COMMUNITY CARE EXPANSION PROGRAM

Community Care Expansion (CCE) Program

Small Facility (15 and fewer beds) Licensees

CDSS
CALIFORNIA
DEPARTMENT OF
SOCIAL SERVICES

INFORMATIONAL WEBINAR
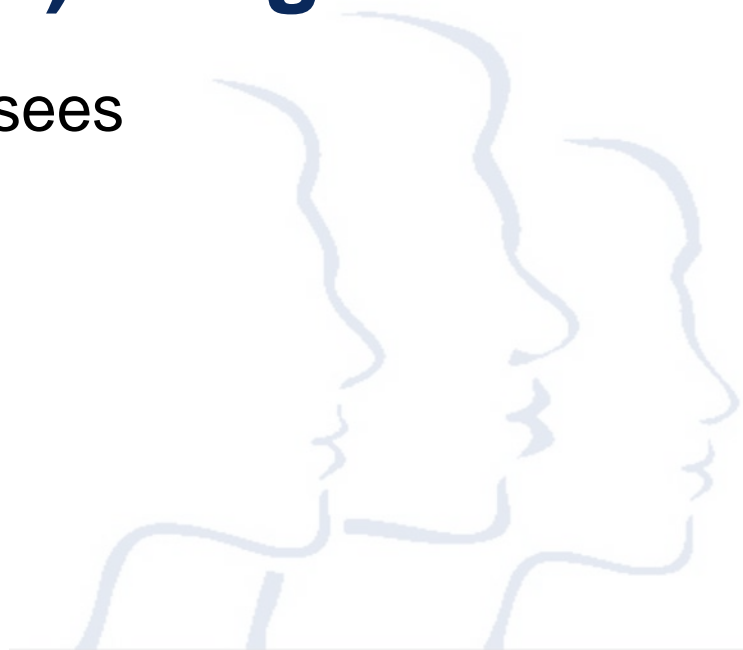
WEBINAR POLICIES & QUESTIONS

Please submit all questions related to the CCE application process via the chat. We will respond to as many as possible at the end of the presentation. If your question is not answered today, please send it to bhcip.cce.info@ahpnet.com and we will be happy to respond.

Questions about BHCIP Round 3: Launch Ready can also be sent to bhcip.cce.info@ahpnet.com; questions related to CCE preservation funds should be sent to CCE@dss.ca.gov.

We have dropped our webinar policies and chat policy into the chat box for you now, please keep these in mind

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Today's Presenters

- Melodie Pazolt | Project Director, CCE (AHP)
- Louise Nieto | Deputy Project Director, CCE (AHP)
- Brian Jones | Real State Acquisition and Development Manager (AHP)
- Julie McQuitty | Acting Branch Manager Housing and Homelessness Branch (CDSS)
- Claire Matsushita | Program Administrator, Adult and Senior Care Program Office
- Candace Robinson | Director, Healthy Communities (Capital Impact)
- Janet Perez Shensky | SVP, Strategic Partnerships (Lendistry)

Today's Agenda

- Overview & States Priorities
- Set-asides, Match, and Funding Regions
- Joint RFA
- Pre-Application Consultation Process
- Phases of Real Estate Development
- Partnerships
  - Capital Impact
  - Lendistry
- Ongoing Technical Assistance
- Q&A

- BHCIP and CCE represent **the largest provision of resources for behavioral health and social services** infrastructure in the state's history.

- This is an unprecedented opportunity to address **historic gaps** in the behavioral health and long-term care continuums in California to meet growing demand for services and supports **across the life span**.

- Together, they 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 lifespan.

CCE Capital Expansion

Authorized through [Assembly Bill (AB) 172](#) (Chapter 696, of Statutes 2021)

Awarding $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 homelessness or at risk of homelessness.

Applications will be accepted according to the applicable application process, noted below.

Division of funds (excludes administrative costs)

- **$570 million:** available for **capital expansion projects** including acquisition, construction, and rehabilitation of residential care settings (applications accepted via RFA on a rolling basis)

- **$195 million:** available for rehabilitation to preserve settings that serve the target and prioritized populations, including $55 million for a capitalized operating subsidy reserve (COSR) for existing licensed facilities including but not limited to those facilities that receive rehabilitation funding (application information will be provided separate from this RFA)

State Priorities

- 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

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	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) applicants and 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.

CCE Eligible Facility Types

Residential support programs

- Peer respite

- Recovery residence/sober living homes

- Adult residential facilities (ARFs)

- Residential care facilities for the elderly (RCFEs)

- 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)

- Other residential care settings that serve the target population, including recuperative care sites

Ineligible Facility Types

Correctional settings

Schools
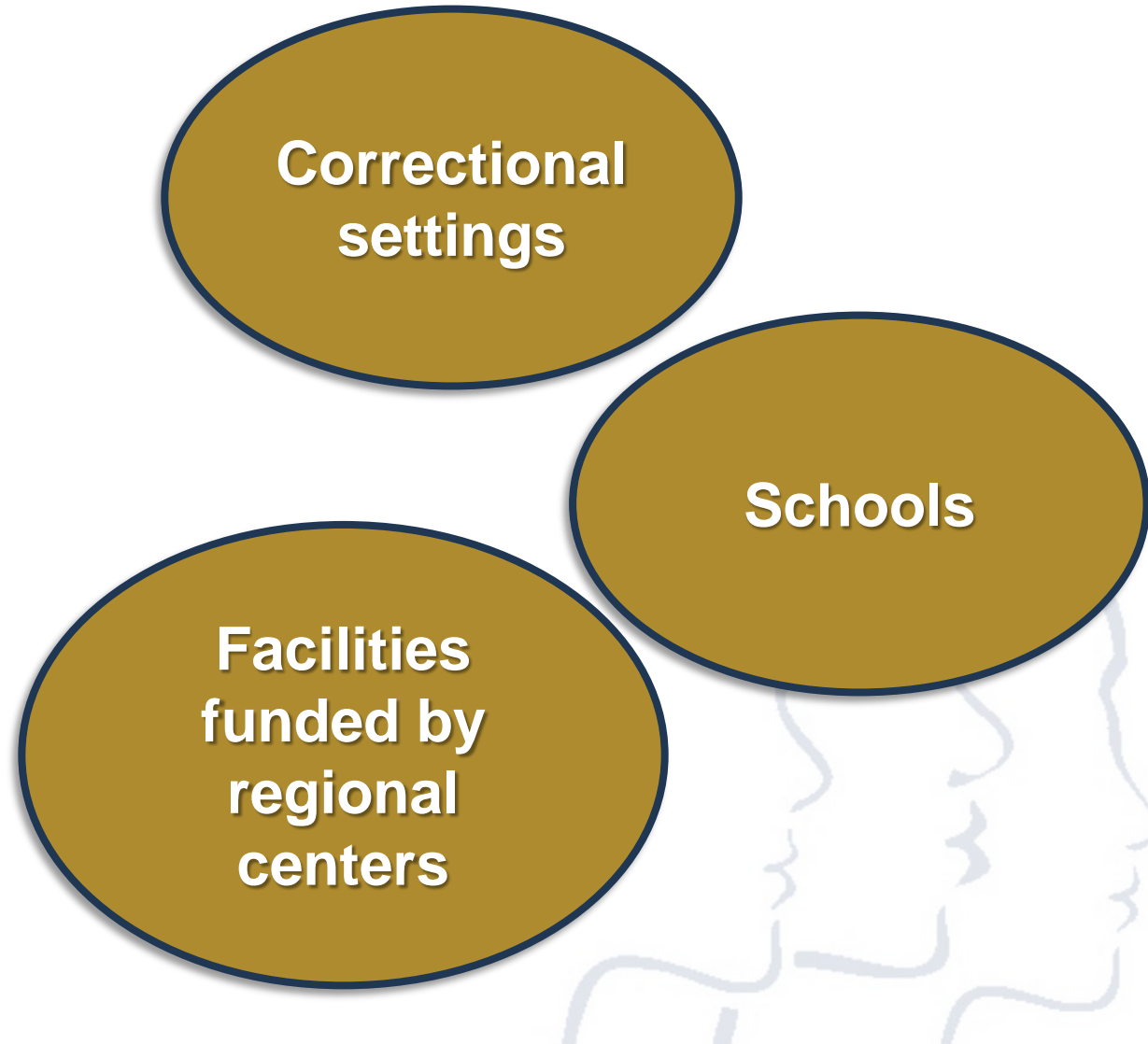
Facilities funded by regional centers

Projects must expand capacity in residential care settings that serve seniors and adults with disabilities who require long-term care supports, with priority for people experiencing or at risk of homelessness who are applicants or recipients of Supplemental Security Income/State Supplementary Payment (SSI/SSP) or Cash Assistance Program for Immigrants (CAPI) benefits.

# Set-asides, Funding Regions, and Match

Set-asides

- **20%** of funds available will be set aside for use in regions at the state's discretion to ensure funding is effectively aligned with need

- **5%** of funds will be set aside for tribes

- CCE requires that **8%** of the funds be competitively awarded to small counties with populations of less than 200,000

- 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

Funding Regions—Caps

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
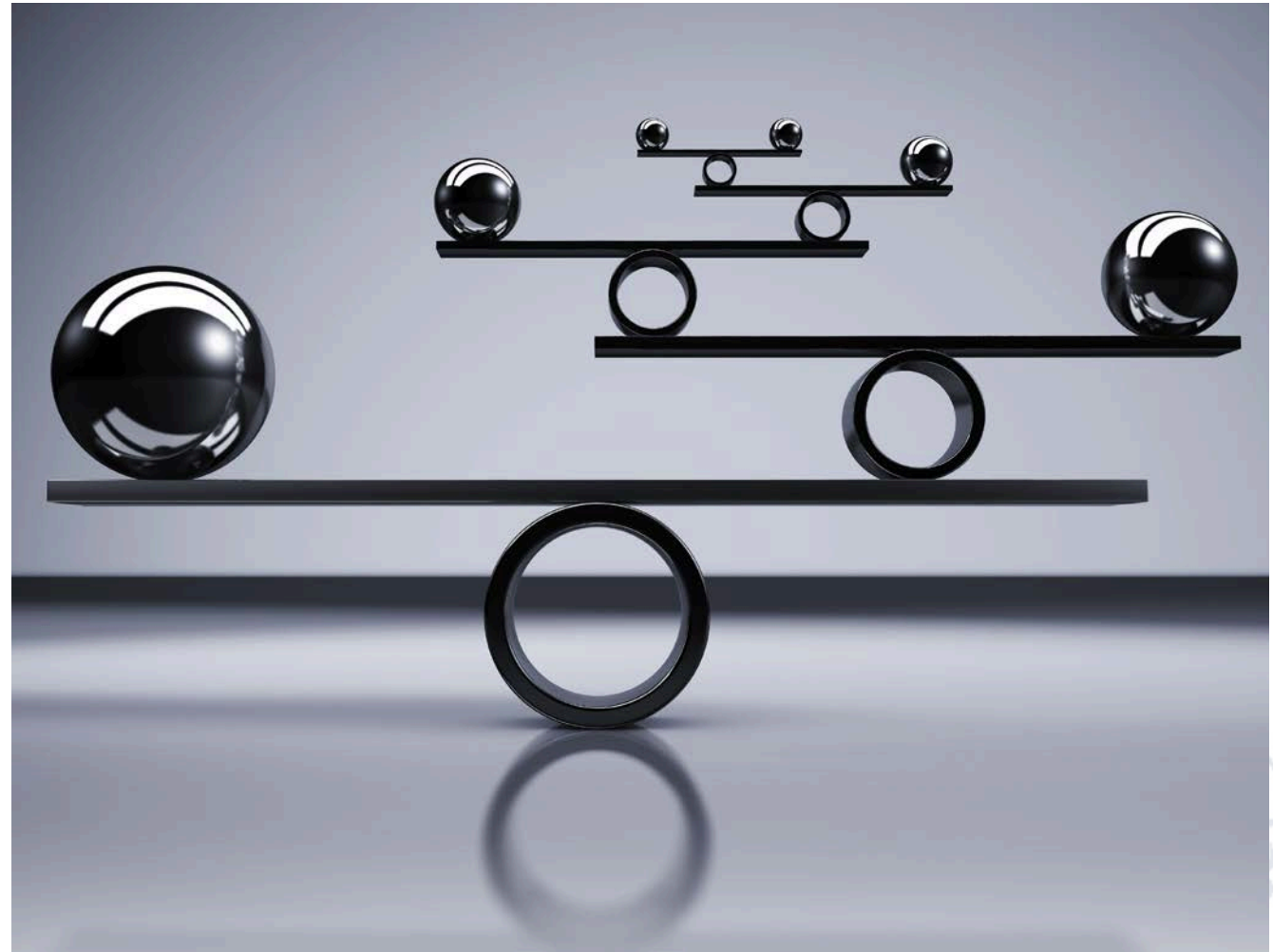
Funding Regions

Region	Counties
Bay Area	Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma
Central Coast	Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz
Los Angeles County	
Sacramento Area	El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba
San Joaquin Valley	Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare
Southern California	Imperial, Orange, Riverside, San Bernardino, San Diego, Ventura
Balance of State	Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, Tuolomne

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Match

Tribal entities	Counties, cities, and nonprofit providers	For-profit providers and/or private organizations	Partnership match will be determined by the types of applicants.
5% match	10% match	25% match	If a private organization has a collaboration with a county, for example, the project qualifies for the county match amount, as long as supporting documentation is submitted.

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.

- Services will not be allowed as match.

Match

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

- Other

Joint RFA

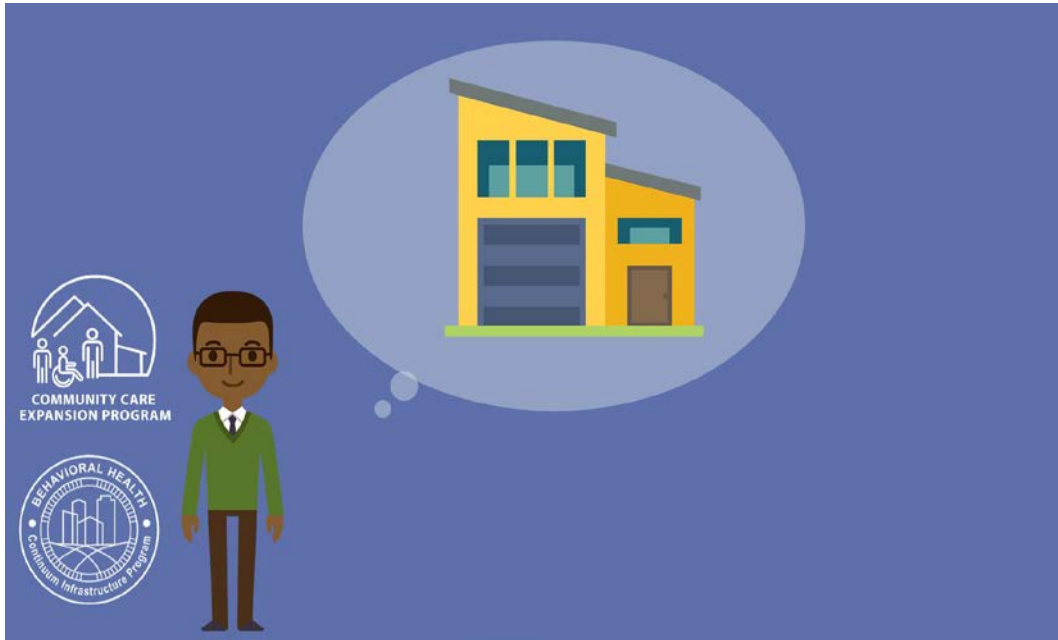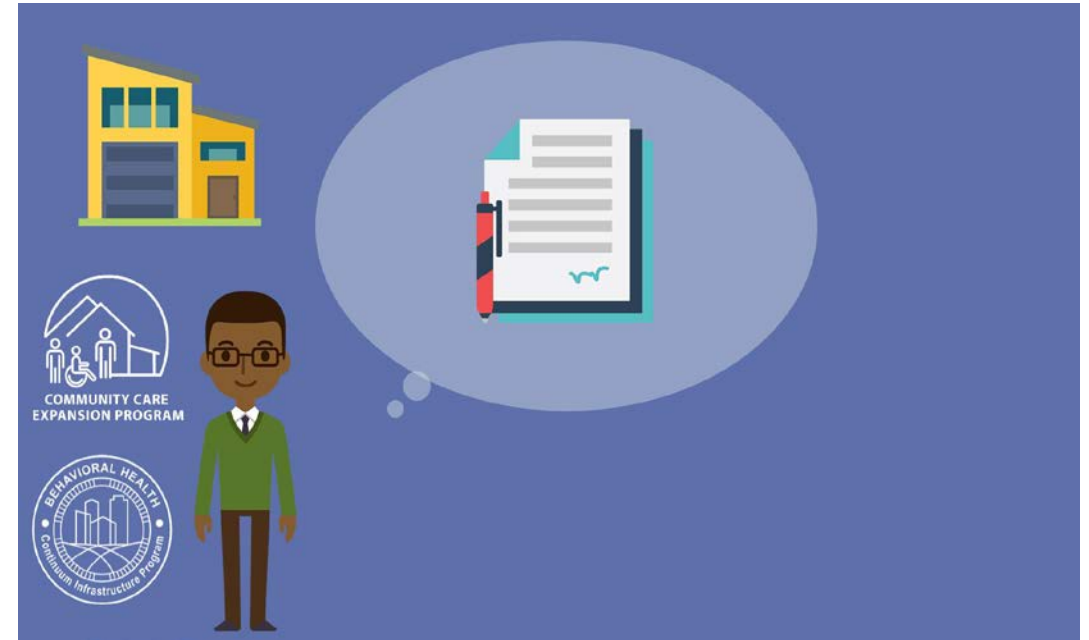Understanding the Process and Options

Joint RFA
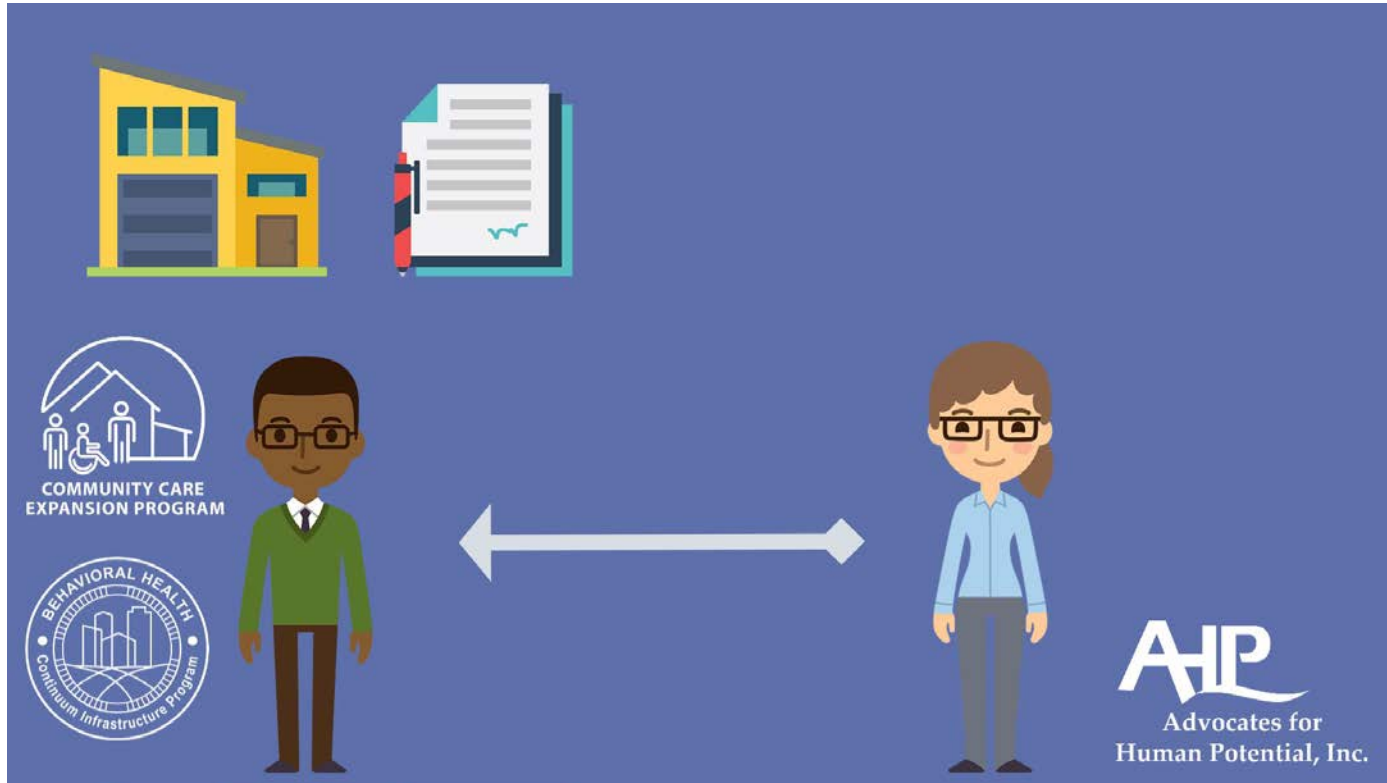## How to Begin the Application Process

1. Gather information and documents, evaluate BHCIP and CCE requirements

2. Complete the PAC survey. Identify your ta needs and goals, ask questions, seek guidance.

Joint RFA – The TA Process

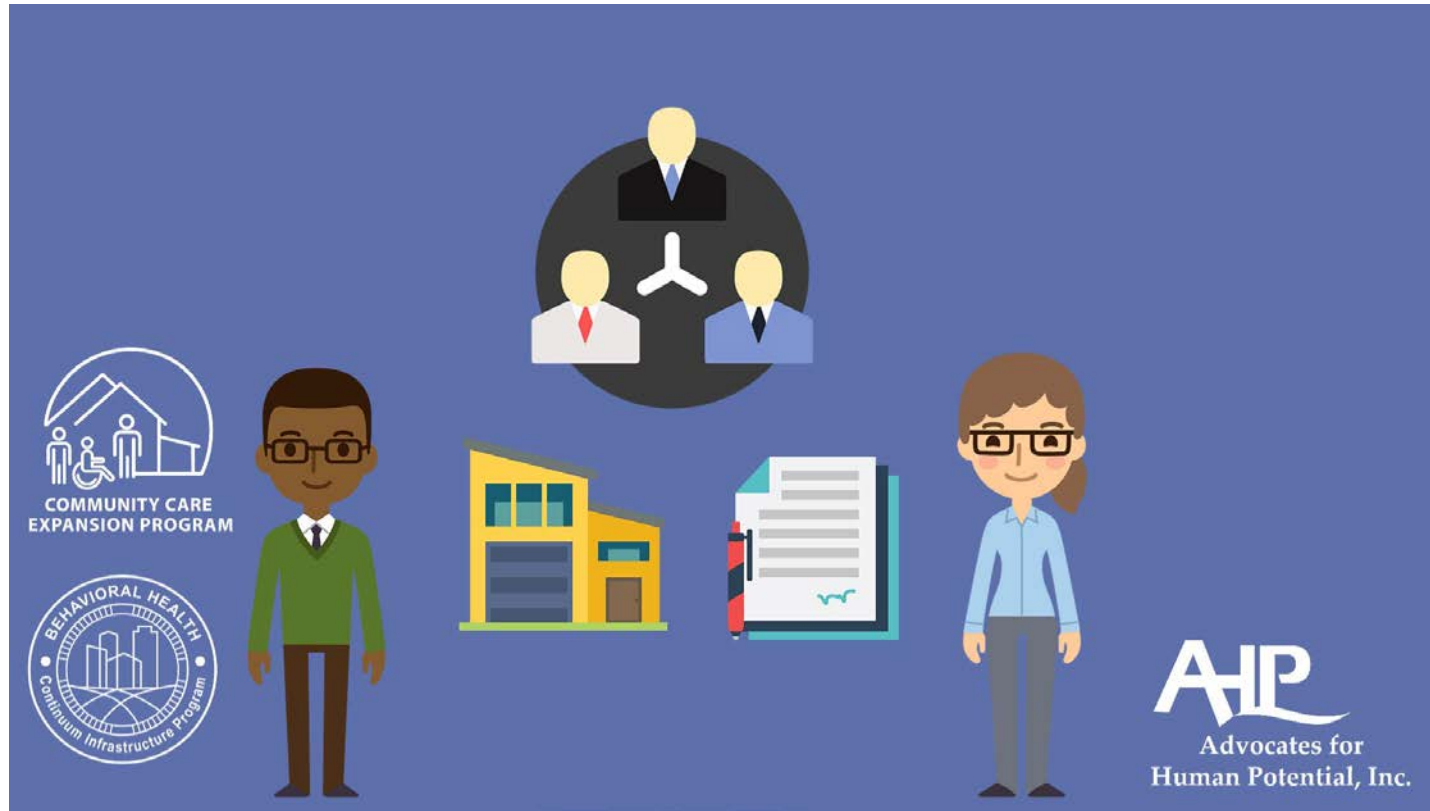**3. AHP will schedule a meeting to begin providing technical assistance**

- TA will vary by project type, funding choice, and the areas you request assistance and guidance on

- Typical response time varies, but we review applications daily and do our best to reach out to applicants as soon as possible

Joint RFA – The TA Process

An AHP implementation specialist works with applicants to connect them with subject matter experts in real estate, financing, and programmatic best practices serving the prioritized or target population

PRE-APPLICATION CONSULTATION (PAC) PROCESS

CCE Timeline

RFA Release	January 31, 2022
Pre-application consultations	February 1, 2022; ongoing
Application Portal open	Now Open
Deadline for Questions	Ongoing
Award announcements	Beginning in March 2022 and ongoing
Evaluation of statewide funding redistribution	October 2022

Additional information

Pre-development

Prospective applicants may also apply for pre-development costs using CCE funds.
They must demonstrate viable projects in the pre-application consultation.

Examples of pre-development costs that may be funded include:

- Hiring the development team (lawyer, architect, owner's representative or construction manager)
- Physical needs assessment
- Feasibility study
- Site plan
- Environmental survey (Phase 1 & 2 reports)
- Schematic and construction drawing and architectural plans
- Construction cost estimates
- Preliminary engineering / dry utilities
- Stakeholder coordination
- Preliminary development budgets
- Basic underwriting

CCE Capitalized Operating Subsidy Reserve (COSR)

CCE Capital Expansion projects wishing to use funds from the CCE Capital Expansion project development budget for a COSR will be required to create a Funding and Disbursement Agreement (FDA).

- The COSR can be used to cover **operational costs associated with utilities, maintenance and repairs, taxes and insurance, and staff**, among others.

CCE COSR funds will be capitalized in a development budget, helping to mitigate risk among long-term project investors.

- It is available for use for up to 5 years from the time operations in the new or expanded facility begin; future funding streams should be included in the project development budget, in the event that the facility carries an operating deficit after the five-year CCE COSR timeframe ends.

Project Requirements and Eligibility

Proposed Project Requirements

Proposed projects need to expand community capacity for serving the target and prioritized populations.

- This includes seniors and qualifying adults with disabilities who require long-term care supports, giving priority to applicants and recipients of SSI/SSP and CAPI benefits who are at risk of or experiencing homelessness.

Applicants must share data to demonstrate project need:

- Local county/tribal/provider needs assessment
- Facility wait list
- Number of comparable facilities in the area
- Other quantifiable documentation

Eligibility Considerations

Applications will:	
Be accepted on a rolling basis	Be reviewed after applicants have completed all necessary steps in the pre-development phase to ensure their projects are launch ready

Funded projects will demonstrate an understanding of the facility siting and permit and licensing requirements.

- Applicants must submit:
    - construction plans
    - evidence of oversight and management in place
    - a sound budget consistent with standard development underwriting requirements
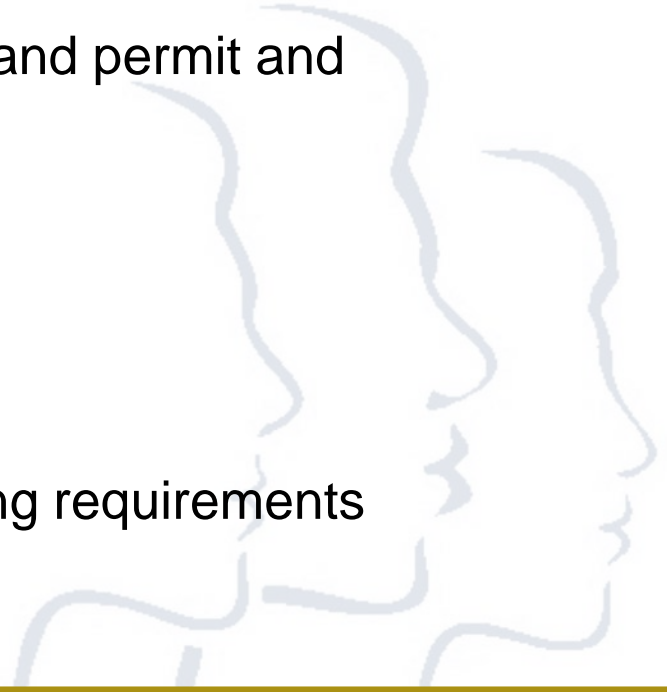
Eligible Entities

Counties	**Cities**	**Tribal entities** (including 638s and urban clinics)
Nonprofit organizations	**For-profit organizations**	**Private organizations whose projects reflect state priorities**

Expectations

Applicants must:

- Define facility types they will operate

- Define populations they will serve

- Describe local needs assessment used to justify proposed project

- Demonstrate how the proposed project will advance racial equity

- Projects must certify that they will not exclude populations, including those who are justice involved, unless required by state law.
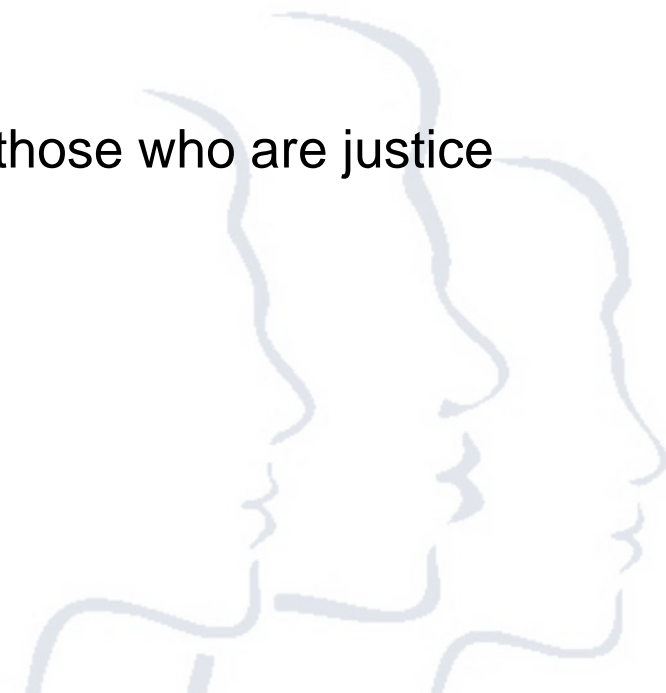
Budget Development

- Applicants must submit a budget, using the template provided as an attachment to the RFA.

- All budgeted items must be inclusive of all costs, including taxes and fees, in U.S. dollars.

- If an applicant has a current Negotiated Indirect Costs Rate Agreement (NICRA) established with a federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then the applicant may use its current NICRA. If there is no NICRA, the applicant may use a rate of 10 percent of the modified total direct costs.

Service Use Restrictions

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

Real Estate

Acquisitions and Real Estate Development

Keep In Mind

- Projects vary widely in complexity, and some phases may require more time, money, and effort than others.

- The quality of your project is determined by the quality of your development team.

- It is important to hire the best development team possible.

Purchasing Raw Land or Existing Buildings Allowed

Funding is available for all tasks, including:

- Identifying new site
- Legal fees
- Earnest money for deposit or "option to buy contract"
- Complete due diligence (legal and technical reports)
- Physical needs assessment/property conditions report
- Environmental and geotechnical studies
- Architectural and engineering building plans
- Permits and fees to gain building permit
- Funds to close acquisition, after building permit is issued.

Acquisitions and Closing – Building Permits

- Before "closing" (finalizing the purchase) of your new property, you must gain fully approved building permits.

- Closing on a property will only be funded after:

  - Due diligence is complete with all reports & Attorney's approval.
  - Building Permits have been issued

- Purchase agreements must be structured to be contingent on issuance of Building Permits. You will need to negotiate with seller an **option contract** or an **extended due diligence**.

The 6 Phases of the Real Estate Development Process

Preparation: Building Your Team

1 Concept Planning, Feasibility, and Due Diligence

2 Pre-Development Design

3 Development Planning

4 Acquisition Completion

5 Construction

6 Close Out / Move In

Keys to a Successful Real Estate Project

Financial Feasibility

Experienced Team

Strategic Plan

Stakeholder Support

The Development Process

Preparation: Building Your Team	**1** Concept Planning, Feasibility, and Due Diligence	**2** Pre-Development Design	**3** Development Planning	**4** Acquisition Completion	**5** Construction	**6** Close Out / Move In
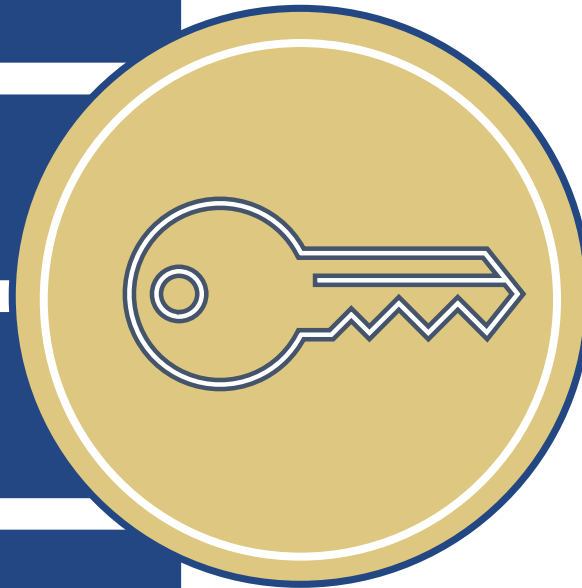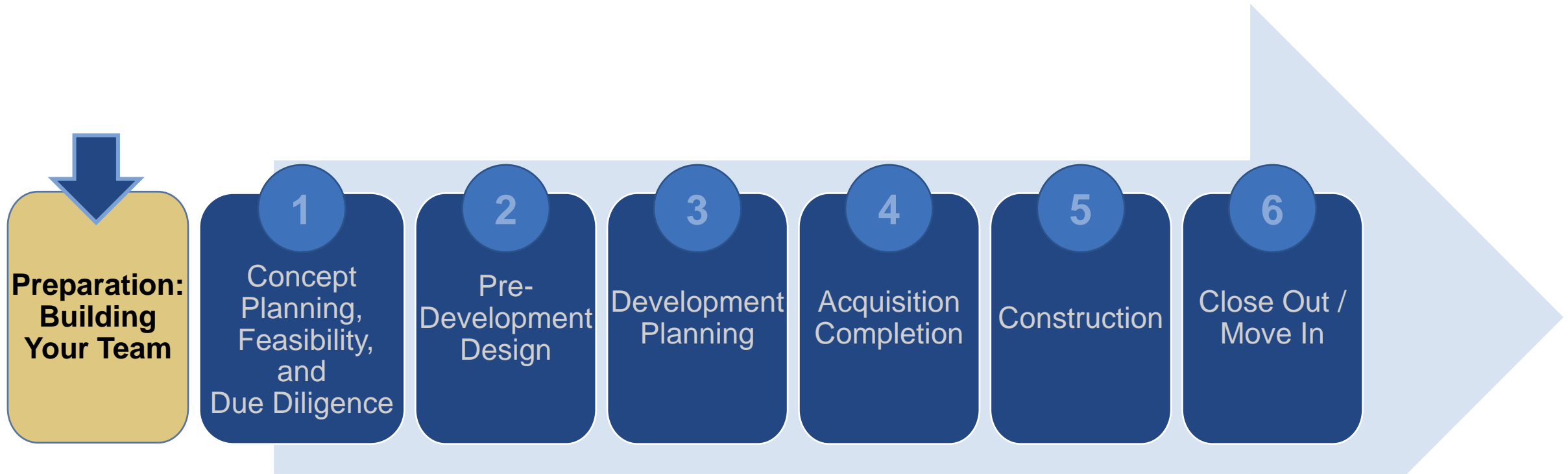
It is the owner's primary responsibility to interview, contract, and hire the best "development team" possible.

Key Players on The Development Team

Owner
(YOU)

Real Estate Lawyer

Construction Manager
(Executive Project Manager)

Health Care Architect

Civil Engineer

Feasibility and Due Diligence

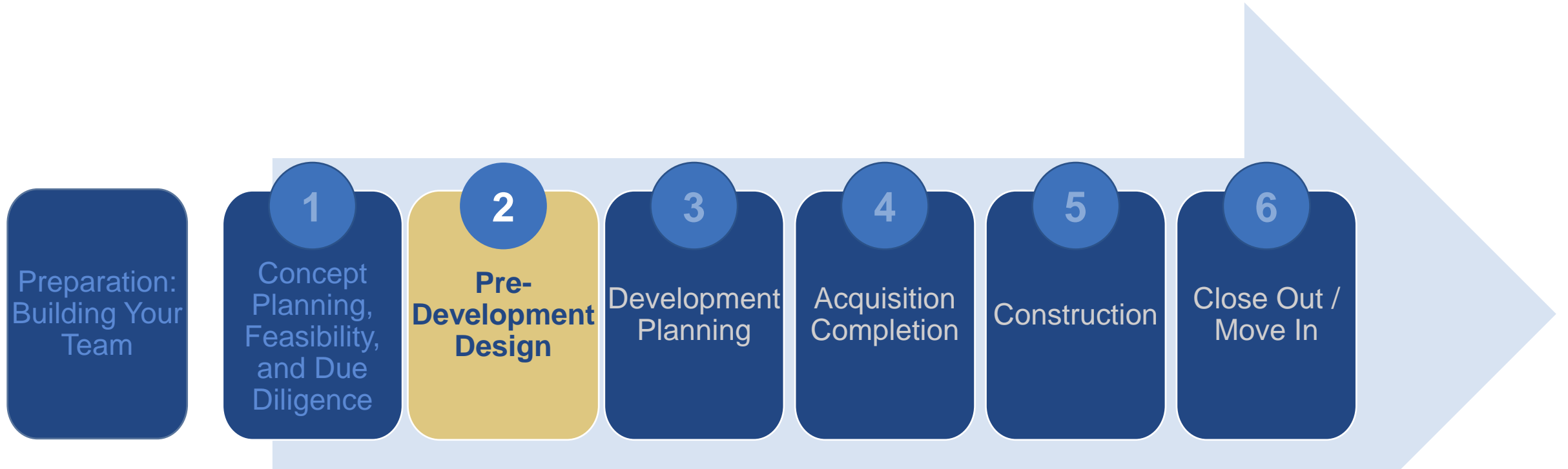|	1	2	3	4	5	6
Preparation: Building Your Team	Concept Planning, Feasibility, and Due Diligence	Pre-Development Design	Development Planning	Acquisition Completion	Construction	Close Out / Move In

- Identify your facility's big picture needs & business plan
- Determine site location and stakeholders
- Establish development team: interview and hire the team

Pre-development Design

	1	2	3	4	5	6
Preparation: Building Your Team	Concept Planning, Feasibility, and Due Diligence	Pre-Development Design	Development Planning	Acquisition Completion	Construction	Close Out / Move In

- Finalize development team and define roles of each member
- Develop preliminary budget and identify funds (Matching Funds)
- Develop site plan and finalize schematic design

Pre-development Design

Before moving to #3 Development Planning, you will schedule a PRELIMINARY PLAN REVIEW of your schematic drawings with your local planning department to get feedback on your plans and the next steps in approval towards gaining your building permits.

	1	2	3	4	5	6
Preparation: Building Your Team	Concept Planning, Feasibility, and Due Diligence	Pre-Development Design	Development Planning	Acquisition Completion	Construction	Close Out / Move In

SCHEMATIC DESIGN more firmly establishes the project's scope and conceptual design.
- Rough sketches → detailed drawings, showing the total space assessment and related dimensions, floor by floor and room by room, common areas, hallways, entrances and exits.

Key Steps in Phases 2 and 3

Preparation: Building Your Team

1 Concept Planning, Feasibility, and Due Diligence

2 Pre-Development Design

3 Development Planning

4 Acquisition Completion

5 Construction

6 Close Out / Move In

Phase #2: Pre-development

a) Development team hired

b) Gain site control

c) Complete due diligence

d) Finish schematic drawings

e) Cost estimates/budget

f) Preliminary plan review

Phase #3: Development Plan

a) Architectural and engineering Plans

b) Hard bids/contracting GC

c) Financing/match in place

d) Permit ready plans

e) Building permit

Partnerships - What is a CDFI?

CDFIs support the growth and sustainability of healthy and inclusive communities

Providing capacity building and access to capital for individuals and communities historically locked out of opportunities to build wealth and impact the social determinants of health.
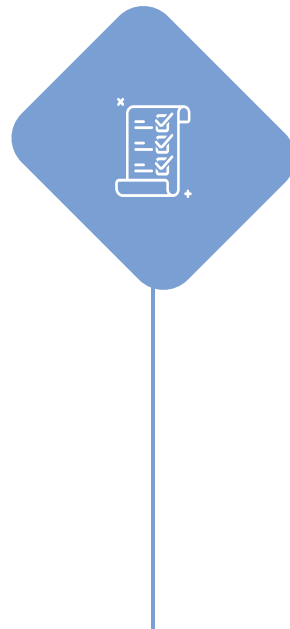
From grassroots beginnings, CDFIs are a robust sector within the financial services industry.
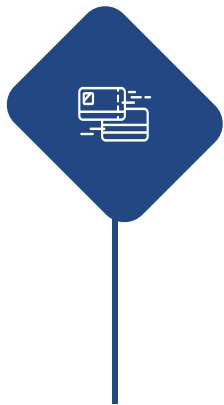
Currently 1,200 CDFIs in US growing in size and impact within larger financial sector
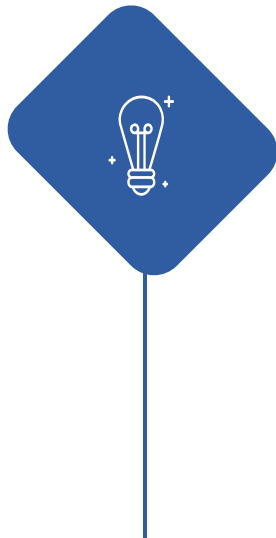
Collectively create economic opportunity in low-income communities.

- Community Development Financial Institution (CDFI)
- Certified by U.S. Treasury (www.cdfifund.gov)
- CDFIs can be banks, credit unions, loan funds, microloan funds, or venture capital providers
- Blending capital from multiple sources to provide access to capital for:
  - Small business loans
  - Real estate acquisition and construction (community facilities, affordable housing, food access)
  - Individual banking (savings, personal loans) through local CDFIs and credit unions

CAPITAL IMPACT PARTNERS
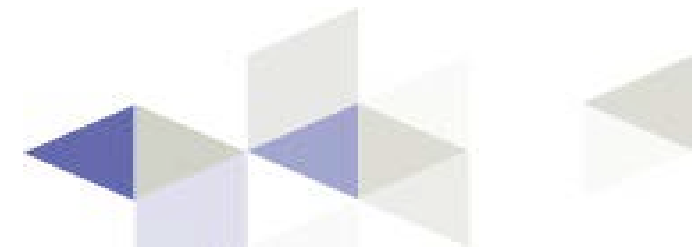
Capital Impact Partners
Technical Assistance Support

Provide support during pre and post application process.

Focus of our expertise:
- Knowledge of financing options for match funds and operating support
- Act as "thought partners" initial concept design through application submission
- Support budget development through templates and expert review
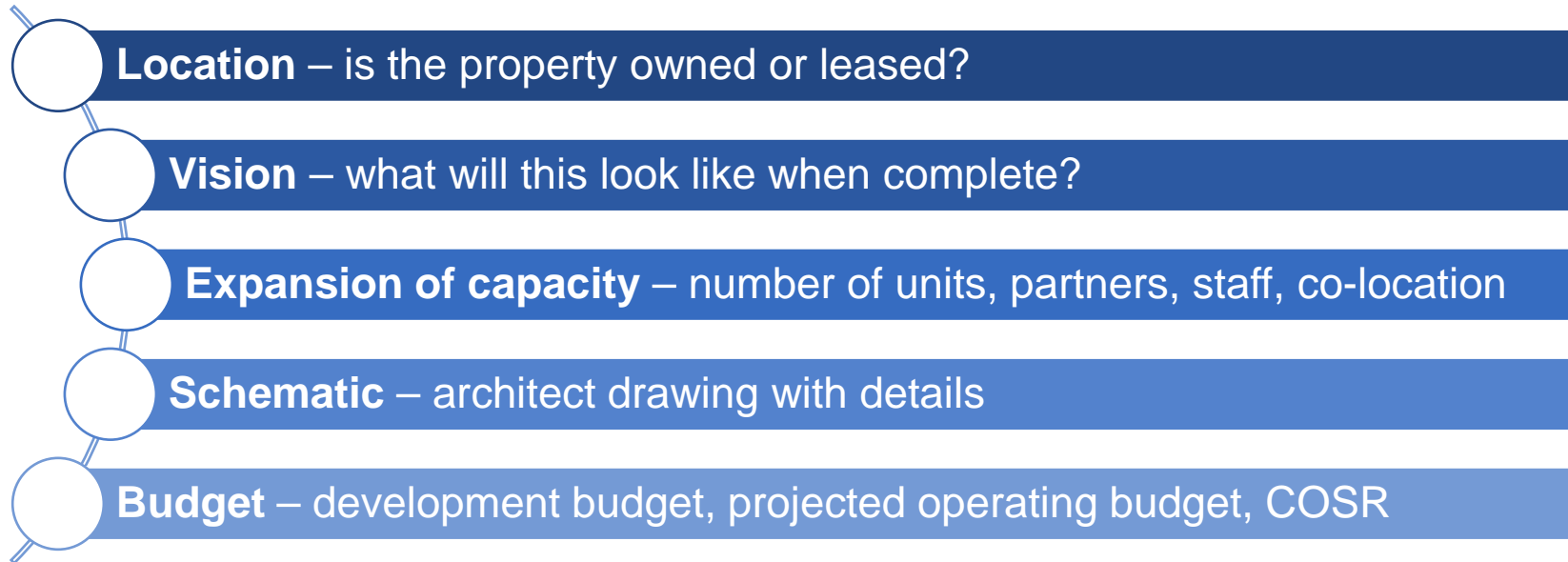
| Systems Integration & Improvement | Program Design & Dissemination | Capital Readiness |

Concept to Pre-development – key components to consider

Location – is the property owned or leased?

Vision – what will this look like when complete?

Expansion of capacity – number of units, partners, staff, co-location

Schematic – architect drawing with details

Budget – development budget, projected operating budget, COSR

The CCE program provides operators the opportunity to:

- Explore new, innovative models of care delivery (e.g., aging in place, trauma-informed care)
- Increase the value you can offer the local care continuum
- Consider the physical plant requirements to diversify revenue (e.g., MediCal, rental subsidies, Assisted Living Waiver)

CAPITAL IMPACT
PARTNERS

Lendistry's Education Platform

Lendistry is a minority-led and technology-enabled Community Development Financial Institution (CDFI) that **provides economic opportunities and progressive growth for small business owners and their underserved communities as a source of financing and financial education.**

Our Business Model

Along with our non-traditional business model that is technology-led and customer-focused, our team has a collective 300 years of banking experience, making us well-equipped to assist small business owners during unprecedented times.

Our Technology

We have an ongoing investment in our proprietary technology to enhance the borrower experience. Lendistry is uniquely positioned to use its technology to quickly and efficiently deploy capital in a scalable way.

Our Social Impact

Our target markets are minority small business owners and their underserved communities. We have provided $8.3 billion in small business loans and grants, supporting 553,000 small businesses.

Our Certifications

CDFI — Community Development Financial Institution

CDE — Community Development Entity

FHLBank San Francisco — Federal Home Loan Bank

SBA LENDER — Small Business Administration

lendistry

On-Demand Classes to Help Your Business Grow and Thrive.

Currently Available Classes

- Web Design: WordPress
- Web Design: Shopify
- Web Design: Squarespace
- Excel for First Time Users
- Take Excel to the Next Level
- Introduction to Microsoft Word
- PowerPoint Basics: Creating Amazing PowerPoint Presentations
- Create a Professional Video in PowerPoint
- Introduction to SharePoint
- Facebook for Business
- Instagram for Business
- Email Marketing
- Marketing Your Professional Services Business
- Using HubSpot/CRM
- How to Create a Poll: SurveyMonkey
- Introduction to Financial Accounting
- Introduction to Managerial Accounting: Decision Making for Managers
- QuickBooks for Business
- Understanding FICO® Scores and How They Affect Your Business

- Website Building 101: The Platforms, Tools and Resources You Need to Succeed
- Raising Money for Your Business
- Technology for Small Businesses
- Speaking and Connecting with Customers
- Customer Journey
- Communicating Cohesively as a Team
- Building a Successful Team
- Trusting Your Approach & Knowing Your Worth
- Building Relationships with Influencers
- The Legal Documents You Need Before Starting a Business
- Business Planning: A Step-By-Step Guide from Concept to Completion
- Which factors of Your Business to Focus on and How to Manage Them
- Surviving Business Taxes: Creating a Strategy, How to Pay, and Why It Matters

- Adjusting Your Business Strategy During Covid-19
- Reframing Your Mindset for Success
- Marketing in a COVID-19 Environment
- How To Keep Your Business Safe With Cybersecurity
- How to Draft Financial Statements and Create Proforma Data
- How to Minimize Expenses While Maximizing Your Business Value
- Digital Transformation Made Simple
- Insurance Matters: Insurance Policies and How They Protect Your Business
- HR Fundamentals for Small Businesses
- The Best online Applications to Get You and Your Business Organized
- Customer Service Excellence: The Keys to Connecting With Your Customers
- Creating a Good Work Environment To Attract and Retain Employees

Contact

Janet Perez Shensky

SVP, Strategic Partnerships
janet.perez@lendistry.com
562.242.2993

Ongoing Technical Assistance

Supporting Entities Through the Life of a Project

Advocates for Human Potential, Inc.

- AHP is a consulting and research firm focused on improving health and human services systems
- We are the administrative entity for both BHCIP and CCE
- Provide technical assistance
- Provide system, program development, workforce and resource development and dissemination
- Provide pre-application consultations and technical assistance (TA) to all BHCIP and CCE applicants beginning this month, as well as training and TA throughout the life of the projects.

Technical Assistance

Informational Webinars

- **strategies to serve target populations**
- **combining resources to ensure viability**
- **green/sustainable building practices**
- **capital development project issues, such as best practices related to siting facilities and community collaboration and support**

Learning Collaboratives & Coaching Calls

AHP will provide resources such as FAQs, policy briefs, and/or toolkits

- Coaching calls with grantees will provide:
    - Assistance with the development and/or update of an implementation plan to include goals, measures and key changes
    - Technical content and evidence-based practices for developing and expanding recovery services
    - Assistance with the identification, testing, and implementation of workflow changes
    - Technical assistance

QUESTIONS

https://www.buildingcalhhs.com/

bhcip.cce.info@ahpnet.com

Stay Connected - Your Resources

- [Joint RFA Information](#)

- [Pre-Application Consultation Survey](#)

- [Joint RFA Application](#)

- [Event Notices](#)

- [Contact AHP](#)

Supporting Systems Transformation in California

BUILDING CALIFORNIA
— **BEHAVIORAL HEALTH & SOCIAL SERVICES** —

The California Department of Health Care Services (DHCS) Community Services Division and the California Department of Social Services (CDSS) are dedicated to improving behavioral health and long-term care services and supports to all Californians. Choose a logo below to explore our projects.

Behavioral Health Workforce Development

BEHAVIORAL HEALTH Continuum Infrastructure Program

COMMUNITY CARE EXPANSION PROGRAM