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**MOTION BY SUPERVISORS JANICE HAHN
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**Community Care Expansion Preservation Program Administration and Management of
Funds to Further Address Los Angeles County's Board and Care Crisis**

The Community Care Expansion (CCE) Program was established through Assembly Bill (AB) 172 in an effort to address the ongoing Board and Care crisis in the state of California. The legislation provides funding through the California Department of Social Services (CDSS) and their fiscal intermediary Advocates for Human Potential (AHP) for the acquisition, construction, rehabilitation and preservation of licensed Adult Residential Care Facilities (ARF) and Residential Care Facilities for the Elderly (RCFE), also known as Board and Care facilities. These facilities are a vital housing resource for vulnerable Social Security Income/State Supplementary Payment (SSI/SSP) and Cash Assistance Program for Immigrants (CAPI) recipients and applicants who are homeless or at-risk of homelessness, many of whom are served by LA County's Department of Mental Health (DMH) and Department of Health Services (DHS). Over the last few years, these facilities have been closing at an alarming rate due to factors like low reimbursement rates that do not keep up with high maintenance and operating costs. The closure of these facilities threatens the housing stability of many of the County's most vulnerable residents.

There are currently approximately 2,700 ARFs and RCFEs in Los Angeles County but

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many are private pay or only serve clients from the Regional Center. DMH and DHS work with approximately 170 facilities through their Enriched Residential Care programs. Many of those that serve recipients of SSI are at risk of closure due to the low Nonmedical out of Home Care Rate which is set by the State for individuals who receive SSI which is approximately \$40 a day. The goal of the CCE program is to help keep ARFs and RCFEs in operation and thus preserve this housing opportunity to some of the County's most vulnerable residents who need the extra supports provided by licensed residential care facilities and are experiencing or at-risk of homelessness. The CCE Program - Preservation funds shall be used for the rehabilitation and preservation of existing ARFs and RCFEs, prioritizing those at highest risk of closure with a high percentage of qualified residents (those served by DMH/DHS) who are experiencing or at-risk of homelessness.

Through a non-competitive process, CDSS awarded Los Angeles County CCE Program - Preservation funds which DMH will receive and administer on behalf of the County. For the purpose of CCE Program Preservation Capital Projects (CP) funds, DMH was awarded \$53,497,135 and will be partnering with the Los Angeles County Development Authority (LACDA) through an agreement to jointly oversee and administer the CCE Program - Preservation CP funds. In addition, for the purpose of CCE Program - Preservation Operating Subsidy Payments (OSP) funds, DMH was awarded \$19,654,821 and will partner with Housing for Health, a program of DHS, for the administration of the CCE Program - Preservation OSP funds. In order to move forward with implementing the work for the preservation of these facilities, DMH requires authority

to accept the CCE Program - Preservation CP and OSP funds. There are many Board and Cares across the County that are in imminent risk of closure, so it is imperative to start getting these funds out to the community as quickly as possible.

WE, THEREFORE, MOVE that the Board of Supervisors

1. Delegate authority to the Interim Director of Department of Mental Health (DMH), or her designee, to accept Community Care Expansion (CCE) Program - Preservation Capital Project (CP) grant funds in the amount of \$53,497,135 and Operating Subsidy Payments (OSP) 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), and to negotiate and execute contracts with AHP for CCE Program - Preservation CP and OSP grant funds to expand and preserve infrastructure around the entire continuum of care for individuals with behavioral health conditions, subject to review and approval as to form by County Counsel and notification to the Board and Chief Executive Office (CEO).
2. Delegate authority to the Interim DMH Director, or her designee, to amend the contracts as needed, including extending the term; adding, deleting, modifying, or replacing Statements of Work; modifying the grant amount; and/or rolling over unspent funds, subject to prior review and approval by County Counsel and notification to the Board and CEO.
3. Delegate authority to the Interim DMH Director, or her designee, to terminate the contracts or funded programs in existing contracts in accordance with the termination provisions set forth in the contracts. The Interim DMH Director, or her designee, will notify the Board and CEO, in

writing, of such termination action.

4. Designate the LACDA to serve as the agent of the County for the administration of CCE Program Preservation CP funds and a portion of Mental Health Services Act (MHSA) funds.
5. Delegate authority to the Interim DMH Director, or her designee, to negotiate and execute an agreement and any future amendments to the agreement, with LACDA to jointly oversee and administer the CCE Program - Preservation CP funds in the amount of up to \$53,491,135 (CCE Program - Preservation CP Funds) and any additional CCE Program - Preservation CP funds DMH may receive from the State and for the MHSA funds up to \$11.2 million (MHSA Funds) and authorize the transfer of such funds to the LACDA.
6. The recommended actions are not subject to the California Environmental Quality Act (CEQA) because they are activities to create a government funding mechanism that are excluded from the definition of a project by section 21065 of the Public Resources Code and section 15378(b) of the State CEQA Guidelines.

WE, FURTHER, MOVE that the Board of Commissioners of the Los Angeles County

Development Authority:

1. Designate the LACDA to serve as the agent of the County for the administration of the CCE Program - Preservation CP funds and a portion of MHSA funds and authorize its Executive Director, or designee, to execute an agreement with DMH, to administer the CCE Program - Preservation CP funds in the amount of up to \$53,497,135 (CCE Preservation CP Funds), any additional CCE Program - Preservation CP funds DMH may receive from the State, and

for the MHSA funds up to \$11.2 million (MHSA Funds) to be used for the same purpose.

2. Authorize LACDA to accept and incorporate up to \$53,497,135 of CCE Preservation CP Funds in the LACDA's approved Fiscal Year 2022-2023 budget and any additional CCE Program - Preservation CP funds DMH may receive from the State as needed and up to \$11.2 million of MHSA Funds to be used for the same purpose, into the LACDA's approved Fiscal Year 2022-2023 budget, and future budgets as needed.
3. The recommended actions are not subject to the California Environmental Quality Act (CEQA) because they are activities to create a government funding mechanism that are excluded from the definition of a project by section 21065 of the Public Resources Code and section 15378(b) of the State CEQA Guidelines.

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