior care settings that provide care and support to seniors and adults with disabilities.

	BHCIP	CCE
Peer respite	x	x
Recovery residence/sober living homes	x	x
Adult residential facilities (ARFs)		x
Residential care facilities for the elderly (RCFE)		x
Permanent supportive housing (PSH) that serves the needs of seniors and adults with disabilities (including models that provide site-based care, such as Program for All Inclusive Care for the Elderly [PACE] and the Assisted Living Waiver programs)		x
Other residential care settings that serve the target population, including recuperative care sites		x

Facility types that are not eligible for funding:

- Correctional settings
- Schools

Applicants will be expected to define the types of facilities they will operate and populations they will serve. Evaluation criteria will be used by the state to ensure that a given facility is serving its target population in line with the state priorities. In addition, all applicants must describe the local needs assessment used to justify the proposed expansion. All applicants will be required to demonstrate how the proposed project will advance racial equity. Projects will be required to certify that they will not exclude populations, including those who are justice involved, unless required by state law. In addition, BHCIP grantees with behavioral health facilities that operate Medi-Cal behavioral health services will be expected to have in place a contract with their county to ensure the provision of Medi-Cal services once the funded facility’s expansion or construction is complete.

Applicants are encouraged to think broadly about how BHCIP and CCE funds together can be maximized to design person-centered projects based on the needs and gaps within their local systems of care, coupled with the state’s priorities. The following are examples of projects that could apply for both programs:

- An adult residential facility (ARF) applies for CCE funding to make the facility ADA accessible and expand capacity to serve additional SSI recipients. The provider also applies for BHCIP funds to add a day treatment, clubhouse, or peer-run/peer-operated center on the property.
- An RCFE applies for CCE funds to add additional beds to serve individuals who are experiencing homelessness and applies for BHCIP funds to add a behavioral health outpatient office within their network for their Medi-Cal population.

- A behavioral health crisis residential facility applies for BHCIP funding to expand facility capacity and CCE funding to create a residential setting that provides step-down residential support services for SSI recipients at risk of homelessness.

Funding parameters and use restrictions

Applicants will be expected to develop a competitive and reasonably priced development budget that will be scored alongside applications for projects of similar setting types and sizes. For example, for CCE, small ARFs will be compared to other small ARFs within the same region. In addition, scoring will take into consideration a focus on the state's priorities, including efforts to advance racial equity.

A financial viability assessment will be conducted, considering continued fluctuations in construction and other costs. Through various TA activities, such as the RFA pre-application consultation, interviews, and financial document review, the state will assess long-term operational sustainability once the capital project is complete and in use for its intended purpose.

Application review and scoring for BHCIP and CCE will provide the opportunity for applicants to receive additional points for the comprehensive use of resources in meeting the needs of the target population.

Applicants will be required to commit to a service use restriction as follows:

- **BHCIP only:** Commitments to provision of services and building use restriction for entire 30-year period
- **CCE only:** Commitments to provision of services and building use restriction for 30-years for new facilities and a 20-year use restriction for capacity expansion for an existing facility

Match

Match guidelines will be set according to applicant type.

- Tribal entities = 5% match
- Counties, cities, and nonprofit providers = 10% match
- For-profit providers and/or private organizations = 25% match

Match in the form of cash and in-kind contributions—such as land or existing structures—to the real costs of the project will be allowed. The state must approve the match source. Cash may come from

- [American Rescue Plan Act \(ARPA\)](#) funds granted to counties and cities,
- Local funding,
- [Mental Health Services Act \(MHSA\)](#) funds in the 3-year plan (considered “other local”),
- Foundation/philanthropic support,
- Loans or investments, or
- Other.

Services will *not* be allowed as match.

Funding regions

Regional funding caps will be established and will be consistent across BHCIP and CCE. However, the methodology for determining the regional funding amounts in each program will be based on the target population for that particular program. For BHCIP, the amounts available per region will be determined

based on the Behavioral Health Subaccount. For CCE, factors relative to the needs of the prioritized population will be used, which may include the distribution of adult and senior care facilities in counties across the state, the number of individuals experiencing homelessness or at risk of homelessness according to the 2019 Point-in-Time (PIT) count, and relative development costs.

In addition, 20 percent of funds available for both BHCIP and CCE will be set aside for use in regions at the state's discretion to ensure funding is effectively aligned with need (for instance, this reserve money may be used to fund high-scoring projects in oversubscribed regions). Another 5 percent of funds will be set aside for tribes. CCE requires that 8 percent of the funds be competitively awarded to small counties with populations of less than 200,000.

Following an initial round of funding allocations (timeframes to be determined by DHCS and CDSS), DHCS and CDSS will conduct periodic reviews of the number of completed applications from each region. Any unspent funds may be considered for viable applications falling outside of the initial allocation priority schedules, geographical divisions, or other initial fund allocation restrictions.

Exhibit: Project Readiness Requirements for BHCIP and CCE

The following standard capital development project requirements will be needed for a project to be considered launch ready. Required documentation will be reviewed with each applicant during the pre-application consultation and must be submitted as part of the application.

- Site control
 - Applicant has clear control of the property to be acquired or rehabilitated, as evidenced by one of the following:
 - Clear title with no encumbrances or limitations that would preclude the proposed use (fee title);
 - Existing long-term lease with provisions to make improvements on the property;
 - A leasehold estate held by a tribal entity in federal tribal trust lands property, or a valid sublease thereof that has been or will be approved by the Bureau of Indian Affairs;
 - Fully executed option to purchase, sales contract, or other enforceable agreement to acquire the property;
 - A letter of intent (LOI) that outlines the terms of a sale or lease contract, providing that a fully executed option will be completed within 60 days; or
 - Fully executed option to lease, or similar binding commitment from property owner to agree to a long-term lease.

- Permits
 - Applicant documents understanding of approvals and permitting needed, and the capacity to obtain these approvals and permits, as evidenced by both of the following:
 - Providing detailed information regarding the site of the proposed capital project, including zoning, land use limitations, permissible “as of right” uses, and any approvals or variances that may be required and
 - Including a list of the approvals and permits required to complete the project as described in the construction plan (below), along with the sequences of these approvals and permits.
 - Applicant commits to making initial required applications within 60 days of award, as applicable.

- Licensure/certification
 - Applicant provides documentation of all required certifications/licenses, including those required by the appropriate Department under the California Health & Human Services Agency.
 - For applicable projects that cannot be licensed/certificated by the state and/or local level until they are completed, applicant will demonstrate that they understand the licensing/certification timelines and requirements. Tribal entities that are exempt from state licensing and/or requirements must describe the basis for their exemption, and their plan for meeting programmatic requirements. As part of the technical assistance that will be made available, applicants will be guided through the licensure and certification process.

- Preliminary construction plans
 - Applicant provides preliminary construction plans for proposed project, such as

- Site plan (if applicable);
 - Architectural drawings, blueprints, and/or other renderings; or
 - If no construction plan is yet in place, a valid estimate from an architect, licensed general contractor, or engineer.
- Acquisition and/or construction timeline
 - Acquisition and/or construction should begin within 6 months of award. Applicant should provide a timeline from a licensed general contractor or construction manager to illustrate how this will be achieved.
 - Applications for projects that can start sooner may be rated higher.
 - Capacity to meet match requirements (see more information above)
 - Approval and engagement
 - Organizational support is indicated by letter from CEO and/or board, county board of supervisors, or tribal council resolution.
 - Operating agreement is executed with the appropriate county or tribal office, as applicable.
 - Applicant provides documentation of active community engagement and support, particularly with people with lived experience. Insights from the community should be included in project planning, design, implementation, and evaluation.
 - Nonprofit or private applicants must include a letter of support from their county behavioral health agency or, if a tribal facility, the tribal board at the time of application or within the grant decision period.
 - BHCIP Only: The letter must indicate that BHCIP grantees that operate Medi-Cal behavioral health services will have in place a contract with their county to ensure the provision of Medi-Cal services once the financed facility's expansion or construction is complete.