



# **Behavioral Health Facilities (BHF) Program Notice of Funding Opportunity (NOFO)**

**Funding Category: Closure Prevention**

**Version 1.30.2024**

**Local Government Division  
Community Capital Facilities**

**[Behavioral Health  
Facilities Program](#)**

## DOCUMENT REVISION HISTORY

This is a historical record of revisions made to these Program Guidelines.

Original Version of Document	Date of Revision	Revision
Original	2/8/2024	NA
Updated	2/12/2024	Application Links have been updated.
Updated	2/20/2024	Timeline: Review of applications.

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## BHF PROGRAM BEST PRACTICES FOR A FUNDING PROCESS

The Behavioral Health Facilities (BHF) Program adopts these elements as best practices for our funding processes.

- Public notice will be provided for all funding solicitations using Commerce’s public website.
- Notification will be provided through the GovDelivery system to interested parties that have signed up for communications through our webpage.
- All reviewers will sign conflict and confidentiality statement prior to evaluating submissions.
- A recorded information session will be held shortly after program launch. The recording will be posted to the BHF website.
- The [BHFInquiry@commerce.wa.gov](mailto:BHFInquiry@commerce.wa.gov) email will be used to ensure programmatic and technical assistance questions are responded to in a timely manner.
- A clear and transparent debrief process will be provided at the request of an applicant.

## FUNDING ROUND TIMELINE

Notice of Funding Opportunity Posted to Web	February 9, 2024
Application Open in Smartsheet	February 12, 2024
Live Technical Assistance Period by COM Staff	February 12, 2024 - Until all funding in the funding category has been awarded
Informational Sessions w/COM, HCA, and DOH	Between February 2024 and March 2024
Complete Application Submission Due	First-come, first-served basis
Commerce & Subject Matter Expert Application Review	Review Team will meet on a weekly basis to review applications, in order of when the applications are received and dependent on quantity received every week.
Notification of Award	On a rolling basis
Application Debrief Period	Available for a two-week period after all funding has been awarded in the funding category
Contract Negotiation, Drafting, and Execution	After the debrief period has concluded

Commerce reserves the right to conduct interviews with applicants that have completed applications in order to clarify information provided in applications prior to making award decisions. High level administrative information may also be shared with the Behavioral Health Advisory Group, as defined in the authorizing proviso.

Revisions to the timeline, updates to the application process, and updates to the Program Guidelines and award announcements will be published to the [Community Capital Facilities – Behavioral Health Facilities](#) webpage.

## FUNDING AVAILABILITY

The 2023-25 legislature’s [capital budget](#) appropriated \$77,943,000 for the Behavioral Health Facilities (BHF) Program. For the Closure Prevention funding category there is \$7.5 million available in non-competitive grant funding. The Department of Commerce (Commerce) is soliciting applications from eligible organizations to implement behavioral health facility capital projects.

<b>2023-25 Washington State Capital Budget Behavioral Health Facilities Funding through Commerce</b>	
Regional Needs	\$28,443,000
Intensive Behavioral Health Treatment Facilities (IBHTF)	\$24,000,000
Children and Minor Youth	\$18,000,000
Closure Prevention – Non-competitive	\$7,500,000

If you would like to know more about the three competitive funding categories (Regional Needs, IBHTF, Children and Minor Youth), please visit the [Community Capital Facilities – Behavioral Health Facilities](#) webpage.

## GENERAL CONDITIONS OF FUNDING

### Closure Prevention – Non-competitive - \$7,500,000

1. The BHF program, operated by Commerce, receives funding from the Legislature and may provide grants as defined in the capital budget.
2. Funding is available to nonprofits, for-profit businesses, public entities, and Tribes that are also community hospitals or other community based behavioral health providers.
3. Funding must be used to maintain existing behavioral health service capacity in communities. Behavioral health services are defined in [71.24 RCW](#) and [71.36 RCW](#).
4. Funding may be used for construction and capitalized equipment costs associated with maintaining the behavioral health services at the facility. Acquisition may be allowable as long as the facility has not already been purchased with state funds. If Commerce funds will be used solely for acquisition, only 75 percent of total acquisition costs will be eligible grant expenses.
5. Applicants must show collaboration with one or more regional behavioral health entities – Managed Care Organizations (MCOs) and Behavioral Health Administrative Service Organizations (BH-ASOs) – that administer the purchasing of services.

6. Applicants must show and maintain licensure and certification for the proposed behavioral health facility and services provided at the facility through all applicable licensing bodies, including the Washington State Department of Health and the Department of Social and Health Services.
7. Applicants must be serving persons who are publicly funded.
8. Applicants must commit to maintain and operate the facility and provide behavioral health services for the commitment period of ten (10) years after the project is complete. The ten year commitment period and community benefit of the facility is guaranteed through a Deed of Trust or Leasehold Deed of Trust that must be executed prior to Commerce reimbursing any incurred project costs.
9. Project readiness is an important component of an application. Applications must include the date upon which renovation or new construction will begin and anticipated date of completion of the project and the facility opening or re-opening. As well, a detailed estimate of the costs associated with the capital project and a plan demonstrating the ability to maintain and operate the facility for the full commitment period will be part of the application.
10. Applicants must have an active Washington State business license through the Department of Revenue (DOR) and ensure that their registration with the Washington Secretary of State (SOS), if applicable is updated and active. A license through DOR and if applicable, registration through SOS must be maintained and in good standing throughout the commitment period of the grant.
11. Once awarded, grantees must prove all other funding sources are secured so that the behavioral health site will be completed and behavioral health services maintained.
12. Grant funds cannot be used for costs incurred before the date of award letter. This includes acquisition costs. Funding must be utilized in the manner outlined in the application.
13. Grant funds must be used for eligible costs outlined in the [Behavioral Health Facilities Program Guidelines](#). Grant funds must be expended by the end of the contract term. The contract term will be identified as a four-year period but the awardee should be aware Washington operates under a biennial (two-year) budget that ends on June 30, 2025. Each appropriation in the Capital Budget must, by law, lapse at the close of the biennium. Commerce will request one reappropriation of any unspent funds, which would allow funds to be spent until June 30, 2027. However, we cannot guarantee the Legislature will agree to extend funding, nor can we legally obligate funds from one biennium to another. Awardees are encouraged to get under contract and expend their funding in a timely manner.

14. The facility is not considered an Institution of Mental Diseases (IMD). For more information regarding IMD designation and how it relates to the BHF program, please review the [Behavioral Health Facilities Program Guidelines](#).
15. Applicants must demonstrate that without state investment the facility for which they are applying would likely close within two years.
16. Closure prevention funds can be applied to physical repairs and upgrades on an approved facility's property, including:
  - a. Repairs and upgrades inside or outside the facility, within its property line.
  - b. Capital maintenance needed to ensure facilities are compliant with current or impending licensing standards.
  - c. Capital improvements to a facility that will free up more cash on hand for operations.
16. In limited circumstances, state funds may be used to purchase a non-state funded facility in order to keep that site operational.

## WHO MAY APPLY

The purpose of the Closure Prevention funding is for keeping the beds and maintaining the behavioral health services we already have in Washington State and not for expansion. The funding is for proposals that satisfy the goal of long-term preservation of behavioral health facilities. Behavioral health services are defined in [71.24 RCW](#) and [71.36 RCW](#). The competitive funding round is open to nonprofits, for-profit businesses, public entities, and tribes. Per [SHB 1080, Section 1069](#), the BHF Program may fund nonprofits, for-profit businesses, public entities, or Tribes that are any of the following types of eligible organizations:

- Community hospital
- Community based behavioral health provider

## WHAT IS A PROJECT

A 'project' is defined as the capital work the applicant proposes in their application. **Applicants may only apply in one Funding Category per project.**

1. When a provider has or will establish a business in a commercial space, the BHF "project" may be:
  - a. Purchase of real property; or
  - b. New construction of an entire facility, a phase of a facility, a unit or wing of a facility, a floor in a building, or any sub-compartment of a commercial building where behavioral health services are provided; or
  - c. Renovation of an entire facility, a phase of a facility, a unit or wing of a facility, a floor in a building, or any sub-compartment of a commercial building where behavioral health services are provided; or

- d. Any combination of the above identified components (1a – 1c).

A “project” must result in a licensed behavioral health facility that is no longer in jeopardy of closure. All projects as defined above must by the end of the Contract Term of the capital contract be a licensed behavioral health facility with applicable certified behavioral health services.

The maximum award for any one project is based on the Funding Category as defined below.

Funding Category	Maximum Award Amount
Closure Prevention (non-competitive)	\$7,500,000

## APPLYING

The application is available through Smartsheet. When the application opens, a link to the Smartsheet application will be posted to the [Community Capital Facilities - Behavioral Health Facilities](#) webpage.

### Sharing Application Information with Other Public Entities

- Commerce may share application information, submitted through our application process, with other public entities that fund capital, operations, or services associated with Behavioral Health Facilities. If an applicant receives an award from Commerce, and we have shared that applicant’s information with another public entity, this does not guarantee nor should it be taken as an offer of funding from any other public entity. As well, if an applicant receives an award for funding from a public entity that Commerce shared application information with, this is in no way to be taken as an award from Commerce.

### Application in Smartsheet

- The Smartsheet link will be posted to our [BHF webpage](#). Applicants will not need to create an account.
- Applications in progress cannot be saved. Entries will be lost upon exit from this webpage.
  - This template is provided for applicants to use as they develop their responses to the application questions: [Closure Prevention Funds Application template](#).
  - Download the following templates prior to entering responses to the application as applicants will not be able to access these templates from the application without exiting the application and losing their progress. These forms must be attached at the end of your application.
    - [Uses of Funds Budget Narrative](#)
    - [Operating Budget](#)



- [Total Capital Costs Budget Narrative](#) (if additional sources will also fund the project)
- Applications for this funding process will be reviewed based on responses to the questions provided below and if they meet all the necessary requirements for long-term preservation of a facility and closure prevention. When answering questions, please be as thorough as possible within the 4000 character limit allowed in Smartsheet for each question.
- Assume the person reading and scoring the application does not know about your project, services, or facility type. You must answer all applicable questions pertaining to your grant request.
- All documents associated with the application must be uploaded into the Smartsheet application for the application to be considered complete. If an applicant does not upload all required documents, or if the document uploaded does not consist of the content requested, an application may be considered incomplete and not reviewed.
- Do not attach documents and reference those documents as your answer to any of the questions in the application. If you do this, your response to the questions may be considered incomplete and the application not reviewed.
- A response to all questions is required unless otherwise indicated. Answer all questions thoroughly and pay attention to the directions provided for each question because some questions are multi-step. Answers that are not responded to fully will be considered incomplete and if enough information is missing throughout the application, the application may be considered incomplete and not reviewed.

#### Submission Format

- ONLY applications and documents associated with the application submitted through Smartsheet will be accepted. Mailed hardcopy or emailed applications or documents will NOT be accepted.
- Applicants will not be able to access an incomplete application or save an application to return to later and complete before submitting. An applicant should be prepared to start, finish, and submit an application in one sitting. Once an application is submitted, an applicant will receive a notification from Smartsheet informing them that the application was submitted and will have the opportunity to request a copy of their responses.

#### Glossary

- ALTSA—Aging and Long-Term Support Administration

- BHF—Behavioral Health Facilities
- BHO—Behavioral Health Organization
- COM—Department of Commerce
- DAHP—Department of Archeology and Historic Preservation
- DOH—Department of Health
- DSHS—Department of Social and Health Services
- ESF—Enhanced Services Facility
- GOIA—Governor’s Office of Indian Affairs
- HCA—Health Care Authority
- L&I—WA State Labor and Industries
- MCO—Managed Care Organization
- MWBE—Minority & Women Business Enterprise
- RCW—Revised Code of Washington
- SDC—Specialized Dementia Care
- SUD—Substance Use Disorder
- SWMS—Secure Withdrawal Management Services
- WAC—Washington Administrative Code

**Behavioral Health Equity:** The right for anyone, anywhere to have access to quality behavioral health care that is recovery oriented & delivered in a person centered way within their community or communities directly accessible to them. Care that seeks to overcome social disparities that contribute to behavioral health challenges and is delivered in a culturally appropriate way that addresses historic trauma, stigma, and individual challenges regardless of personal behavioral health challenges and personal history.

**Challenging Behaviors:** Persistent pattern of behaviors that inhibit the individual's functioning in public places, in the facility and integration within the community, or uncontrolled symptoms of a physical or mental condition. These behaviors may have been present for long periods or have manifested as an acute onset.

**Cultural Competence:** See the SAMHSA guide, page 57, at <https://store.samhsa.gov/sites/default/files/d7/priv/sma14-4849.pdf>.

**Culturally Competent Services:** The application of cultural competence as a function of treatment and services. Per HHS this includes “the ability to honor and respect the beliefs, languages, interpersonal styles, and behaviors of individuals and families receiving services, as well as staff members who are providing such services. Cultural competence is a dynamic, ongoing developmental process that requires long-term commitment and is achieved over time. (HHS 2003a, p. 12)” (TIP 59 2014, p. xv)

**Complex Mental Health Needs:** Issues presented by a person with severe mental illness with a difficult to work and/or unsafe presentation that is caused by either multiple diagnosis, severe long-term challenges, and/or co-occurring diagnosis.

**Complex Behavioral Health Needs:** Issues presented by a person with severe behavioral health challenges that presents with difficult to work with and/or unsafe presentation that is caused by mental health, SUD, and or some combination of co-occurring challenges.

**Decompensate:** In medicine, decompensation refers to the deterioration of an individual’s mental or physical structure or system that was previously functioning. A system that is compensated can function despite the presence of stressors or defects.

**Habilitative:** Services designed to help teach, keep, and improve skills for daily living.

**Healthcare Recliner:** Furniture used in lieu of or in addition to beds in a facility that provides 23-hour crisis observation care. For more information about the use of this furniture, see the SAMHSA guide, page 22 at <https://www.samhsa.gov/sites/default/files/national-guidelines-for-behavioral-health-crisis-care-02242020.pdf>

**Health Disparity:** The rate of disease incidence, prevalence, morbidity, mortality, or survival rates a specific population as compared to the health status of the general population.

**Living Room Model:** The Living Room model is a community crisis center that offers people experiencing a mental health crisis an alternative to hospitalization. Where people are provided services immediately in a calm safe environment 24/7 where a person is given tools to resolve their crisis or be referred to their next step within 23 hours.

**Long-term Care Residential Setting:** A location such as an adult family home, assisted living facility, nursing home, or enhanced services facility.

**Peer Counselor:** A person recognized by Medicaid agency as a person who:  
(a) Is a self-identified consumer of behavioral health services who:  
(i) Has applied for, is eligible for, or has received behavioral health services; or

- (ii) Is the parent or legal guardian of a person who has applied for, is eligible for, or has received behavioral health services;
- (b) Is a counselor credentialed under chapter [RCW 18.19](#);
- (c) Has completed specialized training provided by or contracted through the Medicaid agency. If the person was trained by trainers approved by the department of social and health services before October 1, 2004, and has met the requirements in (a), (b) and (d) of this subsection by January 31, 2005, the person is exempt from completing this specialized training;
- (d) Has successfully passed an examination administered by the Medicaid agency or an authorized contractor; and
- (e) Has received a written notification letter from the Medicaid agency stating that the Medicaid agency recognizes the person as a "peer counselor. [WAC 182-538D-0200](#)

**Recovery:** Recovery is a process of change through which individuals improve their health and wellness, live self-directed lives, and strive to reach their full potential. See SAMHSA for more information: <https://www.samhsa.gov/brss-tacs/recovery-support-tools-resources#:~:text=Through%20its%20engagement%20with%20key,to%20reach%20their%20full%20potential>

**Trauma Informed Approach:** See the SAMHSA definition at <https://store.samhsa.gov/product/SAMHSA-s-Concept-of-Trauma-and-Guidance-for-a-Trauma-Informed-Approach/SMA14-4884>

## TECHNICAL ASSISTANCE

Technical assistance related to project design:

[Washington State Department of Health - Construction Review Services](#)

For questions and clarifications about NOFO and BHF Program:

[BHFInquiry@commerce.wa.gov](mailto:BHFInquiry@commerce.wa.gov)

## APPLICATION DEBRIEFING

If an applicant has questions about how the funding process was conducted, following the announcement of successful awardees, the applicant may request to debrief with program staff. The applicant must make a request for debrief during the Application Debriefing Period outlined in Section II of this NOFO. We will allow applicants to request debrief for any of the following:

- To receive feedback about the applicant's submitted application
- A matter of bias, discrimination, or conflict of interest on the part of an evaluator
- Non-compliance with procedures described in the NOFO

BHF Program staff shall provide a meeting time so that the applicant and BHF Program staff can meet. The meeting will be scheduled no more than fourteen (14) business days from the receipt of the request to debrief, unless additional time is needed. BHF Program staff shall notify the applicant if additional time is needed.

The BHF Program decision is final and no appeal process is allowed.

## DISCLAIMER

The BHF Program reserves the right to revise this NOFO, Program Guidelines and FAQ. If so, updated information will be published on the [Community Capital Facilities - Behavioral Health Facilities](#) webpage. Be advised that numbers for application questions and order of questions, as outlined in this NOFO, may change in the actual Smartsheet application.

## PROPRIETARY INFORMATION AND PUBLIC DISCLOSURE

All applicants should be aware that applications submitted in response to this NOFO shall be the property of Commerce. All applications received shall remain confidential until funding decisions are announced; thereafter, the applications and all submitted materials shall be deemed public records as defined in [Chapter 42.56 of the Revised Code of Washington](#) (RCW).

Any information in the proposal that the applicant desires to claim as proprietary and exempt from disclosure under the provisions of Chapter 42.56 RCW, or other state or federal law that provides for the nondisclosure of your document, must be clearly designated. The information must be clearly identified and the particular exemption from disclosure upon which the applicant is making the claim must be cited. Each answer to an application question or page of supplemental information provided that contains the information claimed to be exempt from disclosure must be clearly identified by the words "Proprietary Information." A document should be uploaded into the documents section of your application identifying all application questions and supplemental information that the applicant has indicated as Proprietary Information and also the particular exemption citation. Marking the entire proposal exempt from disclosure or as Proprietary Information will not be honored. If a public records request is made for the information that the applicant has marked as "Proprietary Information," Commerce will notify the applicant of the request and of the date that the records will be released to the requester unless the applicant obtains a court order enjoining that disclosure.

If the applicant fails to obtain the court order enjoining disclosure, Commerce will release the requested information on the date specified. If an applicant obtains a court order from a court of competent jurisdiction enjoining disclosure pursuant to Chapter 42.56 RCW, or other state or federal law that provides for nondisclosure, Commerce shall maintain the confidentiality of the applicant's information per the court order.

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End of Document

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