



July 5, 2023

The Honorable Scott Wiener
Chair, Senate Committee on Housing
1021 O Street, Room 8620
Sacramento, CA 95814

**RE: Assembly Bill 531 (Irwin): The Behavioral Health Infrastructure Bond Act of 2023
As Amended on June 19, 2023 – SUPPORT IN CONCEPT
Set for Hearing in Senate Housing – July 10, 2023**

Dear Senator Wiener:

On behalf of the California State Association of Counties (CSAC), Urban Counties of California (UCC) and the Rural County Representatives of California (RCRC), we write to share our “Support in Concept” position on AB 531, which would place before the voters a \$4.7 billion bond to finance the acquisition and construction of voluntary, unlocked residential treatment facilities and other types of housing for Californians experiencing behavioral health issues, including veterans and others experiencing or at risk of homelessness. The bonds included in AB 531 would only be authorized upon voter approval of the bond act. AB 531 is linked to Senate Bill 326 (Eggman), which was also recently amended to modernize the public behavioral health system, including revising the Mental Health Services Act (Proposition 63 of 2004). SB 326 includes policy provisions governing the use of bond funds and the processes for permitting bond-funded capital facilities.

Counties are broadly supportive of increasing funding for behavioral health infrastructure and related housing for residents with behavioral health conditions. We note, however, that as currently drafted, AB 531 does not include requirements for geographic equity in distribution of the funding—especially to areas of the state that have disproportionately fewer beds across the continuum. Recent behavioral health infrastructure budget investments and the AB 531 bond are all focused on unlocked, subacute and community residential levels of care. However, California still needs investment in acute beds for individuals with the highest needs and who may be in crisis. Finally, we support provisions in AB 531 and SB 326 to streamline the siting, permitting, and environmental review of facilities funded by the bond measure, but believe this language must be strengthened and clarified to achieve its goal.

Geographic Equity

AB 531 does not include requirements that the Department of Housing and Community Development (HCD) or the Department of Health Care Services (DHCS) distribute bond funding in a way that promotes geographic equity, including compensating for a relative lack of behavioral health infrastructure in certain regions of the state. SB 326 includes Chapter 3, the Behavioral Health Modernization Act, with Article 1 related to Veterans Behavioral Health and Housing, and Article 3 related to the Behavioral

Health Infrastructure Act grant program. While Article 1 directs HCD to consider, *where possible*, “geographic need across the state,” there is no such requirement in Article 3 for DHCS.

Counties would like to see AB 531 amended to affirmatively require geographic equity in funding distribution, including population-based regional or county-level shares, set-asides and funding floors for small and rural counties, and supplemental funding beyond population-based shares for regions of the state that face shortages of psychiatric beds at all three major levels of adult inpatient and residential care. As noted in a recent report from the RAND Corporation, there are significant regional differences in the estimated shortfall of beds across the acute, subacute, and community residential services levels of care.¹

Facilities for Acute Care

Counties recognize that expanding voluntary housing placements is integral to meeting the needs of many Californians experiencing behavioral health issues, including people experiencing homelessness. Given the State’s recent direction to counties to prioritize clients with the most acute behavioral health needs, counties request consideration of funding to also be made available for appropriate treatment facilities.

California lacks beds to meet behavioral health demand at all three main levels of care — *acute* (highly structured, around-the-clock medically monitored inpatient care that aims to stabilize patients who can’t care for themselves or risk harming themselves or others); *subacute* (inpatient care with slightly less intensive monitoring); and *community residential* (staffed non-hospital facilities that aim to help patients with lower-acuity or longer-term needs achieve interpersonal and independent living skills). The RAND Corporation study estimated that excluding state hospital beds, California is short about 2,000 acute beds and 3,000 beds each at the subacute and community residential levels. Recent behavioral health infrastructure investments and the AB 531 bond are all focused on unlocked, subacute and community residential levels of care. However, California still needs investment in acute beds for individuals with the highest needs and who may be in crisis.

Clarifying Streamlined Approval Process

Counties support AB 531’s fundamental goal of providing for an expeditious permitting process for projects receiving bond funding. However, the bill’s cross-references to the Affordable Housing and High Road Jobs Act of 2022 (Ch. 647, Stats. 2022) are unclear regarding the extent to which the substantive requirements of that law apply to these bond-funded projects, which may lead to implementation difficulties, disputes, and delays. Moreover, the interaction between these provisions and the streamlining provisions proposed for these same projects under Senate Bill 326 are likewise unclear, with the same potential negative results. Counties suggest aligning and clarifying the streamlining and CEQA provisions of both bills to ensure that they are efficiently workable for counties and other funding recipients.

For these reasons, CSAC, UCC and RCRC support AB 531 in concept. We hope to work with the author, the Administration, and the author of the related SB 326 to ensure that this much-needed bond funding targeted to address behavioral health and housing needs is distributed in an equitable and expeditious manner across California. Should you or your staff have additional questions about our position, please do not hesitate to contact our organizations.

¹ Adult Psychiatric Bed Capacity, Need, and Shortage Estimates in California—2021.
https://www.rand.org/pubs/research_reports/RRA1824-1-v2.html

Sincerely,



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