



California Department of Health Care Services

Behavioral Health Continuum

Infrastructure Program

Round 5: Crisis and Behavioral Health Continuum

Request for Applications



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Part One: Overview

1.1. INTRODUCTION TO THE GRANT OPPORTUNITY AND STATE PRIORITIES

The California Department of Health Care Services (DHCS) has launched the Behavioral Health Continuum Infrastructure Program (BHCIP) to address historic gaps in the state’s behavioral health and long-term care continuum and meet the growing demand for services and supports across the life span. DHCS was authorized through 2021 [legislation](#) to establish BHCIP and award approximately \$2.1 billion to construct, acquire, and expand properties and to invest in mobile crisis infrastructure related to behavioral health.

BHCIP is designed to address the following 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; and
- Leverage the historic state investments in housing and homelessness.

1.2. PURPOSE

DHCS is releasing BHCIP funds through six grant rounds targeting various gaps in the state’s behavioral health facility infrastructure.

BHCIP Rounds 1 through 4 were released in 2021 and 2022:

- Round 1: Crisis Care Mobile Units, \$205M (including \$55M Substance Abuse and Mental Health Services Administration grant funding)
- Round 2: County and Tribal Planning, \$16M
- Round 3: Launch Ready, \$518.5M
- Round 4: Children and Youth, \$480.5M

The remaining BHCIP rounds will be released in late 2022 and 2023:

- Round 5: Crisis and Behavioral Health Continuum, \$480M (current round)
- Round 6: Outstanding Needs Remaining After Rounds 3 Through 5, \$480M

The purpose of Round 5: Crisis and Behavioral Health Continuum is to address significant crisis care gaps in California’s behavioral health (mental health and substance use disorder [SUD]) infrastructure, with consideration for funding priority to those that provide crisis services to individuals in need. The crisis



can be due to mental health issues and/or SUDs. According to the 2021 statewide needs assessment, “Assessing the Continuum of Care for Behavioral Health Services in California,”¹ significant gaps in crisis services availability across the state have resulted in inconsistent resources to address the critical need for crisis services. The assessment suggests a focus on the most distinct needs in addressing psychiatric emergencies and acute crisis needs. Furthermore, the assessment emphasizes the importance of an organized continuum of crisis services to reduce avoidable emergency department visits, hospitalizations, and incarceration.

The RAND Corporation’s “Adult Psychiatric Bed Capacity, Need, and Shortage Estimates in California—2021,” report² found that psychiatric bed capacity is severely strained in California, as it is in much of the United States. Today, hundreds of Californians in need of psychiatric beds are held in hospital emergency departments or county jails while awaiting openings in inpatient care settings. The RAND study estimated that California currently has a shortfall of 1,971 acute psychiatric beds and 2,796 subacute psychiatric beds (4,767 total inpatient)—if state hospital beds are excluded. For community residential treatment facilities, the shortfall in beds was estimated to be 2,963.

BHCIP Round 5: Crisis and Behavioral Health Continuum will provide much-needed funding for crisis and behavioral health infrastructure to serve vulnerable Californians of all ages, including those who are Medi-Cal beneficiaries. Applications will be accepted only from applicants whose projects will use infrastructure funds to expand service capacity in the identified eligible facilities (Section 3.3). Awarded grant funds for Round 5: Crisis and Behavioral Health Continuum must be fully expended by June 2027.

1.3. AUTHORIZING AND APPLICABLE LAW

[Welfare and Institutions Code, Division 5, Part 7, Chapter 1](#)

1.4. TIMELINE

Table 1: Timeline for BHCIP Round 5: Crisis and Behavioral Health Continuum Applications

Request for Applications (RFA) release (Application portal will be open within two weeks of RFA release)	October 20, 2022
Required pre-application consultation schedule	October 20, 2022 through January 17, 2023
Deadline to request a pre-application consultation	December 27, 2022
Informational webinar— Please register here	November 2, 2022; 2:00–3:30 p.m. Pacific Time (PT)
Application due date	January 17, 2023, at 11:59 p.m. PT (No exceptions)
Award announcements	Spring 2023

¹ Manatt Health. (2022). *Assessing the continuum of care for behavioral health services in California: Data, stakeholder perspectives, and implications*. State of California Department of Health Care Services. <https://www.dhcs.ca.gov/Documents/Assessing-the-Continuum-of-Care-for-BH-Services-in-California.pdf>

² McBain, R. K., Cantor, J. H., Eberhart, N. K., Huijgol, S. S., & Estrada-Darley, I. (2022). Adult psychiatric bed capacity, need, and shortage estimates in California—2021. RAND Corporation. https://www.rand.org/pubs/research_reports/RRA1824-1-v2.html



Part Two: Application Process and Submission

2.1. TOTAL GRANT AMOUNTS

Round 5: Crisis and Behavioral Health Continuum: \$480,000,000 is available to construct, acquire, and rehabilitate real estate assets to expand the existing range of crisis and behavioral health services in the continuum of behavioral health treatment and service resources for Californians. Round 5: Crisis and Behavioral Health Continuum funds are not intended to preserve existing service capacity. Round 5: Crisis and Behavioral Health Continuum grantees must commit to serving Medi-Cal beneficiaries.

2.2. APPLICATION PROCESS

Applications will be accepted electronically. Applications may not be hand delivered or mailed. The application and attachments, along with instructions for submission of the online application, can be found on the [Improving California's Infrastructure website](#). No modified formats will be accepted. The deadline for applications will be **January 17, 2023, at 11:59 p.m. PT**. It is the applicant's responsibility to ensure that the submitted application is complete and accurate and includes all required supporting forms. Reviewers may request additional clarifying information from the applicant. An application will not be reviewed if:

- The applicant does not request a pre-application consultation by the specified deadline (referenced in Section 1.4);
- The application is received after the application submission deadline;
- The application is incomplete or missing required information or forms;
- The facility type is ineligible; and/or
- The project fails to meet minimum threshold requirements (referenced in Section 3.2).

Reasonable Accommodations for BHCIP Grant Application

For individuals with disabilities, DHCS will provide assistive services such as reading or writing assistance and conversion of the RFA, questions/answers, RFA addenda, or other Administrative Notices in Braille, large print, audiocassette, or computer disk. To request copies of written materials in an alternate format, please send an email to BHCIP@dhcs.ca.gov or call (323) 545-6202.

Regional Funding Reserve Methodology

DHCS will prioritize completed applications by geographic distribution for the equitable and fair distribution of funds (see Table 2). BHCIP Round 5: Crisis and Behavioral Health Continuum will adopt a regional funding approach, similar to models used in other state-funded capital programs (for example, BHCIP Round 3: Launch Ready, BHCIP Round 4: Children and Youth, and the Department of Housing and Community Development's Homekey). Counties are assigned to one of seven geographic regions, each with a specific funding amount reserved. The funding amounts for each region, along with the tribal set-aside and discretionary reserves, are listed below. Applicants within each region will compete against other applicants in that same region, thereby supporting geographic equity and funding disbursement



across the state. If an insufficient number of competitive applications is submitted from within a region, the remaining funding will be awarded at the discretion of DHCS.

DHCS will reserve up to 20 percent of the BHCIP Round 5: Crisis and Behavioral Health Continuum funds to ensure funding is effectively used to address and support the needs of vulnerable populations and gaps within the care continuum, consistent with the State Priorities. For example, this discretionary set-aside may be used to fund additional high-scoring projects in regions that have met their funding reserve.

Funding reserves were calculated using a ratio of available Crisis and Behavioral Health Continuum funding to the Behavioral Health Subaccount county allocations, with five percent set aside for tribal entities.

Table 2: Regions and Counties

Counties by Geographic Distribution	Estimated Targeted Funding Levels (Total available: \$480,000,000)
Los Angeles County	\$127,784,060
Bay Area: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma	\$74,162,182
Southern California: Imperial, Orange, Riverside, San Bernardino, San Diego, Ventura	\$70,314,750
San Joaquin Valley: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare	\$41,244,340
Sacramento Area: El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba	\$21,804,951
Central Coast: Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz	\$13,805,617
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, Tuolumne	\$15,684,100
Tribal	\$24,000,000
Discretionary: The discretionary set-aside may also be used to fund high-scoring projects in regions that have met their funding reserve.	\$91,200,000



2.3. PRE-APPLICATION CONSULTATIONS AND TECHNICAL ASSISTANCE

Advocates for Human Potential, Inc. (AHP), a consulting and research firm focused on improving health and human services systems, is serving as the administrative entity for BHCIP. AHP assists state and local organizations to implement and evaluate a wide range of services focusing on mental health treatment and recovery, substance use disorder treatment and prevention, workforce development, homelessness, housing, long-term services and supports, and criminal justice.

By October 2022, and as part of the RFA process, AHP will provide pre-application consultations and individual agency/county technical assistance (TA) to prospective Round 5: Crisis and Behavioral Health Continuum applicants and will offer ongoing general training and TA throughout the life of the project. Applicants are required to submit a request for a pre-application consultation and complete a survey to determine their understanding of the RFA requirements and will not be able to submit a completed application until AHP has received their survey. The deadline to request a pre-application consultation is **December 27, 2022**, which is three weeks prior to the application due date. If a pre-application consultation is not requested by this date, the applicant will not be eligible to apply.

In addition, applicants will be required to discuss how the proposed project meets local and/or regional gaps identified in “Assessing the Continuum of Care for Behavioral Health Services,” as well as how it addresses the State Priorities. AHP implementation specialists will work with applicants to support them in these areas by connecting them with subject matter experts in real estate, financing, and programmatic best practices serving individuals in need of crisis and behavioral health services. Additional information related to pre-application consultations and TA throughout the grant period can be found on AHP’s [TA webpage](#).

Part Three: Project Requirements

3.1. ELIGIBILITY REQUIREMENTS

Round 5: Crisis and Behavioral Health Continuum aims to expand crisis and behavioral health infrastructure, with funding priority given to expanding capacity to provide crisis services. Every applicant must demonstrate how their infrastructure project will expand services for this population. Applicants can provide services for any of the subpopulations or age groups. Eligible facility types will provide services and supports that are culturally and linguistically appropriate. Regional models or collaborative partnerships to construct, renovate, or expand behavioral health facilities are encouraged to apply.

Eligible applicants for Round 5: Crisis and Behavioral Health Continuum funds include counties, cities, tribal entities (“tribal entity” shall mean a federally recognized Indian tribe, tribal organization, or urban Indian organization, as defined in Section 1603 of Title 25 of the United States Code), nonprofit organizations, and for-profit organizations whose projects implement and expand the State Priorities. Eligible entities may apply independently or may submit applications with partners or co-applicants to encourage innovative, comprehensive local and regional approaches.

For joint applications, the co-applicant(s) must be named in the grant application and must submit a letter(s) of commitment with the application. For purposes of this RFA, upon receiving an award, the



eligible applicant and any co-applicant(s) will be referred to as the “grantee,” both individually and collectively.

For-profit organizations with no prior behavioral health experience must apply with a partner, such as a nonprofit organization, tribal entity, city, or county, with the requirement that the partner organization has relevant prior experience with the target population reflected in the successful development, ownership, or operation of a comparable project. A memorandum of understanding (MOU) or other agreement with the nonprofit organization, tribal entity, city, or county to confirm the organization’s role in the project, including that they are working on behalf of the service provider, is also required.

Applicants must describe the payor mix that will pay for and sustain behavioral health services once project construction is complete. Examples of payors include private health insurance, Medi-Cal, private pay, grants, and county funds. Applicants must provide a description of their contingency plan for funding any potential cost overage beyond the grant award.

Applicants must also indicate the applicable behavioral health licensing, certifications, and accreditations required to operate their program by the state and/or at the local level. Applicants with facilities that do not require licenses or certifications, such as community wellness centers, need to indicate this in their application. Tribal entities that are exempt from state licensing and/or requirements must describe the basis for their exemption and their plan for meeting programmatic requirements. As part of the TA that will be made available, applicants may receive information and guidance about the licensure and certification process.

A commitment to the provision of behavioral health services and building use restriction for a 30-year period through a deed restriction placed on the property title is required. Approval of this encumbrance period by the applicant’s board must be demonstrated through the submission of board meeting minutes or other attestation.

All applicants must describe the local needs based on the “Assessing the Continuum of Care for Behavioral Health Services in California” report and any local needs assessment used to justify the proposed expansion. All applicants will be required to demonstrate how the proposed project will advance racial equity. Projects will be required to certify that they will not exclude certain populations, such as those who are justice-involved or children and youth in foster care.

Awarded applicants that offer Medi-Cal behavioral health services will be expected to have a contract in place with their county to ensure the provision of Medi-Cal services once the funded facility’s expansion or construction is complete. Community wellness centers and youth behavioral health prevention centers do not provide Medi-Cal reimbursable behavioral health treatment services and thus are not required to have a contract to provide Medi-Cal behavioral health services; however, they must provide services to Medi-Cal beneficiaries and describe how their services will be sustainably funded.

Organizational support and community engagement, including the active involvement of applicable stakeholders and/or youth in the design of the project, are required. Insights from the community and/or youth voices must be included in project planning, design, implementation, and evaluation. All applicants must complete application Form 7: Community Engagement Tracking and provide any corresponding letters of support for the project.



City, nonprofit, or for-profit applicants must also include a letter of support from their county behavioral health agency, or if a tribal entity, the tribal board at the time of application. The letter must indicate that grantees providing Medi-Cal behavioral health services will have in place a contract with their county to ensure the provision of Medi-Cal services once the financed facility's expansion or construction is complete. BHCIP grant awards do not guarantee county contracts.

A letter of support from the applicant's CEO and/or board is required for all applicants that are overseen by one.

3.2. PROJECT PHASES AND ALLOWABLE COSTS

For Round 5: Crisis and Behavioral Health Continuum funding, three phases of project development leading up to the final phase of construction will be considered during the evaluation of each application. Applicants must be in one of the three phases; applications for projects in later phases of development will be scored higher. All projects must meet the minimum threshold of project readiness to be awarded grant funds. Applicant projects are considered to be in a given phase of development only after they have met all the requirements of the previous phase. Required documentation will be reviewed with each applicant during the pre-application consultation process and must be submitted as part of the application.

To be eligible for Round 5: Crisis and Behavioral Health Continuum funding, a project must demonstrate "project readiness." The **minimum threshold requirements** for "project readiness" are:

- Site control, defined as ownership with clear title, an executed Purchase and Sale Agreement (PSA), an executed Letter of Intent (LOI), or an executed Exclusive Negotiation Agreement (ENA);
- A sustainable business plan with (pro forma) projections of future objectives and strategies for achieving them;
- A conceptual site plan with a forecast of the developmental potential of the property;
- Stakeholder support as demonstrated by letters of support from internal boards of directors and professional/community partners;
- Demonstration of county and Medi-Cal investments to support ongoing sustainability of the behavioral health program;
- An identified match amount; and
- An initial budget—one for each phase and a total budget for acquisition and construction.

These phases below are made up of the pre-construction activities and are allowable costs. Applicants must submit documentation demonstrating the completion of each phase in order to move ahead to the subsequent phase.

- *Phase 1: Planning and pre-development*
 - Development team established; includes attorney, architect, and/or design-build team;
 - Site control, defined as ownership, an executed PSA, an executed LOI, or an executed ENA;
 - Basis of design outlined, includes architectural and engineering narratives;
 - Property-specific site investigation report and due diligence done; and
 - Budget with cost estimates based on site plan/drawings completed.



- *Phase 2: Design development*
 - Site control established with deed, PSA, option contract, LOI, or leasehold;
 - Site plan established with a schematic plan with architectural and engineering specifications;
 - Stakeholder support established as demonstrated by a letter from city/county/board of directors/tribal entity;
 - Able to gain building permits within 6 months of funding;
 - Able to close on land, after gaining building permits, within 6 months of funding; and
 - Able to start construction within 6 months of funding.

- *Phase 3: Shovel ready*
 - Ownership with clear title of real estate site;
 - Preliminary plan review completed, with comments received;
 - Construction drawings complete or near completion;
 - General contractor (builder) selected and ready for hire;
 - Ninety-five percent of construction drawings ready for submission for building permit;
 - Building permit issued; and
 - Able to start construction within no more than 60 days.

- *Final Phase: Construction*

Full funding of a proposed development project will be contingent on completion of all three phases (1–3) of development planning. The planning and pre-development phase must be completed in 90 days. Grantees must submit construction documents for building permit review within six months of grant award.

Projects that rehabilitate or renovate an existing structure or facility are allowable as long as they result in an expansion of behavioral health services for the target population. Furniture and equipment are not allowable costs. BHCIP funding cannot be used for the purchase of an existing behavioral health facility.

3.3. ELIGIBLE FACILITIES

Facility expansion can include building or renovating a separate wing or center that serves the target population. Regional models and collaborative partnerships are strongly encouraged to apply. Consideration will be given to entities that propose facilities with new or expanded service capacity in underserved counties and regions based on the needs assessment.

Applicants will be expected to define the types of facilities they will operate and explain how they will expand service capacity exclusively for community-based and crisis and/or behavioral health facilities.

The following facility types (Table 3) may be considered for project funding **only** if they are expanding crisis and/or behavioral health services. See glossary for descriptions of eligible facility types.



Table 3: Round 5: Crisis and Behavioral Health Continuum Eligible Facilities

Crisis Continuum Eligible Facility Types
Acute Psychiatric Hospital
Adolescent Residential SUD Treatment Facility with a DHCS/American Society of Addiction Medicine (ASAM) Level of Care 3.5 Designation and Withdrawal Management (WM) Designation
Adult Residential SUD Treatment Facility with Incidental Medical Services (IMS) <u>and</u> DHCS/ASAM Level of Care 3.5 Designation <u>only</u> <u>or</u> with DHCS Level of Care 3.2 WM Designation <u>only</u>
Behavioral Health Urgent Care (BHUC)/Mental Health Urgent Care (MHUC)
Children’s Crisis Residential Program (CCRP)
Community Residential Treatment System (CRTS)/Social Rehabilitation Program (SRP) with the category of Short-Term Crisis Residential only
Crisis Stabilization Unit (CSU)
Mental Health Rehabilitation Center (MHRC) only with Lanterman-Petris-Short (LPS) Designation
Peer Crisis Respite
Psychiatric Health Facility (PHF)
Psychiatric Residential Treatment Facility (PRTF)*
Sobering Center (funded under the Drug Medi-Cal Organized Delivery System [DMC-ODS] and/or Community Supports)

* Any award funding for PRTFs would be contingent on the grantee complying with future regulations and/or policies.

Behavioral Health Continuum Eligible Facility Types
Acute Inpatient Hospital— medical detoxification/withdrawal management (medically managed inpatient detoxification/withdrawal management facility)
Acute Psychiatric Inpatient Facility
Adolescent Residential SUD Treatment Facility
Adult Residential SUD Treatment Facility
Chemical Dependency Recovery Hospital
Community Treatment Facility (CTF)
Community Wellness Center
General Acute Care Hospital (GACH) and Acute Care Hospital (ACH)
Hospital-based Outpatient Treatment (outpatient detoxification/withdrawal management)
Intensive Outpatient Treatment
Mental Health Rehabilitation Center (MHRC)
Narcotic Treatment Program (NTP)
NTP Medication Unit
Office-based Outpatient Treatment
Peer Respite
Short-term Residential Therapeutic Program (STRTP)
Skilled Nursing Facility with Special Treatment Program (SNF/STP)
Social Rehabilitation Facility (SRF) with Transitional or Long-Term Social Rehabilitation Program (SRP)

For purposes of this funding, a Behavioral Health Urgent Care (BHUC) facility, also known as Mental Health Urgent Care (MHUC), is a walk-in center with voluntary stabilization-oriented services specific to individuals experiencing behavioral health or mental crisis for less than 24 hours. This community-based option is typically designed to provide an alternative to emergency department visits for urgent medical



needs. BHUC/MHUCs must focus on serving individuals in need of crisis services, commit to serving Medi-Cal beneficiaries, and offer some or all of the following:

- Multidisciplinary health assessment;
- Psychiatric evaluation, diagnosis, and treatment;
- Crisis stabilization and intervention, mental health counseling, and medication evaluation;
- Direct referrals for treatment of care;
- Linkage to community-based solutions; and/or
- Peer support.

Facility types that are not eligible for funding:

- Correctional settings
- Schools

3.4. MATCH

Applicants will be required to provide matching funds as part of the project. Match requirements are set according to applicant type. Cash match will be required to be deposited into the project bank account and used as first in, first out funds.

- Tribal entities = 5 percent match
- Counties, cities, and nonprofit providers = 10 percent match
- For-profit providers and/or private organizations = 25 percent match

The required match will be determined by the type(s) of applicants. For example, if a for-profit organization has a collaboration with a county, the project qualifies for the county match (10 percent), as long as supporting documentation is submitted. Match is equal to the Total Project Costs minus Contingencies multiplied by the required Match Percentage.

Match in the form of cash and real property—such as equity in land or existing structures—to the real costs previously incurred by the project will be allowed. Cash is the strongest form of match. DHCS must approve the match source.

Cash match 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;
- [Opioid settlement funds](#) for SUD facilities;
- Loans or investments;
- Cash on hand;
- Incentive payments from managed care plans; or
- Another source.

Real property appraised value for development is acceptable as match if that real property is the actual project-sited property and the entire Assessor’s Parcel Number (APN) of land is dedicated to the new



development project. Only the APN used for the project that will be encumbered with a deed restriction post-award can be used as the match in-kind amount. The certified appraisal must only give a value for the specific APN to be encumbered. If an applicant has purchased the property outright and has clear title in hand and plans to construct or develop on it, the appraised value of the property as match to the grant request may be used. Examples include:

- Unused government and tribal buildings;
- Buildings originally intended for another purpose;
- Surplus land;
- Government and tribal property; and
- Land trust.

The match may also be in the form of property ownership equity at the specific grant project site. Property equity match value is determined by a recent certified appraisal value (within 6 months of application) minus the outstanding loan amount (bank loan information documents required). Use the following equation to calculate equity for match:

$$\text{Certified Appraisal Value} - \text{Outstanding Loan Amount} = \text{Equity Value}$$

Sunk costs directly related to the development project, with documentation of paid invoices for professional services related to pre-development of the specific grant application, may also be approved as match by DHCS on a case-by-case basis.

All match amounts must be well documented and notarized and will be thoroughly reviewed by DHCS and AHP. Property valuations may or may not be approved by the State. Therefore, cash is the preferred form of match. ***Only the APNs that are encumbered by the 30-year service restriction can count as match and must be validated by a certified appraisal of that specific APN.***

Services, Behavioral Health Subaccount funding, and State general funds will not be allowed as match. All match sources will be reviewed by DHCS and AHP prior to the awarding of funds.

3.5. BUDGET DEVELOPMENT

Applicants are required to submit a budget (see application attachment Form 2: Budget Template) with their Round 5: Crisis and Behavioral Health Continuum applications. All budgets must contain requested amounts for each phase of funding. If an applicant has a current Negotiated Indirect Cost 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 as the basis for indirect costs. Alternatively, if the applicant does not have a NICRA, the applicant may elect to use a rate of 10 percent of the modified total direct costs pursuant to 2 CFR 200.414(f).

Grantees are responsible for ensuring that their project is on schedule and on budget. Grantees who are awarded BHCIP funds shall be solely responsible for any costs to complete the project in excess of the program funds award amount. Neither DHCS nor AHP will be responsible for any cost overruns.

Applicants must provide a description of their contingency plan for funding any potential cost overage beyond the grant award.



3.6. ACCESSIBILITY AND NONDISCRIMINATION

All developments shall adhere to the accessibility requirements set forth in California Building Code Chapters 11A and 11B and the Americans with Disabilities Act, Title II. In addition, developments shall adhere to either the Uniform Federal Accessibility Standards (UFAS), 24 CFR Part 8, or the U.S. Department of Housing and Urban Development's (HUD) modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, 79 FR 29671 (5/27/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Memo"). Accessible units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project and be available in a sufficient range of sizes and amenities consistent with 24 CFR Part 8.26.

Grantees shall adopt a written nondiscrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), justice system involvement (except where explicitly required by law), or arbitrary characteristics, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any project or activity funded in whole or in part with funds made available pursuant to this RFA. Nor shall all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any project or activity funded in whole or in part with funds made available pursuant to this RFA.

Grantees shall comply with the requirements of the Americans with Disabilities Act of 1990, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Civil Rights Act, Government Code Section 11135, Section 504 of the Rehabilitation Act of 1973, and all regulations promulgated pursuant to those statutes, including 24 CFR Part 100, 24 CFR Part 8, and 28 CFR Part 35.

3.7. STATE AND FEDERAL PREVAILING WAGE

A project funded by a BHCIP grant is a "public works" project if the applicant intends to use the BHCIP funds for the "[c]onstruction, alteration, demolition, installation, or repair" of a building or structure (Cal. Lab. Code Section 1720(a); Cal. Lab. Code Section 1750(b)(1)). Applicants using BHCIP grants to fund public works are subject to California's prevailing wage and working hours laws (Division 2, Part 7, Chapter 1 of the California Labor Code) and the applicant's project is subject to compliance monitoring and enforcement by the Department of Industrial Relations (Cal. Lab. Code Section 1771.4(a)(1)).

Applicants must complete Form 5: Applicant's Certification of Prevailing Wage as a part of the application process. If DHCS selects an applicant to receive a BHCIP grant and the applicant is using the grant to fund a public works project, then the applicant shall submit a Certification of Compliance that includes an attestation from the general contractor certifying that the general contractor will comply with California's prevailing wage and working hours laws (including posting job notices, as required by Labor Code Section 1771(a)(2)). The Certification of Compliance shall also state that the general contractor will maintain its labor records in compliance with all applicable state laws (Cal. Lab. Code



Section 1776) and shall make all labor records available to the Department of Industrial Relations and any other applicable enforcement agencies upon request (Cal. Lab. Code Section 1771.4(a)(3)). The Certification of Compliance shall be signed by the general contractor(s) and the applicant.

If DHCS selects an applicant to receive a BHCIP grant and the applicant is not using the grant to fund a public work, then the applicant shall submit a Certification of Inapplicability to DHCS explaining why the project is not a public work as defined by California Labor Code Section 1720. The Certification of Inapplicability shall be signed by the general contractor(s) and the applicant.

3.8. EXEMPTIONS

In accordance with California Welfare and Institutions Code Section 5960.3, projects funded by a BHCIP grant are:

1. Deemed to be consistent with and in conformity with any applicable local plan, standard, or requirement;
2. Deemed to be allowed as a permitted use within the zone in which the structure is located; and
3. Not subject to a conditional use permit, discretionary permit, or any other discretionary reviews or approvals.

3.9. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) EXEMPTION

CEQA shall not apply to a project funded by BHCIP if that project meets the requirements outlined in California Welfare and Institutions Code Section 5960.3(b). Applicants shall determine if they meet the requirements outlined in Section 5960.3(b) to qualify for the exemption from CEQA. And, in accordance with Section 5960.3(c), if an applicant determines that it qualifies for the exemption from CEQA, then the applicant shall file a Notice of Exemption with the Office of Planning and Research and the clerk of the county in which the project is located in the manner specified in subdivisions (b) and (c) of Section 21152 of the Public Resources Code, and the applicant shall provide DHCS with a copy of the filed Notice of Exemption. If the applicant determines that CEQA applies to its project, the applicant shall provide DHCS with copies of all appropriate documentation demonstrating the project's compliance with CEQA once the applicant has received project approval.

DHCS is not responsible for determining if applicants meet the CEQA exemption requirements set forth in Section 5960.3(b). Furthermore, DHCS is not responsible for filing a Section 5960.3(c) Notice of Exemption on behalf of an applicant.

3.10. LOW-RENT HOUSING PROJECT EXEMPTION

In accordance with California Welfare and Institutions Code Section 5960.35(b)(1), a project funded with a BHCIP grant shall not be considered a "low-rent housing project," as defined in Section 1 of Article XXXIV of the California Constitution, if the project meets any one of the following criteria:

1. The project is privately owned housing, receiving no ad valorem property tax exemption, other than exemptions granted pursuant to subdivision (f) or (g) of Section 214 of the Revenue and Taxation Code, not fully reimbursed to all taxing entities, and not more than 49 percent of the



dwellings, apartments, or other living accommodations of the project may be occupied by persons of low income;

2. The project is privately owned housing, is not exempt from ad valorem taxation by reason of any public ownership, and is not financed with direct long-term financing from a public body;
3. The project is intended for owner-occupancy, which may include a limited-equity housing cooperative as defined in Section 50076.5 of the Health and Safety Code, or cooperative or condominium ownership, rather than for rental-occupancy;
4. The project consists of newly constructed, privately owned, one- to four-family dwellings not located on adjoining sites;
5. The project consists of existing dwelling units leased by the state public body from the private owner of these dwelling units;
6. The project consists of the rehabilitation, reconstruction, improvement or addition to, or replacement of, dwelling units of a previously existing low-rent housing project, or a project previously or currently occupied by lower-income households, as defined in Section 50079.5 of the Health and Safety Code; or
7. The project consists of the acquisition, rehabilitation, reconstruction, improvement, or any combination thereof, of a project which, prior to the date of the transaction to acquire, rehabilitate, reconstruct, improve, or any combination thereof, was subject to a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households and maintains, or enters into, a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households.

If a project funded with a BHCIP grant is a “low-income housing project” as defined by Section 1 of Article XXXIV of the California Constitution but does not meet any of the criteria listed above, then the applicant shall comply with the requirements set forth in that section of the California Constitution.

Part Four: Award Scoring and Process

4.1. APPLICATION SCORING CRITERIA

Eligible BHCIP grant applications undergo a competitive review process. DHCS will only fund projects from applicants that are in good standing with all local, county, state, and federal laws and requirements. Funding priority will be given to facilities that expand access to behavioral health services across the crisis continuum. For proposed facilities that are not providing crisis services, applications will need to demonstrate how they are providing step-down services and/or transition of care out of acute crisis care or stabilization services. Additional funding decisions will be based on a variety of factors, including the phase of development at the time of application, and the degree to which the project addresses gaps in services for the population. Applicants who are in later phases of development (see Section 3.2) at the time of application and/or provide expansion to crisis facilities will be scored higher. At a minimum, applicants must provide a full and complete application and meet the following criteria to be considered for award:

- Demonstrate expansion of services for individuals in need of crisis and/or behavioral health services;
- Demonstrate match;
- Request a pre-application consultation by the deadline of December 27, 2022;



- Attest that the project will meet federal, state, and local laws;
- Demonstrate the capacity to complete project development and expend funds on time and on budget;
- Align with the State Priorities described in Section 1.1, above;
- Align with needs and gaps described in the statewide assessment, “Assessing the Continuum of Care for Behavioral Health Services in California”;
- Budget reasonable proposed costs for the facility type and scope of rehabilitation or renovations proposed;
- Demonstrate long-term sustainability for the proposed project; and
- Propose an increase in the number of persons to be served by the expansion.

4.2. AWARD PROCESS

Awarded applicants will receive a conditional award email with a Program Funding Agreement from AHP. The agreement must be signed, returned, and fully executed with AHP before initial funding will be awarded. Depending on the applications received, their project locations, allowable expenditures, amounts of funds requested, and funding available, DHCS may choose to fund only part of an application. In that case, DHCS would reach out to the potential awardee to determine their interest in receiving a smaller amount than originally requested.

Funds awarded pursuant to the project must be used to supplement, and not supplant, other funding available from existing local, state, or federal programs or from grants with similar purposes. Funding may not be used for “reimbursement.” Only those costs that can be associated with completing the project would be eligible costs as noted in Section 3.2.

Applicants that are not funded during Round 5: Crisis and Behavioral Health Continuum may be eligible to apply for subsequent BHCIIP funding if available. BHCIIP TA will be available on an ongoing basis.

4.3. APPEALS

California law does not provide a protest or appeal process against award decisions made through an informal selection method. Applicants submitting a response to this RFA may not protest or appeal the award. All award decisions made by DHCS shall be final.

Part Five: Project Operations

5.1. PROJECT OVERSIGHT AND REPORTING

As specified by DHCS and upon request, grantees shall provide progress reports in connection with the approved timeline, statement of work (SOW), and budget and any updates to the timeline for completion of the project. The progress reports should include the project’s completion milestones and any updates or substantial changes. Grantees shall promptly notify DHCS of any changes in grantee organization, authorization, or capacity. This information will be outlined in the Program Funding Agreement.



Grantees are required to meet state financial and administrative reporting requirements and submit data through an online grantee portal. Reporting requirements will include quarterly reports and a final report. The annual report will be due no later than January 31 for the prior calendar year of January 1 to December 31. Funding will be contingent upon provision of timely submission of data and reporting. These requirements will be fully detailed upon award.

In addition to the foregoing, each grantee shall submit to DHCS periodic reports, updates, and information as deemed necessary by DHCS to monitor compliance and/or perform project evaluation. Any requested data or information shall be submitted electronically in a format provided by DHCS.

Additional reporting requirements may be required by DHCS for up to 30 years after completion of project construction.

5.2. DISBURSEMENT OF GRANT FUNDS

The Program Funding Agreement will set forth the general conditions for disbursement. Once the Program Funding Agreement between the grantee and AHP is fully executed, grantees can authorize work to begin on their project. Disbursement of funds will follow a standard 30-day draw period and 45-day payment cycle for work completed. The grantee will submit to the draw authority invoices for work completed over the previous 30 days. The draw authority will review the draw request, approve the invoices for work completed, and issue approval for disbursement of funds to the grantee. The grantee will then be responsible for paying invoices in a timely manner, and within 45 days of initial submission of invoices to the draw authority. Subsequent funding for construction will be released following site inspections and once draw requests for work completed and invoices have been submitted for the previous 30-day period.

AHP will closely monitor progress on construction and will track and review all schedules, change orders, and contingency expenses. Grantees will be responsible for submitting invoices, revised budgets, and schedules to AHP for approval. Grantees must ensure that expenses are allowable under the contract and will be expected to provide sufficient backup documentation. Grantees are responsible for ensuring that their project is on schedule and on budget. Grantees who are awarded BHCIIP funds shall be solely responsible for any costs to complete the project in excess of the program funds award amount. Neither DHCS nor AHP will be responsible for any cost overruns. Additional details regarding the funding and disbursement process will be provided upon award.

Part Six: Attachments

Applicants must include all of the following attachments with the application. All required forms and supporting documents must be completed and uploaded in the application portal.

Form 1: Application Questions (Note: Additional questions may be prompted on the application portal).

Description: Application questions and related documents for Round 5: Crisis and Behavioral Health Continuum

- Letter(s) of support;
- Any preliminary site plans, design drawings, or construction drawings for the proposed project—these may include schematic designs, architectural drawings,



construction blueprints, and/or other renderings (please limit each file size to less than 20 MB);

- Resumes of the development team that developed the design/construction plans;
- A copy of all executed contracts for hire related to your project's development team (lawyer, construction manager, development manager, architect, consultants, general contractor, etc.);
- A certified appraisal and a bank loan document, if identifying a real property contribution for match; and
- A valid rough order of magnitude (ROM) cost estimate, if no construction plan is yet in place.

Form 2: Budget Template

Description: Pre-formatted template for all costs related to the project, including match

Form 3: Development Team Information

Description: Information on development team, including contact information and previous experience

Form 4: Design, Acquisition, and Construction Milestone Schedule

Description: Schedule for achieving design, acquisition, and construction milestones

Form 5: Applicant's Certification of Prevailing Wage (inclusion in estimated budget)

Description: Certification with an attestation from the general contractor that the general contractor will comply with California's prevailing wage and working hours laws

Form 6: Applicant's Certification of Funding Terms

Description: Certification that the applicant will receive, expend, and administer all funds received under this initiative pursuant to the terms outlined

Form 7: Community Engagement Tracking

Description: Table to list community and/or youth engagement activities

Form 8: Schematic Design Checklist

Description: Checklist of start and completion dates for schematic design drawings, including architectural and engineering technical information

Attachment A: Pre-Application Consultation Process

Description: Outline of the pre-application consultation process, including a link to the required survey

Attachment B: Glossary of Terms

Description: Glossary of terms for Round 5: Crisis and Behavioral Health Continuum

