

California Behavioral Health Planning Council

Housing and Homelessness Committee Agenda

Thursday, October 21, 2021

8:30 am to 10:00 am

Zoom Meeting Link:

<https://us02web.zoom.us/j/84382188398?pwd=eFNCRGZoa1RRTWMzYvNHQxMmZLZz09>

Join by Phone: (669) 900-6833

Meeting ID: 843 8218 8398 Password: 845744

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|----------|--|-------|
| 8:30 am | Welcome and Introductions
<i>Vera Calloway, Chairperson</i> | |
| 8:35 am | Approve June 2021 Meeting Minutes
<i>Monica Caffey, Chair-Elect and All Committee Members</i> | Tab 1 |
| 8:40 am | ARF Budget Update
<i>Corrin Buchanan, Asst. Director of Housing and Homelessness, California Department of Social Services</i> | Tab 2 |
| 9:05 am | Public Comment | |
| 9:10 am | Break | |
| 9:15 am | Los Angeles County ARF Update
<i>Maria Funk, Deputy Director, LA County Dept. of Mental Health</i> | Tab 3 |
| 9:25 am | Public Comment | |
| 9:30 am | CBHPC ARF Advocacy Efforts
<i>Vera Calloway, Chairperson and Naomi Ramirez, CBHPC Staff</i> | Tab 4 |
| 9:40 am | Discussions of Next Steps
<i>Vera Calloway, Chairperson and All Committee Members</i> | Tab 5 |
| 9:50 am | Nomination of Chair-Elect
<i>Naomi Ramirez, CBHPC Staff</i> | Tab 6 |
| 9:55 am | Public Comment | |
| 10:00 am | Adjourn | |

The scheduled times on the agenda are estimates and subject to change.

Officers: Vera Calloway, Chairperson Monica Caffey, Chair-Elect
Committee Members: Barbara Mitchell, Lorraine Flores, Gerald White, John Black, Arden Tucker, Darlene Prettyman, Deborah Starkey, Steve Leoni, Christine Costa, Sokhear Sous, Iris Mojica de Tatum, Tim Lawless, Angelina Woodberry

If reasonable accommodations are needed, please contact the CBHPC at (916) 701-8211 no less than 5 working days prior to the meeting date.

**California Behavioral Health Planning Council
Housing and Homelessness Committee (HHC) Meeting**
Thursday, October 21, 2021

Agenda Item: Approve June 2021 Meeting Minutes

Enclosures: Draft Minutes for June 2021 HHC Meeting

Background/Description:

The Committee members are to discuss any necessary edits and vote on the acceptance of the draft minutes presented for the June 2021 meeting.

Motion: Accept and approve the June 2021 Housing and Homelessness Committee Minutes.

Housing and Homelessness Committee

Meeting Minutes (DRAFT)
Quarterly Meeting – June 17, 2021

Members Present:

Vera Calloway, Chairperson

Deborah Starkey

Barbara Mitchell

Steve Leoni

Lorraine Flores

Christine Costa

John Black

Iris Mojica de Tatum

Arden Tucker

Angelina Woodberry

Darlene Prettyman

Staff Present:

Jane Adcock, Naomi Ramirez, Gabriella Sedano

Meeting Commenced at 8:30 a.m.

Item #1 **Approve April 2021 Draft Meeting Minutes**

Steve Leoni requested an edit to his comment on page 2 under the Q&A. The Housing and Homelessness Committee (HHC) approved the April 2021 Draft Meeting Minutes. Lorraine Flores motioned approval. Steve seconded the motion. Angelina Woodberry abstained.

Action/Resolution

The April 2021 HHC Meeting Minutes are approved.

Item #2 **Senate Bill 648: Enriched Care Adult Residential Facility (ARF) Pilot Program**

Taryn A. Smith, Chief Consultant of Senate Human Services, presented the background and goals for SB 648. The bill has been amended to include a \$1,000 per month stipend

for ARFs and Residential Care Facilities for the Elderly (RCFE) that have at least one Social Security Income (SSI) recipient in the facility. The bill has a cap of 4,000 stipends monthly during the 3 year pilot program.

Taryn Smith noted the bill status is inactive and the content has been absorbed into the Governor's budget. Once the trailer bill is released, Taryn will notify Jane Adcock.

Q&A

Barbara Mitchell inquired how the 4,000 stipends per month will be allocated. Taryn Smith responded that facilities will apply for the stipend through the Department of Social Services (DSS) with no geographic limitations. Facilities with a high percentage of SSI recipients will be prioritized. Barbara suggested that the applications are run through counties rather than run by where the facilities apply, because small facilities may be incapable of managing the applications.

Steve Leoni asked if outcomes are attached to the bill that will show the difference between individuals that receive the stipend and those that do not. Taryn said the DSS will report the number of applications received, number of stipends granted and denied, and number of facility closures. She added the reports are targeted more toward the facilities rather than the trajectory of individuals.

Vera Calloway inquired about the supporters of the bill. Taryn Smith listed support from the California Association of Long-Term Care Medicine (CALTCM), the California Association of Public Authorities (CAPA), the California Long-Term Care Ombudsman Association (CLTCOA), 6Beds, the California Assisted Living Association (CALA), the California Alliance for Retired Americans (CARA), and Justice in Aging.

Vera emphasized the importance of the Consumer voice, and asked if there has been support or criticism from the Consumer community. Barbara Mitchell agreed with this input and highlighted the CBHPC's role to elevate Consumer and Family member voices. Taryn Smith was interested in Consumer organization suggestions.

Angelina Woodberry wanted to confirm that the bill is intended to keep quantity of facilities up, and not to improve quality. Taryn Smith responded that the intent is to keep them open, but the additional resources could improve quality. Angelina expressed concern that the quality of care for the residents will not be improved by the bill.

Jane Adcock added that the bill is not geared toward persons with Serious Mental Illness (SMI), but for persons who receive SSI. Jane proposed to Taryn that a percentage of the stipends be designated to persons with SMI. Taryn will keep Jane in the loop should the opportunity open up.

Item #3 Public Comment

Lorraine Zeller expressed concern that the bill does not promote rehabilitation/recovery.

Catherine Moore commented that another bill and more funds are needed to enhance treatment, rehabilitation, and case management.

Mark Samuel asked if the proposed stipend is monthly or one-time only. Taryn clarified that it is \$1,000 a month for each SSI recipient residing in the facility.

Toni Veglia asked if people who are at risk-of homelessness are eligible under the bill language. Taryn confirmed that at-risk of homelessness is included in the bill.

Theresa Comstock shared the [CALBHBC ARF Issue Brief 2020](#) link as a resource, stating that it is partially based on the CBHPC's White Paper.

Linda Mimms commented that facility owners, family members of residents, and peers should be brought together for a policy analysis in order to look at all the factors involved with ARFs.

Item #4 Assembly Bill 1766 Implementation Update

Vicki Smith, Program Administrator, Community Care Licensing Division (CCLD), provided an implementation update for AB 1766. The CCLD is working on receiving legal clearance to share the data on their website, as suggested by the HHC in the June 2021 Quarterly meeting.

Vicki Smith briefly explained the three reporting areas for AB 1766: Annual Report, Quarterly Report, and Ongoing Report. The Annual Report went out in May 2021 and the Quarterly Report is to go out August 2021. Vicki noted that the County Behavioral Health Directors will also receive reports for ARFs or RCFEs that intend to close permanently. If the facility permanently closes, it will be shown on the Quarterly report and the data will be used to catch intents and find ways to sustain a facility.

Q&A

Steve Leoni suggested collecting additional data if the trailer bills and stipends go through, including whether or not a facility received the patches, how many were getting the patches, and the amount received. Vicki thanked Steve for his input.

Angelina Woodberry mentioned that she is interested in hearing from the board and care facility operators that have joined the meeting. Jane Adcock responded that the HHC can schedule an interim meeting to listen to operators. Vera Calloway agreed with Jane's suggestion.

Item #5**Perspective of an ARF Operator**

Ari Rosner, a board and care operator of 13 years, shared his budgetary struggle to remain open and detailed the major costs of operating a facility. His calculations showed that a facility with 100 residents would have an estimated income of \$110,000 a month, and an estimated cost of \$95,000-\$100,000 a month. He emphasized that the estimated monthly cost does not include many ancillary expenses. Ari Rosner said the ability to keep his facility open is due to the Enriched Residential Care (ERC) Program that pays facilities additional funds to accept more vulnerable clients. He stated that his facility would close without the patch from the ERC program.

Jane Adcock asked Ari Rosner if he could provide the Council with a copy of his budget to use for advocacy purposes. Barbara Mitchell also expressed interest in a copy of the budget. Ari Rosner responded that he could provide it to the Council.

Iris Mojica de Tatum questioned why there are such huge discrepancies in the daily reimbursement of board and care operators versus adult day facilities that receive more compensation.

David Coloma shared that enhanced rates helped his board and care facility stay open. He said the enhanced rate clients were lost during COVID, and his facility no longer has the extra funds for expenses such as rent.

Item #6**Public Comment**

Theresa Comstock brought attention to Assembly Bill 816 that could be beneficial in addressing housing and homelessness, adding that the California Association of Local Behavioral Health Boards and Commissions (CALBHBC) is in strong support of the bill.

Ahmed Saafir expressed concern that the \$1,000 per month proposed in SB 648 would cause issues for facilities. He said a facility may use funds to hire additional staff, but would then have to lay-off the staff when the 4,000 cap was reached.

Item #7**Discuss Next Meeting Agenda**

Vera Calloway proposed that the HHC hold an in-between meeting in July 2021 to hear from ARF operators.

Meeting Adjourned at 10:20 a.m.

**California Behavioral Health Planning Council
Housing and Homelessness Committee (HHC) Meeting**

Thursday, October 21, 2021

Agenda Item: ARF Budget Update

Enclosures: None

How This Agenda Item Relates to Council Mission

To review, evaluate and advocate for an accessible and effective behavioral health system.

This agenda item provides an opportunity for the committee to learn about the funding included in the Governor's budget to help address the current Adult Residential Facilities (ARFs) crisis.

Background/Information:



Governor Newsom included the Community Care Expansion Program, BH Continuum Infrastructure Program and Community Based Residential Continuum in the state budget for Fiscal Year 2021-22, which will potentially provide support to ARFs/RCFEs. These initiatives will be administered by the California Department of Social Services (CDSS) and the Department of Health Care Services (DHCS).

Corrin Buchanan, the Assistant Director of Housing and Homelessness for the CDSS will provide an update on the implementation and planning.

**California Behavioral Health Planning Council
Housing and Homelessness Committee (HHC) Meeting**
Thursday, October 21, 2021

Agenda Item: Los Angeles County ARF Update

Enclosures: None

How This Agenda Item Relates to Council Mission

To review, evaluate and advocate for an accessible and effective behavioral health system.

This agenda item provides an opportunity for the committee to learn about the work the LA County Department of Mental Health is currently engaged in to make Adult Residential Facilities sustainable.

Background/Information:



Maria Funk, Deputy Director of the Housing and Job Development Division, within the LA County Department of Mental Health will be providing an update on the county's efforts to help address the current ARF crisis.

**California Behavioral Health Planning Council
Housing and Homelessness Committee (HHC) Meeting**

Thursday, October 21, 2021

Agenda Item: CBHPC ARF Advocacy Efforts

Enclosures: 2021 ARF Governor Briefing Overview

2021 ARF Budget

How This Agenda Item Relates to Council Mission

To review, evaluate and advocate for an accessible and effective behavioral health system.

This agenda item provides the committee a summary of the advocacy activities the HHC has engaged in to help address the current Adult Residential Facilities (ARFs) crisis to date.

Background/Information:

Vera Calloway, HHC Chairperson and Naomi Ramirez, Council Staff, will provide an update on the Council's ARF advocacy efforts that have taken place to date. This update will include the key takeaways from the ARF Operators Listening Session the committee hosted on July 29, 2021 and the subsequent meeting with the Governor's office to discuss next steps.



What is an ARF?

Adult Residential Facilities (ARFs), licensed to serve persons with mental illness, were written into the law in the 1970s when the state hospitals were closing to provide an alternative housing model in a family home-like setting for former residents of the hospitals. ARFs are non-medical facilities, licensed by the Department of Social Services, that provide room, meals, housekeeping, supervision, storage and distribution of medication, and personal care assistance with basic activities like hygiene, dressing, eating, bathing and transferring. ARFs serve individuals aged 18-59 and Residential Care Facilities for the Elderly (RCFEs) serve persons 60 years of age and older.

Presently, the three most common populations served in ARFs are persons with developmental/intellectual disabilities, persons with serious persistent mental illness and the elderly. Our focus is on the needs of adults with serious, chronic and persistent mental illness who are not able to live successfully in independent housing, even with onsite supports.

Why are they important?

Many individuals with chronic persistent mental illness are not able to obtain sustainable community housing with the appropriate level of care following stays in acute in-patient treatment programs, hospitals, Short-Term Crisis Residential or Transitional Residential Treatment Programs and/or correctional institutions. This results in a “revolving door scenario” where people are discharged or released from one of the above and then are unable to find appropriate residential care or housing. Thus, another mental health crisis ensues, resulting in a return to high-level crisis programs, facilities, hospitals, jails/prisons or homelessness. Expensive both in terms of cost and human toll.

Not everyone living with serious mental illness, nor all persons who are homeless, will thrive in an independent living situation even with supportive services. Adults with debilitating mental illness, who are unable to care for themselves, deserve and need community-based home-like housing that provides the necessary care and supervision. The ARF is an essential element on the housing continuum and without a sufficient number of them, the revolving door scenario will continue and we will continue to spend billions on homelessness.

What is the problem?

Residents in ARFs have chronic mental disabilities that require 24 hour care and supervision. Yet despite this level of care needed, the daily “rate” paid to an ARF operator for a resident whose sole source of income is SSI/SSP is just \$36. (\$1217 per month for non-medical out of home care minus \$134 client incidentals = \$1083)

Operators of these facilities are being crushed by the unsustainability of this business model and are constantly facing increasing costs on all fronts (minimum wage, transportation, insurance costs, utility increases and accumulated deferred maintenance). Additionally, the wear and tear on these facilities is tremendous so maintenance is frequently deferred often resulting in licensing citations.

ARFs and RCFEs are closing at an alarming rate because of the financial strain. Many current operators started during the 1970-80s and consider their residents to be family. But those operators are now aging, unable to continue and no one is willing to take on the financially-failing business. They constantly receive offers to sell. Many now do sell their property for millions of dollars so new high-rent housing can be established.

Once a facility is closes, it is almost impossible to recover the lost beds. “Not In My Backyard” community resistance stops the approval of new use permits in every county and every community in California. Furthermore, the existing residents in a closing facility may not be able to find other placements and end up homeless and without necessary mental health care.

On a recent call, one operator threw out the barest numbers for daily cost per resident: \$20 for rent, \$15 for meals, \$20 insurance, \$20 payroll, \$7 utilities, \$5 for repairs = \$87. This is more than double the daily rate allowable under SSI/SSP and none of those figures is remotely adequate for actual costs of needed care nor to meet the level of regulatory requirements for licensure. One cannot find a safe hotel room in California for \$87 much less one that comes with 3 adequate meals and 24hr staff supervision including monitoring and distribution of medication. In no other industry does an owner/operator work 24/7 for so little money. The facilities are continually run at the edge or at a loss. There is no profit, operators do it solely as a labor of love.

The Planning Council recently heard from an owner/operator in Santa Clara County who has been in business since 1972. They have many residents, all of whom they consider to be family. The family running the facility has used all of their retirement savings to keep the facility afloat and are currently several million dollars in debt. Because they are located in Silicon Valley, they receive numerous offers to sell. He has been forced to do the impossible and says there is undue stress on an industry that originally started to help people with disabilities to simply live in their communities. “This is a disgrace on America, how little these people are valued in comparison to other industries”.

Solution

A minimum daily rate of \$125 for residents of ARFs receiving SSI/SSP that is adjusted regularly for inflation, is needed. A higher rate is needed for individuals with higher levels of care/equipment needs. A monthly rate of \$3750 as a minimum is required. The

Planning Council recommends exploring establishing tiered levels of care, with different licensing categories established to allow for higher rates to be paid to accommodate augmented care and supervision when required, for example, to meet the needs of individuals who are incontinent or non-ambulatory. Tiers are used in the Regional Center system.



Governor's 2021-22 Budget

Financial Need: The financial strain on ARFs is multi-pronged.

First, the facilities receive an insufficient amount of “rent” income each month from a resident who has debilitating mental illness and whose sole source of income is SSI/SSP to cover the minimum basic daily operating costs. *A minimum rate of \$3750 per month/daily rate of \$125 is desperately needed.*

Second, because of the insufficient revenue to cover daily operating costs, any needed maintenance, repairs or rehabilitation of the facility are not done. The residents of ARFs are in the facility 24 hours a day. They are adults who, for the most part, do not have physical disabilities so they are active. The plumbing, walls, flooring, heating and air conditioning, hot water heaters, etc., all experience more demand and use than the average home. There is no reserve available to address the needs of the facility. Eventually, items fall into such disrepair that a citation is issued by Dept of Social Services Community Care Licensing staff. Over time, the multiple citations and/or unaddressed citations result in fines, which the operator cannot afford, and which ultimately result in license revocation and closure. *Until operators can catch up with sufficient monthly income to establish their own maintenance reserves, grants for deferred maintenance need to be made available to avoid future citations, fines and closures.*

Third, because of the significant losses incurred by insurance companies to address the many natural disasters that have and are occurring in California, most insurance companies are no longer offering policies in our state. The few companies that remain take advantage of the lack of competition and charge exorbitant and rising rates. Insurance is a requirement for licensure so it is a mandatory cost that must be born. *A state-supported insurance pool is needed to safeguard the facilities, the residents and the licenses for this critical housing option.*

Financial Support: For Fiscal Year 2021-22, Governor Newsom has included some potential supports for ARFs/RCFEs in the state budget. Implementation details and defining policies for eligible entities and specific use of the funding are still forthcoming. The below items are not explicit in addressing the need for an ongoing augmented

funding source to provide sufficient monthly revenue to cover the actual operating costs for ARFs and RCFEs serving persons receiving SSI/SSP.

First, **Community Care Expansion Program** provides funding to expand and preserve ARFs and RCFEs. The funding can be used for the acquisition, rehabilitation or construction of facilities. The goal of this program is to expand and preserve Adult and Senior Care facilities that can serve people experiencing homelessness as well as stabilize existing settings that serve people at risk of homelessness or unnecessary institutionalization in skilled nursing facilities. \$55M will be set aside to establish a capitalized operating subsidy reserve for ARFs and RCFEs who serve individuals whose sole income is SSI/SSP. CDSS will administer these funds.

We are uncertain whether the COSR is the \$1000 per month per resident stipend proposed in SB 648. If so, adding \$1000 to the existing \$1083 falls short by more than \$1600 per month. \$2083 is only \$69 per day leaving operators in financially impossible position.

Second, **BH Continuum Infrastructure Program** provides funding for grants to qualified entities to construct, acquire and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources. DHCS will administer these funds.

We are uncertain whether ARFs/RCFEs will qualify under this program. If so, an increase in the number of facilities will help with demand but this program does not address the need for an augmented daily/monthly rate needed for financial stability.

Third, **Community Based Residential Continuum Pilots** provide medical and supportive services in the home, independent living settings including permanent supportive housing, and community care settings (home, ARFs, RCFEs, affordable housing) in order to avoid unnecessary healthcare costs, including emergency services and future long-term care placement in a nursing home. DHCS will administer these funds.

We already know that the current daily rate does not provide for even the most basic needs, much less robust, programs to support recovery and improve the quality of life of residents in ARFs. This program may result in needed support to operators in meeting the emotional, mental and social needs of the residents.

The Planning Council believes that the ARF/RCFE is an essential element on the housing continuum and without a sufficient number of them, the state will continue to spend billions on homelessness, more expensive levels of care and untreated mental illness. In order for that to happen, the three financial needs presented in this paper must be addressed sooner than later.

**California Behavioral Health Planning Council
Housing and Homelessness Committee (HHC) Meeting**

Thursday, October 21, 2021

Agenda Item: CBHPC ARF Advocacy Efforts

Enclosures: none

How This Agenda Item Relates to Council Mission

To review, evaluate and advocate for an accessible and effective behavioral health system.

This agenda item is intended to provide all committee members an opportunity to discuss the next steps the Council should take to address the current Adult Residential Facilities (ARFs) crisis.

**California Behavioral Health Planning Council
Housing and Homelessness Committee (HHC) Meeting**

Thursday, October 21, 2021

Agenda Item: Nomination of 2022 Committee Chair-Elect

Enclosures: None

How This Agenda Item Relates to Council Mission

To review, evaluate and advocate for an accessible and effective behavioral health system.

The Chairperson and Chair-Elect lead their committee with a focus on supporting the Council's mission through their work.

Background/Description:

Each standing committee shall have a Chairperson and Chair-Elect. Monica Caffey will become the Chairperson for the Housing and Homelessness Committee at the January 2022 meeting. The committee members shall nominate a Chair-Elect to be submitted to the Officer Team for appointment.

The role of the Chair-Elect is outlined below:

- Facilitate the Housing and Homelessness Committee meetings as needed, in the absence of the Chairperson
- Assist the Chairperson and staff with setting the committee meeting agenda and committee planning
- Participate in the Executive Committee Meetings
- Participate in the Mentorship Forums when the Council resumes meeting in person.

Motion: Nomination of a committee member as the Chair-Elect.