

December 14, 2022

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY WELFARE DIRECTORS LETTER

The purpose of this letter is to notify All County Welfare Directors of a one-time \$55 million appropriation for Operating Subsidy Payments (OSPs) for the Community Care Expansion (CCE) Preservation Funds as a result of the Budget Act of 2022 (AB 178, Chapter 45, Statutes of 2022). Additionally, counties that did not accept allocations from the Notice of Funding Availability (NOFA) dated June 10, 2022, have another opportunity to accept previously offered funds or indicate their interest in program participation by submitting a Letter of Interest (LOI) no later than Wednesday, January 25, 2023.



KIM JOHNSON
DIRECTOR

CALIFORNIA HEALTH & HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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GAVIN NEWSOM
GOVERNOR

December 14, 2022

TO: ALL COUNTY WELFARE DIRECTORS

FROM: HANNA AZEMATI, DEPUTY DIRECTOR
HOUSING AND HOMELESSNESS DIVISION

SUBJECT: NOTICE OF FISCAL YEAR (FY) 2022--23 AND FY 2021--22
COMMUNITY CARE EXPANSION PRESERVATION FUNDS FOR
COUNTIES

REFERENCE: [ASSEMBLY BILL \(AB\) 178 \(CHAPTER 45, STATUTES OF 2022\)](#),
[AB 172, COMMUNITY CARE EXPANSION PRESERVATION
NOTICE OF FUNDING AVAILABILITY DATED JUNE 10, 2022.](#)

The purpose of this letter is to notify All County Welfare Directors of a **one-time \$55 million** appropriation for noncompetitive allocations of the Operating Subsidy Payments (OSPs) for the Community Care Expansion (CCE) Preservation Funds as a result of the [Budget Act of 2022](#) (AB 178, Chapter 45, Statutes of 2022). These funds are available in addition to funds previously announced in the [Notice of Funding Availability \(NOFA\) dated June 10, 2022](#).

Counties that did not accept funds in the first release through the [NOFA dated June 10, 2022](#) have another opportunity to accept previously offered funds as outlined in Section V. Counties with populations under 200,000 who are interested but not able to accept funds at this time may indicate interest in program participation by submitting a Letter of Interest (LOI). The LOI process is outlined in Section VI. **The deadline to accept funds or submit an LOI is Wednesday, January 25, 2023.**

This letter also notifies counties of two changes related to the funds announced in the [NOFA dated June 10, 2022](#), outlined further in Section II and Section III below including a change in funding source for Capital Projects (CP) funds as well as the administrative cost limits associated with CCE Preservation Funds.

The California Department of Social Services (CDSS) is contracting with Advocates for Human Potential, Inc. (AHP), to serve as the third-party administrator for the CCE program.

I. **BACKGROUND**

The CCE program was established by [AB 172 \(Chapter 696, Statutes of 2021\)](#) to fund capital projects and promote the sustainability of residential adult and senior care facilities and to address historic gaps in the long-term care continuum. The CCE program provides funding for acquisition, construction, and rehabilitation to preserve and expand adult and senior care facilities that serve people receiving or applying for Supplemental Security Income/State Supplementary Payment (SSI/SSP) and Cash Assistance Program for Immigrants (CAPI), including those who are experiencing or at risk of homelessness.

The **CCE Preservation Funds** are for the immediate preservation of licensed residential adult and senior care facilities serving applicants or recipients SSI/SSP or CAPI, including those who are experiencing or at risk of homelessness. The CCE Preservation Funds are divided into two components:

- 1) **Operating Subsidy Payments (OSP)** to fund operating subsidies to existing licensed residential adult and senior care facilities serving qualified residents. OSP funds can cover an eligible licensed facility's actual or projected operating deficits.
- 2) **Capital Projects (CP)** to preserve facilities in need of critical repairs or required upgrades, thereby potentially preventing facility closure, which could result in exits to homelessness. Funds can be applied to physical repairs and upgrades on an approved facility's property, including inside or outside the facility, within its property line. The CP funds can also fund repairs needed to ensure facilities are compliant with licensing standards.

The [NOFA dated June 10, 2022](#), announced a total of \$197.5 million in noncompetitive allocations for all counties with eligible licensed residential adult and senior care facilities. This funding was appropriated through the Budget Act of 2021. Counties were required to accept or decline all or a portion of the OSP and/or CP allocation(s) via Director's Certification by July 29, 2022. Through this process, thirty-five out of forty-seven eligible counties accepted over \$187 million in noncompetitive allocations. Program requirements and guidance for the CCE Preservation Funds are outlined in the [NOFA dated June 10, 2022](#).

II. **FY 2022-23 FUNDING AVAILABILITY**

The Budget Act of 2022 appropriated an additional, one-time \$55 million to fund OSPs. CDSS will reserve up to five percent of the funds for state operations and

administration. The remaining \$52,250,000 will be available to counties via a needs-based allocation methodology, as reflected in Section IV.

A summary of total CCE Preservation funding amounts provided to counties in FY 2021--22 and FY 2022--23 is outlined in the table below. The FY 2022--23 OSP funds have the same expenditure deadlines as the FY 2021--22 OSP funds.

Additionally, the funding source for CP funds has changed from State and Local Fiscal Recovery Funds (SFRF) to the state General Fund.

Purpose	Match	Funding Source and Expenditure Timeline	Allocated Amount
OSP – FY 2022--23	None	State general funds must be obligated by June 30, 2027, and liquidated by June 30, 2029	\$52,250,000
OSP – FY 2021--22	None	State general funds must be obligated by June 30, 2027, and liquidated by June 30, 2029	\$54,747,179
CP – FY 2021--22	10% match	State general funds must be obligated by June 30, 2024, and liquidated by December 31, 2026	\$142,488,003
		Total CCE Preservation Funds	\$249,485,182

III. CHANGE TO ADMINISTRATIVE COST LIMIT

Previously, the [NOFA dated June 10, 2022](#), required that counties minimize administrative costs, not to exceed 10 percent. Based on the nature of the CCE Preservation Program and the significant level of coordination, planning and oversight required to implement the program, **CDSS has increased the threshold of funding that may be used for administrative activities from 10 percent to 15 percent.**

Counties should continue to minimize administrative costs, not to exceed the 15 percent limit. This threshold applies to all CCE Preservation Funds, including any CCE Preservation Funds previously accepted via the [NOFA dated June 10, 2022](#).

IV. UPDATED COUNTY ALLOCATIONS AND METHODOLOGY

Funding is available via a noncompetitive allocation for counties with qualifying facilities (i.e., licensed facilities that are not funded by regional centers and that are currently serving individuals who are applicants or recipients of SSI/SSP or CAPI). The FY 2022--23 OSP Funds were distributed proportionate to each county's share of statewide need. Statewide need is defined as the total number of beds in qualifying facilities occupied by an applicant or recipient of SSI/SSP, according to CDSS' Community Care Licensing Division (CCLD) survey data. Allocations are not available via the FY 2022--23 non-competitive allocation for counties with no qualifying facilities.

Allocation amounts are listed in Attachment One.

V. PROCESS TO ACCEPT FUNDS

Counties wishing to accept the noncompetitive allocations in Attachment One, Tables 1 and/or 2 shall submit a signed and completed Director's Certification (Attachment Two) to housing@dss.ca.gov. The Director's Certification is required for the county to accept the remaining FY 2021--22 funds and/or the additional FY 2022--23 funds, regardless of whether the county is newly participating or has previously accepted CCE Preservation Funds. The CDSS will only accept Director's Certifications from the designated county department that accepted the funds announced in the [NOFA dated June 10, 2022](#).

Counties must accept or decline funds via the Director's Certification by Wednesday, January 25, 2023.

Additional information for counties accepting funds for the first time

Any county that did not already accept funds announced in the [NOFA dated June 10, 2022](#), may accept funds in response to this funding announcement. Counties must review the [NOFA dated June 10, 2022](#), for further information on program requirements and guidance.

Counties accepting funds for the first time may choose to accept funds for either OSP, CP, or both. If both are accepted, a county must designate one county department to implement both program components. Any county department is eligible to accept the funds. Examples include, but are not limited to, social service departments, health departments, aging or adult services, behavioral health departments, or housing and community development departments. Counties are encouraged to contact housing@dss.ca.gov with any questions related to the funds acceptance process.

VI. LETTER OF INTEREST

The CDSS recognizes that many counties with populations under 200,000 did not accept the allocations published in the [NOFA dated June 10, 2022](#). Recognizing the need to preserve licensed adult and senior care facilities across the entire state, CDSS is accepting Letters of Interest (LOI) from counties with populations less than 200,000 who are interested in accepting CCE Preservation Funds but require additional supports to do so, and are therefore not able to accept funds at this time.

If a county with **a population of less than 200,000** is interested in implementing a CCE Preservation program, but not currently able to accept CCE Preservation Funds, please provide an LOI addressing the following elements:

- I. Summary of county's interest and need for CCE Preservation Funds
- II. Barriers preventing the county from implementing CCE Preservation Funds
- III. Resources or supports that CDSS or AHP could provide to overcome these barriers

Please submit LOIs (no more than one LOI per county) **by Wednesday, January 25, 2023**, to housing@dss.ca.gov.

The CDSS will review LOIs to understand where additional technical assistance or support is needed. The CDSS may request additional information to better understand the barriers identified within LOIs. Funding is not guaranteed through submission of an LOI. Furthermore, an LOI is not required before submitting a Director's Certification.

Counties are encouraged to contact housing@dss.ca.gov with any questions regarding the LOI process.

VII. UPDATED AWARD TIMELINE

The CDSS will issue award letters on a rolling basis within 45 business days of receiving a completed Director's Certification.

The AHP will issue or amend a Standard Agreement (contract), as applicable following the release of award letters. The Standard Agreement must be signed, submitted, and fully executed with AHP before these additional OSP funds will be disbursed.

The [NOFA dated June 10, 2022](#), requires that participating counties submit an Implementation Plan by January 15, 2023. If a continuing county has already submitted an Implementation Plan by the time additional funds are accepted, counties may amend their plan, if needed. The CDSS does not anticipate significant changes in county implementation plans based on this FY 2022--23 augmented funding. Further instructions related to amended or revised Implementation Plans, as well as

Implementation Plan timeline for newly participating counties, will be provided under separate cover, as applicable.

VII. TECHNICAL ASSISTANCE AND ADDITIONAL INFORMATION

The CDSS and AHP are committed to providing support to counties interested in implementing CCE Preservation Funds. The AHP will be providing informational webinars, templates and sample documents, and direct technical assistance support throughout implementation. Counties are encouraged to contact housing@dss.ca.gov with any questions, concerns, or technical assistance requests regarding implementation of the CCE Preservation Program.

Refer to the [NOFA dated June 10, 2022](#), for more information on the purpose, eligibility requirements, program operating requirements, and responsibilities for county implementation of the CCE Preservation Funds.

Refer to the [CCE Preservation website](#) to review additional resources, including FAQs and a recording of an informational webinar held June 17, 2022.

Contact housing@dss.ca.gov with questions about this letter or attachments.

ATTACHMENT ONE: ALLOCATION TABLES

Counties wishing to accept the noncompetitive allocations in Tables 1 and/or 2 shall submit a signed and completed Director’s Certification (Attachment One of this ACWDL) to housing@dss.ca.gov by **Wednesday, January 25, 2023**.

Table One: Operating Subsidy Payment Noncompetitive Allocations

County	A. FY 21--22 OSP Funds Remaining	B. Additional FY 22--23 OSP Funds	C. Total FY 21--22 and FY 22--23 OSP Funds Available to Accept (A+B)	<i>D. For Reference: Total OSP Funds Made Available through FY 21--22 and FY 22--23 (includes new and previously accepted funds)</i>
Alameda	Accepted	\$1,535,773	\$1,535,773	\$3,055,380
Alpine	-	-	-	-
Amador	\$200,000	\$26,221	\$226,221	\$226,221
Butte*	-	-	-	-
Calaveras	\$200,000	\$18,729	\$218,729	\$218,729
Colusa	-	-	-	-
Contra Costa	Accepted	\$1,202,398	\$1,202,398	\$2,392,139
Del Norte	-	-	-	-
El Dorado	\$200,000	\$22,475	\$222,475	\$222,475
Fresno	Accepted	\$1,112,499	\$1,112,499	\$2,213,288
Glenn	Accepted	\$14,983	\$14,983	\$214,983
Humboldt	Accepted	\$41,204	\$41,204	\$241,204
Imperial	\$200,000	\$153,577	\$353,577	\$353,577
Inyo	-	-	-	-
Kern	Accepted	\$839,057	\$839,057	\$1,669,281
Kings	\$200,000	\$52,441	\$252,441	\$252,441
Lake	\$200,000	\$22,475	\$222,475	\$222,475
Lassen	\$200,000	\$7,492	\$207,492	\$207,492
Los Angeles	Accepted	\$19,863,912	\$19,863,912	\$39,518,733
Madera	Accepted	\$89,899	\$89,899	\$289,899
Marin	Accepted	\$221,002	\$221,002	\$439,677
Mariposa	-	-	-	-

Mendocino	\$200,000	\$59,933	\$259,933	\$259,933
Merced	Accepted	\$86,153	\$86,153	\$286,153
Modoc	-	-	-	-
Mono	-	-	-	-
Monterey	Accepted	\$651,767	\$651,767	\$1,296,673
Napa	\$200,000	\$14,983	\$214,983	\$214,983
Nevada	Accepted	\$14,983	\$14,983	\$214,983
Orange	Accepted	\$4,685,981	\$4,685,981	\$9,322,636
Placer	Accepted	\$198,527	\$198,527	\$398,527
Plumas	-	-	-	-
Riverside	Accepted	\$1,797,978	\$1,797,978	\$3,577,030
Sacramento	Accepted	\$2,442,254	\$2,442,254	\$4,858,800
San Benito*	-	-	-	-
San Bernardino	Accepted	\$2,816,833	\$2,816,833	\$5,604,015
San Diego	Accepted	\$3,382,447	\$3,382,447	\$6,729,289
San Francisco	Accepted	\$1,513,298	\$1,513,298	\$3,010,667
San Joaquin	Accepted	\$1,352,230	\$1,352,230	\$2,690,226
San Luis Obispo	Accepted	\$138,594	\$138,594	\$338,594
San Mateo	Accepted	\$827,819	\$827,819	\$1,646,924
Santa Barbara	\$263,151	\$265,951	\$529,102	\$529,102
Santa Clara	Accepted	\$1,636,909	\$1,636,909	\$3,256,588
Santa Cruz	Accepted	\$483,207	\$483,207	\$961,327
Shasta	\$200,000	\$138,594	\$338,594	\$338,594
Sierra	-	-	-	-
Siskiyou	Accepted	\$48,695	\$48,695	\$248,695
Solano	Accepted	\$580,597	\$580,597	\$1,155,083
Sonoma	Accepted	\$344,613	\$344,613	\$685,598
Stanislaus	Accepted	\$1,532,027	\$1,532,027	\$3,047,928
Sutter	Accepted	\$550,631	\$550,631	\$1,095,466
Tehama	\$218,675	\$221,002	\$439,677	\$439,677
Trinity	Accepted	\$22,475	\$22,475	\$222,475
Tulare	\$448,469	\$453,240	\$901,709	\$901,709
Tuolumne	\$200,000	\$26,221	\$226,221	\$226,221
Ventura	Accepted	\$569,360	\$569,360	\$1,132,727
Yolo	Accepted	\$104,882	\$104,882	\$304,882
Yuba	Accepted	\$63,678	\$63,678	\$263,678
Total	\$3,130,295	\$52,250,000	\$55,380,295	\$106,997,179

*Counties marked with an asterisk have licensed facilities in which regional centers are not the vendor, but the allocation methodology used did not identify any such licensed facilities that serve any recipients or applicants of SSI/SSP or CAPI. If the county is

aware of eligible adult and senior care facilities not funded by regional centers that are currently serving recipients or applicants of SSI/SSP or CAPI, a base allocation of \$200,000 may be requested by contacting housing@dss.ca.gov **by the deadline of Wednesday, January 25, 2023.**

Table One Column Descriptions

- Column A indicates whether a county has already accepted the FY 2021--22 OSP funds previously made available, or whether there are remaining funds available for acceptance from FY 2021--22.
- Column B provides the new, additional FY 2022--23 OSP allocation amount available for acceptance.
- Column C totals the available funds in Column A and B – **this is the total amount available for the county to accept at this time through the Director’s Certification.**
- Column D is the total amount that has been made available to the county, including funds already accepted and funds currently available to accept. For example, if all OSP funds are accepted from FY 2021--22 and FY 2022--23, the amount in Column D will be the total amount that the county has available in OSP funds.

Table Two: Capital Preservation (CP) Funds Noncompetitive Allocations

Counties that did not initially accept any FY 2021--22 CP funds may accept the FY 2021--22 CP noncompetitive allocation amounts **before Wednesday, January 25, 2023.** The allocation amounts below are the same as those published in the [NOFA dated June 10, 2022](#). Counties that have already accepted the allocations are indicated as such. No additional CP funds were appropriated in FY 2022—23.

County	Remaining FY 2021--22 CP Funds
Alameda	Accepted
Alpine	-
Amador	\$200,000
Butte*	-
Calaveras	\$200,000
Colusa	-
Contra Costa	Accepted
Del Norte	-
El Dorado	\$200,000
Fresno	Accepted
Glenn	Accepted
Humboldt	Accepted
Imperial	\$413,612
Inyo	Accepted
Kern	Accepted
Kings	\$200,000
Lake	\$200,000
Lassen	\$200,000
Los Angeles	Accepted
Madera	Accepted
Marin	Accepted
Mariposa	-
Mendocino	\$200,000
Merced	\$232,026
Modoc	-
Mono	-
Monterey	Accepted
Napa	\$200,000
Nevada	Accepted
Orange	Accepted
Placer	Accepted
Plumas	-
Riverside	Accepted
Sacramento	Accepted
San Benito*	-
San Bernardino	Accepted
San Diego	Accepted
San Francisco	Accepted

San Joaquin	Accepted
San Luis Obispo	Accepted
San Mateo	Accepted
Santa Barbara	Accepted
Santa Clara	Accepted
Santa Cruz	Accepted
Shasta	\$373,259
Sierra	-
Siskiyou	Accepted
Solano	Accepted
Sonoma	\$928,104
Stanislaus	Accepted
Sutter	Accepted
Tehama	\$595,197
Trinity	Accepted
Tulare	\$1,220,659
Tuolumne	\$200,000
Ventura	Accepted
Yolo	Accepted
Yuba	Accepted
Total	\$5,562,857

*Counties marked with an asterisk have licensed facilities in which regional centers are not the vendor, but the allocation methodology used did not identify any such licensed facilities that serve any recipients or applicants of SSI/SSP or CAPI. If the county is aware of eligible adult and senior care facilities not funded by regional centers that are currently serving recipients or applicants of SSI/SSP or CAPI, a base allocation of \$200,000 may be requested by contacting housing@dss.ca.gov by the deadline of **Wednesday, January 25, 2023**.

ATTACHMENT TWO: FY 22--23 CCE PRESERVATION DIRECTOR'S CERTIFICATION

Counties must submit a completed, signed Director's Certification to housing@dss.ca.gov by **Wednesday, January 25, 2023**, to accept funds. Director's Certifications must be submitted by both counties accepting CCE Preservation Funds for the first time, as well as counties that have not previously accepted funds for the program – however, please note that not all sections are applicable to counties that previously accepted funds.

Section I: Contact Information

All counties:

1. County: _____
2. Point of contact for this Director's Certification (Note: CDSS and AHP may contact this person if there are questions about the certification):
 - A. Name: _____
 - B. Title: _____
 - C. Email: _____
3. Please indicate which county agency or department is accepting funds on behalf of the county:
 - A. County Department or Agency Name: _____

Section II: Accept OSP Funds

Counties accepting any OSP funds must fill out this Section, regardless of whether they have previously accepted CCE Preservation Funds.

4. The county hereby:
 - Accepts the full allocation of OSP funds (Attachment One, Table One, Column C)
 - Accepts a partial allocation of OSP funds (Attachment One, Table One, Column C)
 - Declines entire allocation of OSP funds available (Attachment One, Table One, Column D)Confirm amount of OSP funds accepted (do not include previously accepted funds): \$ _____
5. Confirm total amount of OSP funds accepted by the county to date, including any OSP funds previously accepted and the amount accepted in Question 4:
\$ _____

- Please check this box if the county is interested in accepting additional OSP funds, if available

Section III: Accept CP Funds

If a county has already accepted the full amount of CP funds currently available to their county, **do not complete this section.** Although no additional funds have been made available for CP funds in FY 2022--23, counties that did not previously accept FY 2021--22 CP funds may fill out the below to do so.

6. The county hereby:
- Accepts the full amount of CP funds in Attachment One, Table Two
 - Accepts a partial amount of CP funds in Attachment One, Table Two
 - Declines entire allocation of CP funds available in Attachment One, Table Two
7. Confirm amount of CP funds accepted (do not include previously accepted funds): \$ _____
- Check this box if the county is interested in accepting additional CP funds, if available.
- Check this box to confirm the county will provide the 10 percent match for any CP funds accepted. Match may be provided by the county or contributed by facilities awarded CP funds. However, counties are responsible for ensuring that the 10 percent match is met.

Section IV: Director Certification Agreement

By submitting this certification to accept funds, the Director of the county department administering the program certifies that the implementation of CCE Preservation Funds will be consistent with relevant laws, regulations, program guidance, and evidence-based practices, including those outlined in this ACWDL as well as the [NOFA dated June 10, 2022](#).

County Director Signature

County Director Name

Date