



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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Fourth District

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Fifth District

DATE: October 8, 2024

DRAFT

XX

TO: Board of Supervisors

SUBJECT

AUTHORIZE ACCEPTANCE OF BEHAVIORAL HEALTH BRIDGE HOUSING GRANT FUNDS AND AUTHORIZE A COMPETITIVE SOLICITATION FOR PROVISION OF RECUPERATIVE CARE SERVICES (DISTRICTS: ALL)

OVERVIEW

On September 27, 2022 (23), the San Diego County Board of Supervisors (Board) adopted the Behavioral Health Optimal Care Pathways (OCP) model, outlining the optimal and future capacity that would best to support people with limited opportunities for placement due to complex needs, lack of existing services, inadequate capacity, and/or other specialty care needs. The model focuses on diversion to the least restrictive environment and supports the medical, social, and environmental needs of people more effectively by improving access and connecting them to ongoing care long term.

According to the OCP model, the region has experienced significant capacity loss across community-based care. The inequity and lack of parity that has plagued this level of care continues to have devastating impacts resulting in people remaining in higher levels of care. The model has identified the need for 12,000 new recuperative care bed days, a service which does not yet exist within the behavioral health continuum of care and earlier this year, a grant opportunity became available to address this need.

The California Department of Health Care Services (DHCS) released a request for applications for the *Behavioral Health Bridge Housing (BHBH) Program Round 3* on January 16, 2024, which provided \$265 million in competitive grant funds to county behavioral health agencies to address the immediate and sustainable housing needs of people experiencing homelessness who have serious behavioral health conditions. The County of San Diego (County) Health and Human Services Agency, Behavioral Health Services (BHS) applied for *BHBH Round 3* grant funds and on July 25, 2024, BHS received a notice of a conditional award totaling \$12.4 million of grant funds for following two tracks according to county size: Track 1 for Program Operations and Track 2 for Bridge Housing Start-Up Infrastructure.

Today's actions request the following:

- Authorization to accept \$12.4 million of one-time grant funds for *Track 1: BHBH Program Operations* to create 49 new recuperative care beds (\$10.0 million total); and *Track 2:*

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Bridge Housing Start-Up Infrastructure for renovation and adaptive reuse of a County-owned Substance Use Residential Treatment Service (SURTS) facility (\$2.4 million total).

- Authorization to issue a competitive solicitation and award contract(s) for provision of recuperative care services.

These items support the County's vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities by supporting housing stability for individuals with behavioral health conditions, including those who are experiencing or at risk of homelessness.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Authorize the acceptance of \$12.4 million of one-time competitive Behavioral Health Bridge Housing (BHBH) grant funding and authorize the Agency Director, Health and Human Services Agency, or designee to execute all required documents, upon receipt, including any annual extension, amendments, or revisions that do not materially impact or alter the services of funding level.
2. In accordance with Board Policy A-87, Competitive Procurement, and Administrative Code Section 401, authorize the Director, Department of Purchasing and Contracting, subject to successful negotiations and a determination of a fair and reasonable price, to award community-based care provider contracts that serve individuals with behavioral health conditions, if needed, to reflect changes in program, funding or service requirements, subject to the availability of funds and approval of the Agency Director, Health and Human Services Agency.

EQUITY IMPACT STATEMENT

The vision of the County of San Diego's Health and Human Services Agency, Behavioral Health Services (BHS) is to build a system in which mental health and substance use services are equitably and regionally distributed and accessible to all individuals and families within the region who are in need. In alignment with this goal, BHS is committed to pursuing funding sources that will support the provision of services to vulnerable and underserved populations. Today's actions will allow BHS to accept new Behavioral Health Bridge Housing Program grant funding to further expand bridge housing implementation, specifically recuperative care, for individuals to continue to receive care and support services in a stable location.

SUSTAINABILITY IMPACT STATEMENT

Today's item supports the County of San Diego's (County) Sustainability Goal #2 to provide just and equitable access by creating policies to reduce and eliminate poverty, promoting economic sustainability for all by pursuing available funding focused on serving historically underserved client populations that are most in need of care. Today's actions will support the unique needs of individuals experiencing homelessness and have a serious behavioral health condition. Furthermore, in alignment with the Behavioral Health Optimal Care Pathways model, today's

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actions support optimal future capacity across the entire behavioral health system ensuring that services at all levels of care are available and accessible.

This item supports Sustainability Goal #4 to protect the health and wellbeing of everyone in the region by creating new recuperative care beds that will allow individuals to continue to receive care and support services in a stable location post-release from hospitals, crisis stabilization units, jails, and institutions where they are unable to recover.

This item also supports Sustainability Goal #6 to ensure the capability to respond to immediate needs for individuals, families, and the region by providing opportunities for people engaged in substance use disorders and/or in the criminal justice system to find longer-term care and housing. The majority of funding outlined in today's item is dedicated towards providing interim housing for vulnerable populations without safe discharge access. This will allow the County to meet the regional need for immediate and sustainable housing, while leveraging the County-owned Substance Use Residential Treatment Service facility along with contracted community-based care providers.

FISCAL IMPACT

Funds for the Behavioral Health Bridge Housing (BHBH) Round 3 Program request are included in the Fiscal Year (FY) 2023-25 Operational Plan in the Health and Human Services Agency. If approved, this request will result in estimated costs and revenue of \$2.4 million in FY 2024-25 for capital costs associated with renovation of the Substance Use Residential & Treatment Services (SURTS) facility and estimated costs and revenue of \$10.0 million in FY 2025-26 through FY 2026-27 for services. The funding sources are State General Fund through the BHBH Round 3 grant funding. Funding for this request in future years will be included in future Operational Plans. There will be no change in net General Fund cost and no additional staff years.

The total project cost for the SURTS facility renovations and improvements is estimated at \$26.0 million. BHBH Round 3 grant funds totaling \$2.4 million will support a portion of the total SURTS renovation cost specific to the development planning, permits, fees, and renovations for recuperative care beds.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

On September 5, 2024, the Behavioral Health Advisory Board this item, on consent.

BACKGROUND

To support the well-being of those with behavioral health conditions, the San Diego County Board of Supervisors (Board) and the County of San Diego's (County) Health and Human Services Agency (HHS) remain committed to investing in services to meet the needs of individuals. In alignment with this commitment, HHS Behavioral Health Services (BHS) continues to pursue

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funding opportunities to expand access to critical mental health and substance use disorder prevention, engagement, housing, and treatment services.

In addition, on September 27, 2022 (23), the San Diego County Board of Supervisors (Board) adopted the Behavioral Health Optimal Care Pathways (OCP) model, outlining the optimal and future capacity that would best to support people with limited opportunities for placement due to complex needs, lack of existing services, inadequate capacity, and/or other specialty care needs. The model focuses on diversion to the least restrictive environment and supports the medical, social, and environmental needs of individuals more effectively by improving access and connecting them to ongoing care long term. The Behavioral Health Bridge Housing (BHBH) Program created a unique opportunity to advance Board priorities and implementation of the OCP model.

BHBH Program Background

In September 2022, Assembly Bill 179 legislation authorized \$1.5 billion in grant funding opportunities for bridge housing expansion, which offers short- and mid-term housing options to people experiencing homelessness who have serious behavioral health conditions, with the goal of connecting them to long-term housing. The California Department of Health Care Services (DHCS) established the BHBH Program and determined grant funds would be utilized to address the following priorities:

- Complement ongoing State, county, and tribal efforts, to address homelessness.
- Provide supportive services and housing navigation to assist people who have serious behavioral health conditions and are experiencing homelessness.
- Serve individuals with serious behavioral health conditions, including serious mental illness and/or substance use disorder, who are experiencing homelessness.
- Provide bridge housing and supportive services throughout the county, including in rural areas, to enable people to remain in their communities.

BHBH funds primarily provide operational and supportive services funding to expand bridge housing capacity within existing settings or new settings, and can be utilized across four domains, including:

- County program implementation
- Bridge housing outreach and engagement
- Bridge housing, including shelter/interim housing, rental assistance, auxiliary (patch) funds for assisted living settings (board and cares), and housing navigation.
- Bridge housing start-up infrastructure.

DHCS released BHBH grant opportunities in four rounds, as follows:

- Round 1 (February 2023): \$907 million non-competitive allocation to counties
- Round 2 (March 2023): \$30 million competitive allocation to tribal entities only, no allocation for counties
- Round 3 (January 2024): \$265 million competitive allocation to counties

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- Round 4 (TBD fiscal year 2024-25): approximately \$250 million competitive allocation to counties and tribal entities

In April 2023, BHS applied for *BHBH Program Round 1* grant funds and received an award of \$44.3 million; acceptance of funds was approved by the Board on July 18, 2023 (15). These funds are to be utilized through June 30, 2027, and are allocated as follows:

- \$41.5 million is being used to create new board and care beds within adult and senior residential care facilities licensed by the Community Care Licensing Division of the California Department of Social Services for people enrolled in Medi-Cal.
- The remaining \$2.8 million will be utilized to support infrastructure start-up costs to expedite the ability for new board and care slots by January 2025.

In April 2024, BHS applied for *BHBH Program Round 3* grant funds and on July 25, 2024, received notification from DHCS of a \$12.4 million award. *BHBH Program Round 3* funding was awarded for two tracks according to county size: Track 1 for Program Operations and Track 2 for Start-Up Infrastructure. The allocation of the \$12.4 million through *BHBH Round 3* is planned for two projects: new recuperative care beds and renovations to the Substance Use Residential Treatment Service (SURTS) facility to establish the new recuperative care beds, as further described below.

Track 1 Program Operations: Recuperative Care Beds (\$10.0 million)

In alignment with the findings outlined in the OCP model, a total of approximately \$10 million will be utilized to create 49 new recuperative care beds for individuals who are experiencing homelessness and have a serious behavioral health condition, including a substance use disorder that will be operational through June 30, 2027. It is anticipated the continuity of recuperative care services will be accomplished by leveraging community supports and resources that provide these services, such as Medi-Cal.

Recuperative care provides adults with behavioral health conditions who are experiencing homelessness a safe place to be discharged upon release from hospitals, crisis stabilization units, jails, and institutions when they are unable to recover while living unhoused and the service is not eligible or available through existing federal, State, or County funds. This service provides short-term housing for adults to recover while receiving case management and connection to primary care, behavioral health services, and other supportive services, including transportation, food, and housing. These new beds will be located within either a County-owned facility or community-based care provider that contracts with the County.

Track 2 Start-Up Infrastructure: Substance Use Residential Treatment Service (SURTS) facility (\$2.4 million)

The remaining BHBH funds totaling \$2.4 million will be utilized for renovations of the County-owned SURTS facility, which will provide a continuum of residential treatment and recovery services to include withdrawal management, substance use treatment, and recuperative care services. Although this facility will serve anyone countywide, regardless of where they live, placement in the South Region is ideal as there are currently limited residential substance use

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services and no withdrawal management or recuperative care services available for Medi-Cal clients located in this part of San Diego County.

The site, located in National City, is a facility in need of renovation and adaptive reuse. This space was formerly used for substance use residential treatment program and is currently being used as a temporary location while renovations are occurring for a separate substance use residential treatment program. The space includes a supporting annex with a laundry and kitchen, residential rooms, offices, and staff lounge. Proposed infrastructure work includes interior renovation, roof repairs, Americans with Disabilities Act compliance and exterior wall repairs. In addition to termite repairs, electrified heating ventilation and air conditioning (HVAC), switchgear, generator, distribution panels, fire alarm, new kitchen and laundry equipment, and fire line realignment. To date, life-safety repairs such as paint, floor and minor electrical have been completed for use during this temporary occupation.

On May 21, 2024 (14), the Board approved actions that allow for renovations to commence; construction is expected to begin April 2025 with estimated completion in 2026. The total cost for the SURTS project is estimated at approximately \$26.0 million and may change based on final design; the County is anticipated to contribute \$23.6 million, with \$10 million already committed. The BHBH funds would pay for \$2.4 million in development planning, permits and fees specific to the recuperative care beds, as well as a portion of the renovations.

Today's actions request the following:

- Authorization to accept one-time BHBH grant funds totaling \$12.4 million.
- Authorization to issue a competitive solicitation and award contract(s) for provision of recuperative care services.

Staff will return to the Board at a future date to seek further authority to accept additional BHBH funding if awarded through future funding rounds.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the County of San Diego's 2024-2029 Strategic Plan initiatives of Equity (Health) and Community (Quality of Life) as well as the regional *Live Well San Diego* vision, by reducing disparities and disproportionality of individuals by pursuing housing stability for adults with serious behavioral health conditions, including those who are homelessness.

Respectfully submitted,

USE "INSERT PICTURE"
FUNCTION TO INSERT
SIGNATURE

EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

N/A