



DEPARTMENT OF MENTAL HEALTH
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May 2, 2023

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

The Honorable Board of Commissioners
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

36 May 2, 2023

CELIA ZAVALA
EXECUTIVE OFFICER

Dear Supervisors/Commissioners:

REQUEST FOR APPROVAL OF INTERIM ORDINANCE AUTHORITY FOR DEPARTMENT OF MENTAL HEALTH (DMH) TO ADD AND FILL SIX (6) POSITIONS TO PERFORM THE REQUIRED ACTIVITIES AND FUNCTIONS TO IMPLEMENT THE COMMUNITY CARE EXPANSION (CCE) PRESERVATION PROGRAM AND APPROVAL FOR LOS ANGELES COUNTY DEVELOPMENT AUTHORITY (LACDA) TO SIGN AND EXECUTE NECESSARY AGREEMENTS TO ADMINISTER AND IMPLEMENT THE CCE PRESERVATION PROGRAM – Capital Projects (CP) COMPONENT (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

Request approval of interim ordinance authority for Department of Mental Health (DMH) to add and fill six (6) positions to perform the required activities and functions to implement the Community Care Expansion (CCE) Preservation Program which includes two components, Capital Projects (CPs) and Operating Subsidy Payments (OSPs); and approval for Los Angeles County Development Authority (LACDA) to sign and execute necessary agreements to administer and implement the CCE Preservation Program - CPs component, with the goal of preserving licensed Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs) also known as Board and Care Facilities in Los Angeles County.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve interim ordinance authority pursuant to Section 6.06.020 of the Los Angeles County Code, for DMH to recruit and hire six (6) key personnel to support the overall implementation and administration of the CCE Preservation Program, subject to allocation by the Chief Executive Officer's (CEO) Classification Division.

2. Delegate authority to the DMH Director, or her designee, to adjust the DMH local match requirement as needed for any additional CCE Preservation Program – CP funds that DMH may receive from the State and transferred to LACDA.
3. Find that the recommended actions are exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY:

1. Delegate authority to the Executive Director of LACDA, or his designee, to act as agent of the County with regard to the administration of the CCE Preservation Program - CP component (CP Program) funds, to:
 - a. Execute and amend as necessary, owner participation agreements for facilities that are leased, grant agreements, deed restrictions and any other agreements needed to facilitate the CP Program;
 - b. Execute Memorandum of Understandings (MOUs) with cities within Los Angeles County for the provision of services to expedite reviews for entitlement and permit applications as related to the rehabilitation of ARFs and RCFEs;
 - c. Execute and use construction contracts, including Job Order Contracts (JOC), and as necessary due to the urgency of preventing the closure of ARFS and RCFEs and narrow timeframe of the CP Program grant cycle, to execute non-competitive contracts to expeditiously operate the CP Program to conduct rehabilitation and refurbishment activities; and
 - d. Execute and use other contracts or agreements up to \$300,000 to provide all necessary services including, but not limited to, architectural/engineering services, relocation services, and environmental consultant services. This authority will not exceed the amount of the funds received by LACDA from DMH.
2. Find that the recommended actions are exempt from CEQA, for the reasons stated in this Board letter and in the record of the project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to approve interim ordinance authority, pursuant to Section 6.06.020 of the County Code, for DMH to recruit and hire key personnel for the CCE Preservation Program subject to allocation by the CEO Classification Division.

On December 20, 2022, your Board approved the motion, “Community Care Expansion Preservation Program Administration and Management of Funds to Further Address Los Angeles County’s Board and Care Crisis,” which delegated authority to the Interim Director of DMH to accept the CP Program grant funds in the amount of \$53,497,135 and OSP Program grant funds in the amount of \$19,654,821, and any additional funds awarded to the County by the State through its third-party administrator, Advocates for Human Potential (AHP). The motion further granted authority to the Interim Director of DMH to negotiate and execute contracts with AHP for CCE Preservation Program grant funding subject to review and approval as to form by County Counsel with notification to the Board and CEO. On March 3, 2023, DMH was awarded an additional \$19,863,912 for CCE Preservation OSP Program for a total of \$39,518,733. The CCE Preservation Program is effective this Fiscal Year (FY) 2022-23 through June 30, 2029 (FY 2028-29).

The Board granted LACDA authority to serve as the agent of the County for the administration of the

CP Program funds, which requires a match of at least 10 percent. DMH will allocate \$11.2 million of Mental Health Services Act (MHSA) funds to satisfy the match requirement and other administrative requirements. Upon receipt of the funds and in alignment with all applicable federal, State, and local program requirements, LACDA will administer the CP Program, including facilitating owner participation agreements for those facilities that are leased, the grant application process which shall include preapplication technical assistance for facilities, processing and ranking of grant applications using an approved criteria and scoring rubric, and determining grant award amounts. After the conclusion of the grant application process, LACDA will administer the construction rehabilitation of the grantee facilities, including creating a scope of work for each of the projects, requesting cost proposals for contractors to perform the work, monitoring the progress and quality of construction and verifying the work completed for payment and compliance with all labor requirements. LACDA will also execute grant agreements. LACDA will also record deed restrictions for those facilities that receive a grant for \$250,000 or greater.

Implementation of Strategic Plan Goals

These recommendations support the County's Strategic Plan Goal I, Make Investments That Transform Lives via Strategy I.2 Enhance Our Delivery of Comprehensive Interventions, Strategic Plan Goal III, Realize Tomorrow's Government Today via Strategy III.3 Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability.

FISCAL IMPACT/FINANCING

Sufficient funding is included in the Budget Year 2022-23 Final Adopted Budget for this action. Funding for future budget years will be included in the budget request process. There is no net County cost impact associated with the recommended action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The California Department of Social Services (CDSS) CCE Preservation Program has made noncompetitive allocations available to counties for the preservation of existing licensed ARFs and RCFEs serving applicants and recipients of Supplemental Security Income/State Supplementary Payment (SSI/SSP) or Cash Assistance Program for Immigrants (CAPI), including those who are experiencing or at risk of homelessness.

The December 20, 2022, Community Care Expansion Preservation Program Administration and Management of Funds to Further Address Los Angeles County's Board and Care Crisis motion (Supervisors Hahn/Solis) authorized DMH to accept the CCE Preservation Program funds issued by CDSS and their fiscal intermediary Advocates for Human Potential (AHP), enter into a contract with AHP and administer and manage CCE Preservation Program funds issued for the preservation of licensed ARFs and RCFEs.

By way of this Board letter DMH requests the additional authority needed to hire staff to implement and administer CCE Preservation Program funds including CP funds to allow facilities to make essential physical repairs or necessary upgrades to avoid closure or make the facility compliant with licensing standards and OSP funds to cover potential or projected operating deficits in existing ARFs and RCFEs so they can avoid closure. LACDA requests the authority as agent of the County to administer the CP Program and to execute related agreements and amendments to perform the construction rehabilitation of the facilities.

ENVIRONMENTAL DOCUMENTATION

Pursuant to the Welfare and Institutions Code Chapter 20, Section 18999.97, the State of California has determined that any project receiving CCE Preservation Program funds shall be deemed a ministerial action under Section 15268 of the State CEQA Guidelines and Section 21080(b)(1) of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

These actions will not have a significant impact on current services.

If you have any questions or require additional information, please contact us or staff can contact Maria Funk, Deputy Director, at (213) 943-8465 or mfunk@dmh.lacounty.gov or Carolina Romo, Assistant Director of Community Development, LACDA at 626-296-6298 or Carolina.romo@lacda.org.

Respectfully submitted,



LISA H. WONG, Psy.D.
Director



Emilio Salas
Executive Director, LACDA

LHW:CDD

c: County Counsel
Executive Office, Board of Supervisors
Chief Executive Office