

Date: September 22, 2025

To: Thomas B. Modica, City Manager



From: Teresa Chandler, Deputy City Manager



For: Mayor and Members of the City Council

Subject: **Overview of Proposition 1 Behavioral Health Continuum Infrastructure Program (BHCIP)—Round 2 Opportunity and Proposed Projects**

This memorandum provides an overview of the City’s proposed applications for Proposition 1 Behavioral Health Continuum Infrastructure Program (BHCIP) Round 2: Unmet Needs funding. The City intends to resubmit two priority projects originally proposed in Round 1—an Office-Based Opioid Treatment (OBOT) facility at the Multi-Service Center and a Social Rehabilitation Facility (SRF) at the 702 Shelter—with adjustments based on received feedback. Together, these initiatives are designed to address critical gaps in Long Beach’s behavioral health system by expanding access to treatment, recovery, and supportive housing resources for the City’s most vulnerable populations.

Background

In March 2024, California voters approved Proposition 1, a two-bill package consisting of Senate Bill 326 (Behavioral Health Services Act, BHSA) and Assembly Bill 531 (Behavioral Health Infrastructure Bond Act of 2024, BHIBA). The BHIBA portion authorized \$6.38 billion in general obligation bonds to address critical gaps in the state’s behavioral health infrastructure. The Department of Health Care Services (DHCS) administers the Behavioral Health Continuum Infrastructure Program (BHCIP), which invests in expanding treatment facilities for mental health and substance use disorders across California.

BHCIP was structured into multiple competitive funding rounds. Round 1, released in July 2024, focused on shovel-ready projects with immediate construction timelines. Although the City of Long Beach submitted applications in Round 1, no local projects were awarded funding. On May 30, 2025, DHCS released the Request for Applications (RFA) for BHCIP Round 2, also known as the “Unmet Needs” round, with approximately \$800 million available statewide. This round prioritizes projects that address longstanding gaps in the behavioral health continuum and that expand treatment options for individuals experiencing serious mental health and substance use conditions, particularly those who are homeless, at risk of homelessness, or justice-involved. The deadline for applications is October 28, 2025.

Need for Behavioral and Mental Health Infrastructure in Long Beach

Long Beach continues to face critical challenges in meeting the behavioral health needs of its most vulnerable residents, particularly individuals experiencing homelessness and those with co-occurring mental health and substance use disorders. The Long Beach Department of Health and Human Services’ report, [Developing a Robust Mental Health System in Long Beach](#),

underscores the urgent need for expanded behavioral health infrastructure and highlights persistent gaps that prevent individuals from accessing timely and effective care.

- **High Demand for Mental Health and Substance Use Treatment:** Long Beach has seen a sharp rise in the need for integrated mental health and substance use treatment. According to the 2025 Point-in-Time Homeless Count, nearly 35 percent of people experiencing homelessness reported a severe mental health condition, with the highest concentrations of need located in ZIP Code 90813. The limited capacity of existing facilities, combined with long wait times, high costs, and the complexity of navigating fragmented systems, has left many residents without adequate access to care. These conditions highlight the pressing need for new, accessible treatment options that can meet the rising demand.
- **Insufficient Crisis Stabilization and Step-Down Care:** Long Beach lacks adequate crisis stabilization and step-down care resources, particularly a licensed Social Rehabilitation Facility (SRF). An SRF provides 24-hour non-medical residential care in a supportive, home-like environment for adults with significant behavioral health needs who are unable to live independently but do not require inpatient hospitalization. Without such a facility in Long Beach, many individuals are discharged from psychiatric or hospital settings into unstable environments, increasing the likelihood of relapse, readmission, or worsening of their conditions. Local data indicates that nearly one-third of mental health facilities in the City maintain waitlists due to limited capacity, reflecting a broader statewide shortage documented by the California Department of Health Care Services. Establishing a local SRF would fill a critical gap in the continuum of care, offering structured support, therapeutic programming, and recovery-focused services to promote stability and long-term recovery.¹
- **Limited Infrastructure for Medication-Assisted Treatment (MAT):** Opioid use disorder remains a growing public health concern in Long Beach. Between 2018 and 2022, the City recorded 294 opioid overdose deaths, nearly 80 percent of which were attributed to fentanyl.² While medication-assisted treatment (MAT) is an evidence-based approach proven to reduce overdoses, support recovery, and improve long-term outcomes, access to MAT services remains severely limited. Individuals experiencing homelessness face particular barriers to consistent treatment, including lack of permanent access points, transportation challenges, and a shortage of local providers equipped to deliver these services. Expanding MAT capacity within Long Beach is therefore essential to addressing the opioid crisis and ensuring equitable access to effective treatment.

To address these challenges, the City is pursuing Proposition 1 BHCIP Round 2 funding to develop facilities that directly expand service capacity in these critical areas. By resubmitting its proposals for an Office-Based Opioid Treatment program at the Multi-Service Center and a

¹ California Department of Health Care Services (DHCS). Assessing the Continuum of Care for Behavioral Health Services in California. January 10, 2022.

² City of Long Beach. (2024, July 30). TFF on [Proposed Legislation Related to Retail Theft, Drug Use, and Smash-and-Grab Crimes](#).

Social Rehabilitation Facility at the 702 Shelter, the City aims to close longstanding gaps in the behavioral health continuum. These projects are designed to improve behavioral health outcomes, reduce unnecessary hospitalization, and provide targeted support for individuals who are experiencing or at risk of homelessness, thereby advancing the City's strategic priorities and commitment to building a robust and sustainable system of care.

Proposed Projects for Proposition 1 Bond BHCIP Funding

To address critical gaps in the behavioral health continuum, the City of Long Beach is resubmitting two priority projects under Proposition 1 BHCIP Round 2: an Office-Based Opioid Treatment (OBOT) facility at the Multi-Service Center (MSC) and a Social Rehabilitation Facility (SRF) at the 702 Shelter. Both projects are designed to expand treatment capacity, strengthen integration with existing homeless services, and ensure access to appropriate levels of care for vulnerable populations, particularly individuals experiencing homelessness.

1. Office-Based Opioid Treatment (OBOT) Program at the Multi-Service Center (MSC)

The first project proposes the development of an OBOT facility at the MSC, which serves as the City's central hub for homelessness services. While the MSC currently provides case management, housing navigation, benefits enrollment, and harm reduction, it lacks permanent infrastructure dedicated to office-based medication-assisted treatment (MAT). Temporary mobile and pop-up providers have delivered limited MAT services at the MSC, but the absence of a consistent, dedicated space has left a significant service gap. The proposed project would construct an approximately 2,400-square-foot ancillary building on the MSC campus to provide drop-in MAT services using FDA-approved medications such as buprenorphine and naltrexone, integrated with counseling, harm reduction, and case management. Service provision would be subcontracted to a licensed MAT provider with an existing contract through Los Angeles County's Substance Abuse Prevention and Control (SAPC) system, ensuring continuity with county-funded treatment services and adherence to state program requirements. The City will provide the selected provider with a low or no-cost lease to reduce overhead costs, maximize resources for direct care, and promote program sustainability. Locating the OBOT facility at the MSC will reduce barriers for clients already engaged with the Coordinated Entry System and homeless services network, while aligning with best practices in MAT delivery.³

2. Social Rehabilitation Facility (SRF) at the 702 Shelter

The second project involves the creation of a licensed SRF at the 702 W. Anaheim Shelter. This property, which currently operates as an 85-bed emergency shelter, contains underutilized structures that will be repurposed or replaced to create a 16-bed facility providing 24-hour non-medical residential care in a home-like environment. The SRF will serve adults with serious mental health needs who cannot live independently but do not require inpatient hospitalization. In accordance with California Welfare and Institutions Code

³ California Department of Health Care Services (DHCS). (2022). "California's MAT Expansion Project: Increasing Access to Opioid Use Disorder Treatment in the State."

Sections [5670](#), [5670.5](#), and [5671](#), the facility will be licensed by the California Department of Social Services as a Social Rehabilitation Facility, with program components certified by the California Department of Health Care Services. The intended operator will be a qualified service provider holding an existing contract with Los Angeles County Department of Mental Health (DMH), and the facility is envisioned as an extension of DMH’s Enriched Residential Care program. This model emphasizes individualized recovery plans, psychiatric care coordination, medication management, and structured rehabilitative programming to help residents stabilize and progress toward greater independence. By aligning with the Enriched Residential Care program, the SRF will integrate seamlessly into the county’s behavioral health continuum, providing a critical step-down option that bridges acute psychiatric treatment and permanent housing, while reducing avoidable hospitalizations and promoting long-term stability.

Both projects are directly aligned with the goals of BHCIP Round 2, which prioritizes funding for facilities that address unmet needs in the behavioral health system and expand services for individuals who are homeless or at risk of homelessness. By pursuing partnerships with providers that already contract with Los Angeles County DMH and SAPC, the City will ensure clinical alignment, programmatic sustainability, and efficient integration into the regional behavioral health system. Together, the OBOT facility at the MSC and the SRF at the 702 Shelter will expand local treatment capacity, improve access to essential services, and strengthen Long Beach’s continuum of care for individuals most in need.

Next Steps

The City has taken key steps to prepare competitive applications for Proposition 1 BHCIP Round 2 funding. Earlier this year, staff completed a Pre-Application Consultation with the California Department of Health Care Services’ technical assistance provider to review the OBOT and SRF proposals, confirm alignment with Round 2 priorities, and incorporate feedback on licensing, service integration, and sustainability through Los Angeles County partnerships.

Extensive community engagement activities were also conducted during the Round 1 process to ensure that stakeholders and residents had opportunities to provide input. These activities included: a community-wide service provider meeting with the Long Beach Mental Health Advisory Group on September 4, 2024; Council office briefings with Districts 1 and 7 on October 31, 2024; a presentation and discussion with the Homeless Services Advisory Committee on November 6, 2024; a meeting with Los Angeles County Department of Mental Health leadership on November 15, 2024; a presentation to the Long Beach Continuum of Care Board on November 19, 2024; and community meetings with the Westside Business Association and Willmore City Heritage Association on November 20, 2024. The City also hosted a virtual citywide community forum on December 2, 2024, and presented the projects to the City Council on December 10, 2024, when the authorizing resolution for Round 1 was adopted. Because the City is resubmitting the same projects with only minor adjustments, these engagement activities remain sufficient to meet BHCIP requirements for Round 2.

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The City Council is scheduled to consider a resolution on October 14, 2025, authorizing the City Manager to apply for, accept, and expend funds under BHCIP Round 2 in advance of the October 28, 2025, application deadline.

If awarded, the City will proceed with design, permitting, and construction of the OBOT and SRF facilities. Operations will be contracted to providers already partnered with Los Angeles County—through DMH for the SRF under the Enriched Residential Care program and through SAPC for the OBOT facility—ensuring integration into county systems of care, sustainable funding, and compliance with state standards.

Through these steps, the City aims to secure state funding to expand behavioral health infrastructure, close critical service gaps, and deliver sustainable treatment and recovery resources for Long Beach’s most vulnerable residents.

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