



Q & A

Webinar: Expanding Capacity for Residential Care Through Partnerships for Los Angeles County Facilities— June 29, 2022

The questions in this document were submitted at a live webinar for licensed care facilities in Los Angeles County. The complete searchable list of frequently asked questions (FAQ) related to CCE is available [here](#).

GENERAL QUESTIONS

Q: What should I do if I'm having technical difficulties accessing the survey and pre-development application consultation request?

Please contact Questions@ZoomGrants.com for assistance accessing the pre-application consultation survey.

Q: Are there any technical assistance resources specifically for small, licensed facilities?

Small, licensed facilities represent a part of the state's community care system consistent with the state priorities for CCE funding. Applicants from small, licensed facilities are encouraged to utilize the pre-application consultation resource by completing a [pre-application consultation survey](#) to be matched with an implementation specialist for individualized guidance. Additional information is available through an online [resource library](#) and a recorded [informational webinar with PowerPoint slides](#).

Q: Can CCE capacity expansion funding pay for facility maintenance, upgrades, or other facility improvements?

For existing facilities in need of maintenance, upgrades, or improvements that do not plan to expand capacity, the specialized CCE Preservation Program may be a better fit. This component of CCE will be administered at the county level. For more information, please visit: <https://infrastructure.buildingcalhhs.com/preservation/>

Q: Is it possible to learn how much CCE funding is left in our county?

The RFA will be open to CCE applicants on a rolling basis, and projects that meet the criteria will be eligible for funding, until all grant funds are committed. Therefore, you are invited to apply until further notice. You are encouraged to visit the CCE website for announcements and

updates: <https://www.infrastructure.buildingcalhhs.com/community-care-expansion-program-capital-expansion-grant-update/>

Q: After submission of a CCE application, what is the timeframe for decision making, or when will the first round of awards be announced?

DSS and AHP are carefully reviewing applications in the order they were received. Applicants will be contacted in writing once a decision is made in relation to the application or if additional clarification is needed from the applicant. Please visit the [CCE website](#) for all updates and information.

Q: Do we need to pay back the CCE expansion funding—is it a loan?

The CCE funds are a grant, rather than a loan. However, there will be requirements built into award announcements for deadlines specifying exactly when the funds must be spent.

Q: Is a property site provided along with the CCE funding, or must you locate and purchase a property as part of the infrastructure expansion with a CCE grant?

Applicants may apply to CCE for funds to purchase property (acquisition) along with construction.

Q: What is BHCIP?

The Behavioral Health Continuum Infrastructure Program (BHCIP) is a Department of Health Care Services (DHCS) stream of funding that targets behavioral health facilities. 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. For more information, please visit:

<https://www.infrastructure.buildingcalhhs.com>.

ASSESSMENT OF NEED

Q: Where can I find data to demonstrate project need?

Available regional data can be used to demonstrate project need. As outlined in the RFA, this might include a local county/tribal/provider needs assessment, a facility wait list, or the number of comparable facilities in the area, for example. Applicants are also advised to review the resources on the joint RFA page, and the DHCS report, “Assessing the Continuum of Care for Behavioral Health Services in California: Data, Stakeholder Perspectives, and Implications,” which can be found [here](#) and is also listed under the [Additional Resources](#) page online.

FACILITY/REAL ESTATE

Q: We would like to expand our current facility to serve more people, as well as purchase property across town for a second facility. Should we submit one application or two?

Applications will be accepted on a project-by-project basis. These would be viewed as two separate projects, so two applications would be required.

Q: We rent homes and use them as RCFEs. Are we eligible for the CCE Capital Expansion funding?

It depends on the expansion project that you have in mind. If you plan to remodel an existing facility that is leased to add additional capacity, the owner of the property has to agree to the service use restrictions detailed in Section 3.4 (page 16) of the joint RFA. Purchasing or acquiring a new property to expand your RCFE would require a comprehensive budget, match, and agreement to service use restrictions in accordance with the joint RFA.

Q: Can I buy an existing residential care facility for the elderly (RCFE) or adult residential facility (ARF) with CCE Capital Expansion funds?

Yes. CCE Capital Expansion funds are available for projects that include the acquisition, construction, and rehabilitation of residential care settings.

Q: If I have a two-acre parcel of land and want to add multiple facilities on the land (pending zoning/conditional use approvals), is that considered one project or multiple projects? Would I need to submit one development budget or multiple budgets?

Each application should be attached to a single address. One address can include several facilities. One project can contain multiple facilities. Applicants are required to submit a unique application and budget for every project. Projects that are proposing to add facilities in phases should submit one application per phase.

Q: Is it possible to add a second licensed facility to our property along with our current facility so we can increase our beds?

Applicants can add additional facilities to their property to expand capacity (pending zoning/conditional use approvals); however, if funds are sought for both facilities and they are located at separate addresses, a unique application and budget are required for each project.

Q: In what locations are the facility expansion funds available?

The CCE funding is available statewide. Visit the program website at <https://infrastructure.buildingcalhhs.com/grantees/cce/> for more information.

Q: What help is available to locate property for a facility?

There are extensive guidance and tools for all aspects of real estate development available on the Building California Infrastructure website: <https://www.infrastructure.buildingcalhhs.com/real-estate-planning/>. An applicant may consider utilizing the pre-development budget to assemble a development team to assist with site location, feasibility, and acquisition.

Q: I am in the process of purchasing a facility. Can I speak with someone directly?

Please complete a required pre-application consultation survey at <https://infrastructure.buildingcalhhs.com/training-and-technical-assistance/> to be matched with an implementation specialist, who will be able to provide individual assistance.

Q: Can an apartment building be converted to a licensed ARF or an RCFE?

Eligible settings for CCE include residential settings that expand the long-term care continuum and serve the target population, including but not limited to licensed adult and senior care facilities, recuperative or respite care settings, and independent residential settings. Refer to Section 3.2 Eligible Uses in the joint RFA: <https://www.infrastructure.buildingcalhhs.com/wp-content/uploads/2022/01/Joint-RFA.pdf>. For more information about how to become licensed, visit the Community Care Licensing Division website at [ASCP Centralized Application Bureau](https://www.cclwebmaster@dss.ca.gov) or email cclwebmaster@dss.ca.gov.

Q: Is a single-family home already licensed as an ARF eligible for CCE funds?

The CCE funds are available to assist with activities such as new construction or remodeling that will add space to accommodate bed expansion for services to the target population and the project meets eligibility requirements. ARFs which meet these requirements may be considered for project funding through CCE. For more information on CCE, please see the joint RFA: <https://www.infrastructure.buildingcalhhs.com/wp-content/uploads/2022/01/Joint-RFA.pdf>

Q: Is there a limit on the cost of property you can acquire for this program?

Costs are required to be reasonable for the facility type and region.

Q: New Los Angeles County regulations prohibit the building of four RCFE units on two separate parcels. Do those rules still apply under a CCE application?

CCE applications must meet specified criteria, including but not limited to an attestation to meet federal, state, and local laws. Applicant documents will also require a demonstration of understanding of approvals and permitting needed. Refer to [joint RFA](#) Section 2.4 for additional information on the minimum criteria.

Q: Can we submit requests to fund expansion to add beds as well as conduct upgrades or improvements on an existing ARF as part of the same application?

Yes, applicants may consider applying for CCE funds to expand capacity and include upgrades and improvements. Applicants can learn more during the pre-application consultation. Please complete a pre-application consultation survey at <https://infrastructure.buildingcalhhs.com/training-and-technical-assistance/> to be matched with an implementation specialist.

Q: What limits are defined by the city where we are located regarding our ability to expand our residential care facility?

Please contact your city's planning and/or permitting department to find out what local zoning or use permits are required. You may contact your implementation specialist or bhccip.cce.info@ahpnet.com if you need assistance determining who can answer these questions at your local city planning department.

Q: What building use restrictions must we agree to if we are funded?

Applicants will be required to commit to provision of services and building use restrictions for an entire 30-year period for new facilities, and for an entire 20-year period for capacity expansion within an existing facility. If the property is leased, the owner must provide a long-term lease for the full period that commits to the required use restriction along with any required conditional use permits for local zoning needs.

LICENSING

Q: Will CDSS or the CCE program help us expedite licensing for new, large, or commercial facilities?

The licensing process for new facilities includes the following elements, none of which can be expedited based on health and safety considerations, but all of which can be addressed with proactive planning:

1. Depending on the facility type, specifically an adult residential care facility (ARF), you must ensure the facility is not within 300 feet of another ARF (will require city approval if that distance rule cannot be met).
2. A fire clearance is required for state licensure of a new facility, so applicants should contact the local fire department's institution unit to provide guidance about needed additional work in order to meet all regulations for the fire inspection and approval.
3. If the requested capacity is more than six beds, a conditional use permit or variance may be needed, so you will need to work with the city's proper authority for zoning issues.
4. A certified administrator is required to oversee the facility upon licensure and should be retained in preparation as part of the application process because both the applicant and administrator (who may be one and the same person) will need to obtain a criminal record clearance through Live Scan prior to licensure (<https://cdss.ca.gov/inforesources/community-care/caregiver-background-check/background-check-process>).
5. Applicants must submit a complete application packet with the required fee to the Centralized Application Bureau. If it is properly prepared, the application may take a maximum of 90 days to issue a license (you may wish to retain a paid consultant who specializes in helping to prepare facility licensure applications).
6. Applicants must demonstrate proof of sufficient operational funding (usually three times the annual operations budget).
7. For more information and to apply for a facility license, please visit the Centralized Application webpage at <https://cdss.ca.gov/inforesources/community-care/ascp-centralized-application-units>. (You will be assigned and have an opportunity to review your application with a licensing program analyst once it has been submitted and reviewed, and once approved, you will receive specific training to support the success of your facility.)

Q: If you are an RCFE licensed for six beds and you would like to expand capacity, do you need to apply for a new or different license?

You are encouraged to contact the Community Care Licensing Division within CDSS at cclwebmaster@dss.ca.gov to discuss changes or updates to your license when you propose changes to your facility.

MATCHING FUNDS

Q: We currently own property that contains a licensed RCFE facility and wonder if it is possible to use our real estate value as a match if we add a second facility under this program?

If you are going to expand on the same property where the existing RCFE facility is located, then you can commit the already existing equity from the current building and site toward the new project. The value of the property, as determined by a recent appraisal, minus any existing mortgage or loan, will determine the eligible amount you may use for match.

If you are going to expand your operations to an additional/new facility on a different plot of land at a different location from your existing facility, you can access the equity in the existing property as match for the new property. This equity would need to be converted to cash. One option is to take out a loan or line of credit against the equity in your other property to generate cash for a match. Thus, you will be extracting the equity as cash and, if awarded, will be required to deposit the match into your project bank account. For the purposes of the grant application and documenting your match, you are welcome to include a copy of the bank statement for the line of credit to validate your available cash match among your grant attachments.

For general reference, there are two categories of match described in the [joint RFA](#), one listing types of real estate accepted and the other detailing approved sources of cash that may be used.

For a real estate match, real property in the form of publicly or privately owned or donated land and/or buildings owned may count as match. Examples include:

- Unused city or county buildings,
- Buildings originally intended for another purpose,
- Surplus land,
- State property, and
- Land trust.

For a cash match (which includes in-kind contributions such as land or existing structures to the real costs of the project), 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.

Please note that the state must approve the match source.

Q: If a project is already in progress and the applicant is willing to serve the target population(s) and be bound by the service and use requirements, can construction costs already incurred be reimbursed?

In general, funding may not be used for “reimbursement.” Only those costs that can be associated with completing the project (for example, adding an ADA-compliant walkway, widened doorways, etc.) would be eligible costs.

However, if the project is already in pre-development/pre-construction phase and has expended funds out of pocket for planning and design, site analysis/environmental report, and so forth, these “sunk costs”—when verified by paid invoices—may be used as match pledged for the project.

Q: If we have service funds from the county department of mental health, can those contract dollars be used as part of the match requirement?

No, funds for services may not be used to satisfy the match requirement.

Q: At what point in the process are matching funds required to be in place?

Match funds should be “first in and first out.” That means match funds must be:

- made available by the awardee immediately after conditional grant award, and
- the first funds spent on the project.

The awardee will deposit match cash into their individual development bank account. That match cash must be spent first on grant project costs before any grant program funding is disbursed into the awardee’s individual bank account.

Q: Are there certain lenders CDSS recommends approaching regarding the match funds?

We have developed a list of funding resources that include both community development financial institution (CDFI) lending options as well as grant options for nonprofit providers. You can access more information through the pre-development consultation (please complete the survey [here](#)).

CAPITALIZED OPERATING SUBSIDY RESERVE (COSR)

Q: How can we access the COSR?

The COSR is designed to be used along with an infrastructure development project application to support facility operating costs to sustain a facility as it grows. It will fund specified operating costs such as utilities, maintenance/repairs, taxes, insurance, staff, and other limited approved costs for up to five years. It is designed to be used once the project is move-in ready, not during development. A COSR budget can be included with the CCE application as needed.

Q: Is there a limit on the amount of COSR we can apply for?

The capitalized operating subsidy reserve (COSR) is available for up to 5 years from the time operations in the new or expanded facility begin. The amount depends on the size of the grantee's operating budget, to ensure reasonableness. Grantees will be expected to demonstrate how they will ensure long-term sustainability once the 5-year period has ended.

Q: If a project is already funded and under construction, is it possible to apply for COSR only, for funding the initial deficit?

Funding for the capitalized operating subsidy reserve (COSR) must be part of the development budget for the project and cannot be included as a standalone project. The COSR is designed to ensure the long-term sustainability of CCE-funded capital projects.

PRE-DEVELOPMENT

Q: What is pre-development, and what is needed to apply for such costs?

Prospective applicants who demonstrate viable projects during the pre-application consultation may have the opportunity to apply for pre-development costs using CCE funds only. The consultation will provide an opportunity to discuss proposed projects, match requirements and sources, statutory and regulatory concerns, how the project addresses the state's priorities, and other issues. Qualified applicants for CCE will have an opportunity to seek funding for pre-development costs, which may include but are 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 related activities.

Q: Where can we go to submit a pre-development application for funds to help us hire a design, planning, and development team?

Please complete a pre-application consultation [survey](#). During the pre-application consultation, you will review your plan with an implementation specialist. You will then receive a code to access the pre-development funding application, which is a modified portion of the full CCE application.

Q: If a project is already in progress and the applicant is willing to serve the target population(s) and be bound by the service and use requirements, can construction costs already incurred be reimbursed?

No. Funding may not be used for “reimbursement.” Only those costs that can be associated with completing the project (for example, adding an ADA-compliant walkway, widened doorways, etc.) would be eligible costs, per the Welfare and Institutions Code, Section 18999.97: “(c) Subject to an appropriation of funds in the annual Budget Act for the following purposes, the department shall award grants... (1) To preserve or expand capacity of residential adult and senior care facilities through the acquisition, construction, or rehabilitation of property . . . (g) Funds awarded pursuant to this section shall be used to supplement, and not supplant, other funding available from existing local, state, or federal programs or grants with similar purposes.

Q: Do prevailing wage requirements apply to pre-development activities?

Yes, prevailing wage requirements do apply to some of the pre-development activities, such as geo-technical studies performed by civil engineers, surveys, and inspections. Applicants might want to contact prevailing wage experts such as <https://contractorsprevailingwage.com>. Prevailing wage means the prevailing wage for applicable craft and [classification](#) of a worker as [determined](#) by the California [Department of Industrial Relations](#). Please refer to California Labor Code 1720 (a).

FUNDING RESTRICTIONS

Q: Can regional centers and facilities that accept regional center funding or referrals apply for CCE funds?

A facility that currently has residents funded by a regional center or accepts either regional center funding support or referrals are not eligible to apply for CCE funds, and CCE funds may not be used to expand or enhance those properties. To be eligible for CCE funding, a current owner/operator of a facility funded by a regional center would need to develop a separate property that would serve the priority population: people applying for or receiving SSI/SSP or CAPI benefits, including those who are experiencing or at risk of homelessness. The new facility can apply for CCE funding, as long as it is not also a vendor for a regional center or accepting residents funded by a regional center.

Q: Can we add units through this program for a transitional living facility?

No, the CCE funding is designed for licensed adult and senior care facilities, recuperative care sites, and permanent supportive housing settings. Eligible settings are described on pages 13 and 14 of the RFA: <https://www.infrastructure.buildingcalhhs.com/joint-request-for-applications-rfa/>.

Q: Are there caps on the rates per month can we expect for reimbursement in an ARF or RCFE?

The CCE program does not reimburse for services; the program provides infrastructure grant funds for acquisition, development and rehabilitation costs associated with facility bed expansion. Information on California's established rate structure for applicants and recipients of SSI/SSP can be found online: <https://www.cdss.ca.gov/Portals/9/CCL/EM/21APX05.pdf>.

Q: Can I transfer the 30-year service use restriction to a new owner?

Applicants are required to commit to the provision of services and a 30-year building use restriction for new facilities, and a 20-year restriction for capacity expansion of an existing facility. These restrictions are a legal obligation that must be transferred to new ownership. Thus, property ownership may only be transferred if a legal obligation to maintain these restrictions is included in the terms of the sale.

COUNTY PARTNERSHIPS

Q: Can we apply for a partnership with Los Angeles County if we are not located in the county?

No, the LA-specific partnership opportunity highlighted in the webinar is only for facilities located in Los Angeles County. However, the CCE Capital Expansion funding opportunity is available across California. See the [joint RFA](#) (page 8) for the allocation amounts allotted to each region in California. You are encouraged to reach out to your county or tribal behavioral health or social services department to explore local partnership opportunities. You can find information on your local county offices at <https://www.cdss.ca.gov/county-offices>.

Q: What are the benefits of engaging in a partnership with the County?

The benefits of partnering with a County Social Services, Homeless Services, Health and Behavioral Health services department include connections to county-funded resources that your residents can utilize, including social safety net programs as well as health and behavioral health services and supports, creation of a referral pathway from the county to fill your facility beds, and a potential partnership that could result in a lower match requirement (decrease from 25% to 10%).

Q: Will facilities be allowed to assess and potentially reject an individual who has been referred by Los Angeles County or must they accept whoever is sent to them through the partnership agreement?

They must accept Los Angeles County referrals unless there is a valid reason why the individual does not qualify for the ARF/RCFE bed, which can be negotiated with the applicable county department.

Q: What does a partnership with a county look like? Would the county be required to contribute capital to the project, or would they just need to support it?

Partnerships with counties are highly encouraged in CCE projects, in order to enhance comprehensive regional capacity on behalf of local residents' housing and service needs, utilize community assets with innovative approaches, and share/leverage resources effectively. For CCE funding applications, the county may serve as a referral source, provide funds from the county for specific program services, or provide unused real property as matching funds. However, the county is not required to contribute funding. A county partnership with a for-profit company will facilitate consideration of a lower match (from 25% to 10%). Los Angeles County has established a process in relation to the CCE funding opportunity for county-based applicants to complete a survey regarding their technical assistance needs and apply for a [partnership agreement](#).