**Why This Book? Why Now?**

Across California—and across the country—the need for behavioral health and substance use treatment has reached a point of urgent reckoning. Nearly **1 in 5 adults in the U.S. experience mental illness each year**, and **more than half of them do not receive care** (National Alliance on Mental Ill-ness, 2023). While demand continues to rise, the infrastructure remains critically outdated. Many communities are still served by facilities designed decades ago—institutions with cramped corridors, clinical sterility, and outdated systems ill-suited to modern therapeutic models.

In California alone, the **2022 Behavioral Health Continuum Infrastructure Program (BHCIP)** identified a statewide need for **over 10,000 new residential and crisis treatment beds**, while existing projects face hurdles in permitting, zoning, and funding. The result is a system overburdened by waitlists, emergency room overflows, and workforce burnout—all while preventable tragedies unfold in neighborhoods, schools, and streets. The failure is not one of clinical intent—it is one of execution.

This book was born from that tension—and from the immense opportunity it presents. The current landscape demands more than piecemeal improvements; it calls for a full transforma-tion of how behavioral health facilities are imagined, financed, permitted, designed, and built. New infrastructure must be healing-centered, flexible, affordable, licensable, and rapidly deployable. It must serve both acute needs and long-term re-covery, across diverse populations and regions.

Fortunately, the evidence is on our side. According to the **Design-Build Institute of America (DBIA)**, integrated proj-ect delivery methods—when supported by early stakeholder engagement and expert advisory leadership—can reduce total

project cost by **up to 20%**, improve delivery speed by **36%**, and cut change orders by **as much as 50%**. Meanwhile, re-search by the **Center for Health Design (CHD)** and **AIA Academy of Architecture for Health** confirms that trauma-in-formed, biophilic, and neurologically attuned design leads to a **30–50% increase in patient satisfaction**, a **22% boost in staff retention**, and significantly fewer behavioral incidents post-oc-cupancy.

The Wellspring exists to bridge the gap between aspiration and implementation. It equips project leaders with proven strategies, intelligent frameworks, and technical tools to trans-late mission-driven goals into code-compliant, healing-ready, high-performing facilities. With input from public and private sectors, clinicians and architects, funders and community lead-ers, this book reflects a multi-perspective roadmap for those who believe in building something better—and building it now.

**The Lasting Impact of Design Leadership**

Exceptional behavioral health design does not happen by ac-cident—it is the result of expert leadership, rigorous coordina-tion, and deep knowledge of both clinical care and construction logistics. At the center of this leadership is the Owner’s Advi-sor, a subject matter expert who acts as the client’s advocate and the integrator across disciplines. When brought in early, the Owner’s Advisor ensures alignment between design intent, budget, licensure, construction feasibility, and long-term opera-tional goals.

According to the **Design-Build Institute of America (DBIA, 2023)**, projects that engage a qualified Owner’s Advisor during pre-design are:

• 43% more likely to finish on time and within budget

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• 50% less likely to experience late-stage design changes or RFIs

• 35% more likely to pass state licensing reviews on the first attempt

Similarly, the **American Institute of Architects (AIA, 2022)** has shown that early involvement of seasoned project lead-ership (including Owner’s Advisors and design team leads) improves stakeholder satisfaction by **28%**, while reducing permitting delays by **over 30%**.

Owner’s Advisors bring more than project management—they bring foresight, regulatory fluency, and operational wisdom that protects the mission from missteps. They identify risks before they become delays, and they translate the Owner’s vision into technical clarity that drives every consultant, architect, and engineer toward shared outcomes.

In behavioral health projects, where trauma-informed care, life safety, and community trust converge, the role of the Owner’s Advisor is not just helpful—it is indispensable. Their guidance ensures that healing is not only imagined in the abstract, but built into the bones of the project.

**A Blueprint for Action**

The Wellspring is more than a reference manual. It is a strate-gic roadmap that synthesizes:

• Best practices in site selection, due diligence, and entitlement strategy

• Efficient design-build delivery models tailored for behavioral health

• Regulatory navigation and compliance solutions

• Trauma-informed design principles and healing environments

• Project management techniques that reduce cost, time, and risk

• Community engagement strategies for sustainable support

• Public-private funding models that unlock capital and scalability

Each chapter weaves together field experience, proven meth-odology, and a shared commitment to excellence. The aim is to de-risk the development process while enhancing the quality and speed of facility delivery.

**The Heart of the Matter: Healing Environments**

A behavioral health facility is more than just walls and win-dows—it is a sanctuary. A place where individuals in crisis can stabilize, rebuild, and recover. The spaces we design and build directly influence the path to healing.

Frank Lloyd Wright once said, “The space within becomes the reality of the building.” Nowhere is that more true than in behavioral health. These facilities must foster safety, dignity, privacy, and hope. They must support clinical workflows while honoring the emotional journeys of patients and staff alike.

That delicate balance is both an art and a science—and it de-mands our full attention.

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**Who This Book Is For**  **A Call to Action**

This guide is crafted for a wide array of stakeholders united by a common goal: to create effective, timely, and compassionate behavioral health care environments. Whether you’re:

• A real estate developer seeking clarity on entitlements, site design, or risk mitigation

• A healthcare provider planning a new behavioral health wing or outpatient clinic

• A policy leader shaping legislation and funding pathways for mental health infrastructure

• An investor or philanthropist looking to drive impact with purpose

• Or a project manager, architect, or owner’s advisor navigating the delivery process from start to finish

— this book is designed to serve as both a compass and a toolkit.

The time for transformation is now. The urgency is real, and the stakes are high. But so is our capacity to rise to the chal-lenge—with courage, creativity, and collaboration.

As you explore this book, may you find not just tools, but inspiration. May you be empowered to act boldly, to lead with integrity, and to build environments that reflect the dignity of those they serve.

If you are a funder, stakeholder, public official, or philanthro-pist—know that your partnership is vital. The success of this movement depends on strategic investment, policy alignment, and community-wide support. Whether through direct dona-tions, 501(c)(3) gifts, land contributions, or capital endow-ments—your participation helps shape the future of mental health infrastructure. Every dollar, every collaboration, and every shared vision accelerates progress.

**Why This Matters**  **Closing Thought**

Behavioral health is no longer a peripheral concern—it is central to our collective well-being, workforce readiness, and community safety. Yet without a robust infrastructure to sup-port care delivery, even the most innovative treatment models will fall short.

The Wellspring is a response to this crisis—and a proactive framework for solving it. It advocates for speed without sac-rificing quality, for efficiency without losing empathy, and for systems thinking that embraces both human and institutional needs.

This book is named The Wellspring for a reason. A wellspring is a source—an origin point of vitality and renewal. In that spirit, let this work be a source of inspiration and direction for all those called to build something lasting and good.

Together, we can develop more than buildings—we can build hope, dignity, and healing for generations to come.

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**A Note from the Author**

**Brian B. Jones, Behavioral Health Real Estate Subject Matter Expert**   
**Founder & CEO, BHSME.org**

I didn’t set out to write a book—I set out to help real people solve real problems. In behavioral health real estate devel-opment, even the best intentions can get lost in delays, cost escalations, red tape, or misalignment. But I’ve also seen the extraordinary successes that happen when projects are guided by purpose, clarity, and best practices of skilled collaboration.

This book exists to support the people behind the projects—to offer insight, tools, and encouragement to those shaping the next generation of behavioral health care. I dedicate it to you. That’s my inspiration, to help as many people and have as pos-itive impact as possible, thus for the benefit of all stakeholders, I dedicate this book.

The Wellspring was written to empower professionals to create behavioral health facilities that are clinically sound, financially viable, and deeply responsive to the communities they serve. It’s a guide for those who are ready to build not just faster—but smarter, more intentionally, and in ways that truly serve pa-tients, providers, and the public good.

Over the past 20 years, as a real estate developer, behavioral health subject matter specialist, & the founder of BHSME. org, I’ve worked across California—from city centers to rural counties—supporting teams that are doing hard, meaningful work. I’ve listened to families waiting for care, walked sites with providers on limited budgets, and collaborated with public agencies, clinicians, and builders all working toward a shared goal. This book gathers what I’ve learned from those experiences, the wisdom of industry leaders, and the guidance

of professional communities like the AIA, DBIA, CA.DHCS, and CA.HCD—organizations whose standards and advocacy continue to shape this work for the better.

The Wellspring is for anyone working to expand access to be-havioral health care: nonprofits, developers, service providers, housing agencies, policymakers. Whether you’re building your first clinic or leading a statewide network, this guide offers practical tools and encouragement to help you move forward with clarity and confidence.

I believe success happens when the right people come together, early and often—when they listen deeply, plan carefully, and design spaces that reflect dignity, safety, and care. Done well, this work changes lives—not just for patients, but for families, frontline staff, and entire communities.

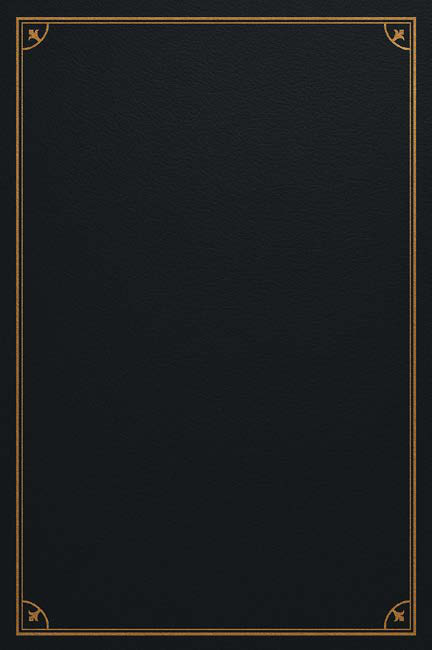
I don’t have all the answers. But I’ve seen what works. And I hope this book helps you build faster, better, and more com-passionately. Because we don’t just need more buildings—we need places that heal.

With faith and gratitude,

**Brian B. Jones**   
Founder & CEO, BHSME.org

www.bhsme.org

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**Chapter 1**

**Foundations of Behavioral Health Real Estate Development**

*“The greatest wealth is health.”*   
 *- Virgil*

**What you will learn in this chapter:**

**• Understanding the urgent demand for behavioral health facilities**

**• Unique complexities of behavioral health care environments**

**• Navigating licensing, care models, and regulatory priorities**

**• Overview of timelines, funding cycles, and delivery constraints**

**• Establishing the project’s mission, values, and measurable goals**

**• Real Estate Development Success Factors**

**Understanding the Urgent Demand for**

**Behavioral Health Facilities**

Across the United States—and especially in California—men-tal health and substance use crises have reached historic highs. The lack of adequate infrastructure to meet these needs has left vulnerable populations underserved and communities strained. In this landscape, the integration of behavioral health and real estate development has become more than a niche concern; it is a public necessity.

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A behavioral health facility is not merely a space for treat-ment—it is a living, breathing part of the healing process. Its design, location, accessibility, and functionality can make the difference between a successful recovery and a missed oppor-tunity for care. When thoughtfully executed, these facilities become sanctuaries for healing, engines for community health, and assets for long-term public well-being.

California, long at the forefront of innovation, diversity, and population growth, is uniquely positioned to redefine how these facilities are imagined and delivered. As demand for behavioral health services rises, so too must our ability to deliver environ-ments that foster dignity, empower recovery, and meet urgent needs with timely, strategic precision.

*“Design is not just what it looks like and feels like.*  *Design is how it works.” — Steve Jobs*

**Unique Complexities of Behavioral Health Care Environments**

Designing and developing behavioral health facilities requires a nuanced understanding of several intersecting forces—clin-ical demands, community dynamics, financing structures, and regulatory frameworks. Unlike general healthcare or residential projects, behavioral health environments must balance psycho-logical sensitivity, physical safety, and clinical effectiveness.

These complexities include:

• **Needs Assessments:** Grounded in local data and guided by provider input, these assessments help define the services most urgently needed—whether residential treatment, detox services, or crisis stabilization.

• **Design for Trauma-Informed Care:** Spaces must promote safety, calm, and autonomy. Evidence-based design includes natural light, biophilic elements, low-stimulation zones, and clear sightlines.

• **Workforce Realities:** With clinician shortages and high burnout rates, facility planning must consider staff support spaces, operational efficiency, and telehealth infrastructure.

• **Community Resistance:** Navigating NIMBY   
sentiments requires early outreach, public education, and collaboration with trusted voices to position the facility as a community asset.

Meeting these complexities requires interdisciplinary collabo-ration, flexible thinking, and a relentless commitment to both the clinical and human dimensions of behavioral healthcare.

**Navigating Licensing, Care Models, and Regulatory Priorities**

Behavioral health projects operate within a dense web of rules, standards, and shifting policy priorities. Success depends on anticipating these constraints early and embedding them into the design and planning process.

Key regulatory concerns include:

• **Licensing Requirements:** Each facility type—whether outpatient, residential, or detox—requires licensure from state agencies, often with strict physical plant criteria.

• **Care Model Integration:** The physical layout must support therapeutic modalities such as integrated behavioral health, trauma-informed care, or dual diagnosis treatment.

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• **Building Code Compliance:** Adherence to ADA, Title 24, HIPAA, ligature resistance standards, and infection control guidelines must be embedded into design and construction documents.

• **Agency Engagement:** Early coordination with the Department of Health Care Services (DHCS), Office of Statewide Health Planning and Development (OSHPD), and local planning boards is essential for expedited approval.

Failure to address these priorities can result in costly redesigns, approval delays, or worse—non-licensable facilities. Success lies in creating an integrated regulatory roadmap that aligns the project’s vision with its real-world operating environment.

**Overview of Timelines, Funding Cycles, and Delivery Constraints**

Behavioral health developments face a paradox: the need is urgent, but the path is complex. Projects must be accelerated without compromising care standards, safety, or long-term viability.

Key challenges include:

**• Funding Complexity**: Projects often blend Medicaid reimbursements, MHSA grants, local housing funds, and private capital—each with its own timeline and reporting structure.

**• Schedule Synchronization**: Aligning entitlement   
processes with grant cycles, procurement timelines, and design milestones is critical for momentum.

**• Permitting and Approvals**: Fast-tracking requires   
 proactive work with permitting authorities, environmental

agencies, and community stakeholders to prevent bottlenecks.

**• Construction Strategy**: Modular construction, phased occupancy, and CM-at-Risk (CMAR) contracts can reduce delivery times while maintaining cost control and flexibility.

Successful teams understand that agility is as essential as planning—responding swiftly to shifting regulatory windows, construction delays, and market conditions without losing sight of clinical outcomes.

*“Plans are nothing; planning is everything.” — Dwight D. Eisenhower*

**Establishing the Project’s Mission, Values, and Measurable Goals**

Strategic behavioral health real estate begins with a clear mission and unifying vision. These guide not only design and construction, but operations, programming, and long-term sustainability.

A strong foundation includes:

**• Community-Driven Visioning**: Projects must be rooted in local context, public health trends, and service gaps—designed to serve real people with real needs.

**• Measurable Success Criteria**: Defining clinical   
outcomes, utilization targets, and quality metrics from day one enables teams to align design and funding with impact.

**• Stakeholder Alignment**: Cross-sector partnerships— providers, policymakers, funders, architects, and

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neighbors—ensure the project reflects both clinical intent and community aspiration.

**• Cultural Competency**: Facilities must resonate with the populations they serve, through design choices, programming, and staff diversity.

When built on shared values and measurable outcomes, behav-ioral health facilities transcend function and become engines of long-term transformation.

**Key Considerations in Behavioral Health Real Estate Development**

The following best practices represent the core pillars of suc-cessful project delivery in this uniquely demanding field:

1. **Needs Assessment and Market Demand**

2. **Strategic Site Selection**

3. **Healing-Centered Design**

4. **Compliance-Driven Planning**

5. **Financial Sustainability**

6. **Community Engagement**

7. **Operational Readiness**

Each consideration represents a strategic lever to ensure project feasibility, community relevance, and long-term success.

**Real Estate Development Project Success Factors:**

***What Makes a Behavioral Health Real Estate Development Project Successful?***

Several factors play a role in the attainment of project goals for the development team, and are imperative to address at the onset of the project. The most successful Behavioral Health projects integrate the following strategies into their process, to create the best outcome.

**A. Comprehensive Planning and Vision**

Success begins with a long-term vision, informed by market research, community input, and a deep understanding of behav-ioral health trends. Early-stage planning must account for:

• **Population needs and service gaps**

• **Facility programming and treatment modalities**

• **Future scalability and adaptability**

**B. Strong Leadership and Interdisciplinary Collaboration**

Effective projects require a team-driven approach, bringing together:

• **Real estate developers, with expertise in healthcare facilities, to guide the team and anticipate any potential project challenges**

• **Behavioral health professionals, to guide design and**  **functionality**

• **Policy experts, to navigate regulatory and funding**  **landscapes**

**C. Financial Sustainability and Budget Discipline**

Projects must be financially viable, both in development and operation, and therefore should heavily consider utilizing:

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• **Diverse funding streams to mitigate risk**  
• **Operational efficiency models that align costs with**  **revenue structures**

Studies show that better-designed facilities lead to improved treatment adherence, reduced staff turnover, and better health outcomes overall.

• **Proactive risk management to avoid budget overruns**

**D. Community Integration and Public Support**

A behavioral health facility is more than just a building, it is a community asset. The potential success of the BH development will be determined by:   
 • **Early and consistent engagement with stakeholders** • **Exterior and interior design that invites public**   
 **participation, and contributes back to the community,**  **through wellness and shared resource programming** • **Implementation of policies that ensure long-term**  **commitment to community well-being**

**The Role of Facility Design in Effective Patient Outcomes**

Historically, behavioral health facilities were designed for con-tainment rather than care. Cold, sterile environments contribut-ed to stigma and poor patient experiences. Today, a paradigm shift is underway, emphasizing:  
 • **Therapeutic environments that promote healing**  
 • **Privacy and dignity through thoughtful space**   
 **planning**  
 • **Holistic wellness, integrating mental health with**  **nutrition, fitness, and community engagement**

*“We shape our buildings, and afterwards our buildings*  *shape us.” — Winston Churchill*

**Conclusion: Laying the Groundwork for Lasting Impact**

Behavioral health real estate development stands at the inter-section of urgency and opportunity. With a growing mental health crisis, the demand for specialized healing environments is no longer aspirational—it is foundational to community well-being and public health infrastructure. But these projects are not typical real estate ventures. They require a rare fusion of vision, expertise, compassion, and discipline to succeed.

This chapter has laid out the core pillars of success—strategic planning, regulatory fluency, healing-centered design, financial discipline, and community alignment. These elements form the DNA of a well-executed behavioral health facility. But more than any checklist or codebook, what differentiates transforma-tive projects is the *intentionality* behind every decision and the *values* embedded in every square foot of space.

**Best Practices for a Strong Foundation**

1. **Start with a Mission-Driven Vision:** Anchor the project in clear values and measurable outcomes that reflect the needs of real people—not just funding priorities.

2. **Engage Early and Collaborate Often:** Interdisciplinary input from behavioral health professionals, funders,

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developers, regulators, and community members leads to better outcome.

3. **Plan for Flexibility:** Design environments that are scalable, adaptable, and resilient to changes in care models, technology, and community demographics.

4. **Design for Dignity:** Prioritize light, privacy, biophilic elements, and calmness to create spaces that not only treat illness but actively support healing and recovery.

**Risk Mitigation Strategies for Sustainable Development**

**• Regulatory Complexity**: Proactively engage with   
licensing bodies (e.g., DHCS, OSHPD) during pre-  
development to align requirements with facility planning.

**• Community Resistance**: Implement strategic,   
transparent engagement campaigns to build trust, dispel stigma, and reposition the project as a public benefit.

**• Funding Gaps and Delays**: Build layered capital stacks, maintain robust financial contingencies, and schedule flexibility to accommodate grant cycles and reimbursement delays.

**• Operational Mismatch**: Collaborate closely with future operators and clinicians to ensure design supports actual clinical workflows and staffing realities.

**• Timeline Disruptions**: Adopt delivery models like CM-at-Risk or Progressive Design-Build to accelerate timelines while preserving control and accountability.

**Thought Leadership: A Call to Build Boldly and Responsibly**

At its core, behavioral health real estate is about more than square footage or licensing checklists—it’s about hope. It’s about creating spaces where individuals at their most vulnera-ble can rediscover their strength. It’s about investing in envi-ronments that not only house care, but elevate it. And it’s about building in ways that reflect the dignity, diversity, and humani-ty of those we serve.

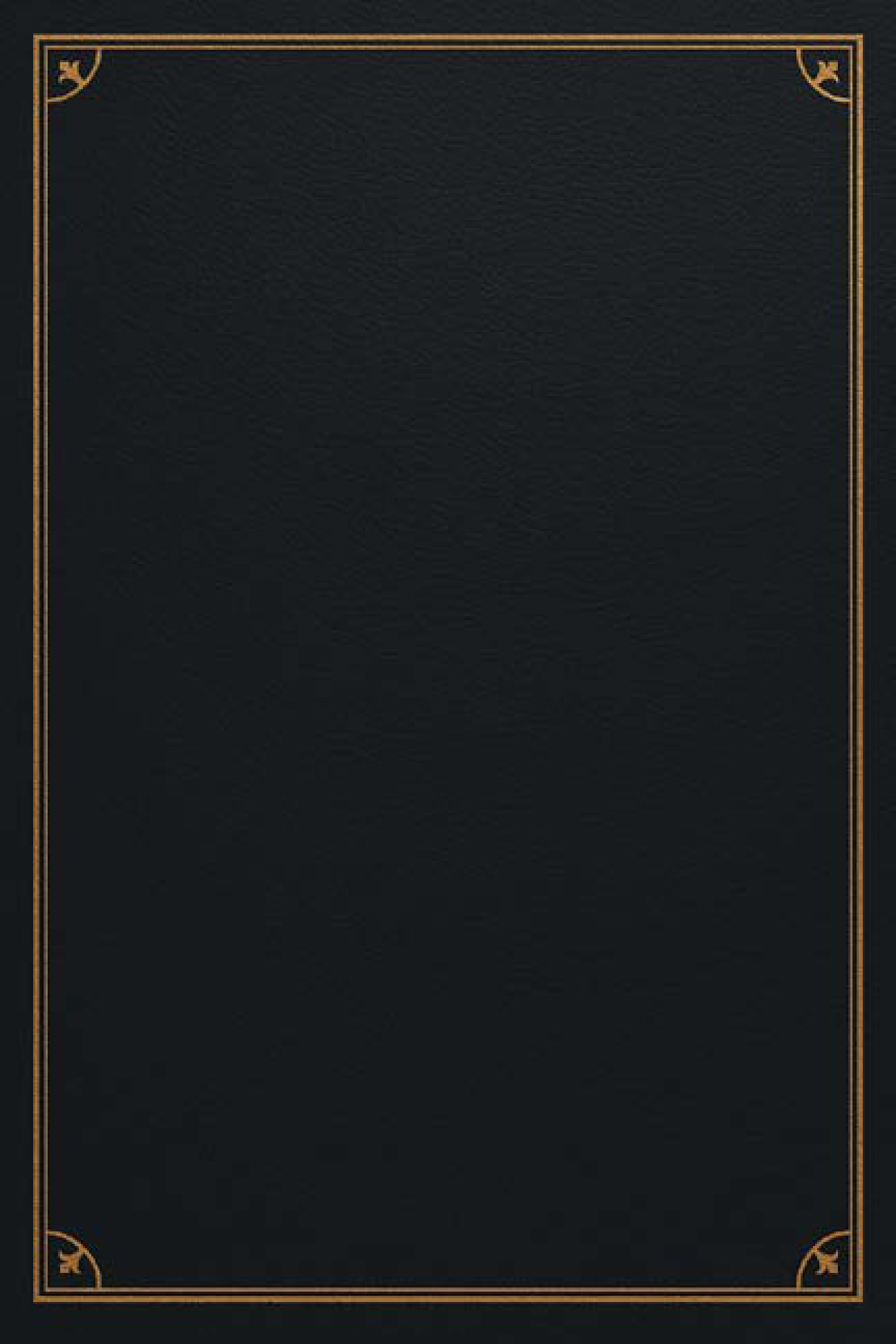
The role of the Owner’s Advisor and development team is to be more than builders—we must be stewards of recovery, catalysts for equity, and architects of transformation.

As we look forward, we must reframe these projects not as lia-bilities to manage but as *investments in long-term public health and social infrastructure*. By building on a foundation of best practices, strategic foresight, and deeply human-centered de-sign, we can deliver facilities that don’t just open their doors—they open the path to healing, resilience, and lasting impact.

Let us build not only for today’s needs—but for tomorrow’s recovery.

*“There is no power for change greater than a community*  *discovering what it cares about.”*   
 *— Margaret J. Wheatley*

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**Chapter 2**

**Strategic Planning & Feasibility**   
**Analysis**

*“Without strategy, execution is aimless.*   
 *Without execution, strategy is useless.”*   
 *— Morris Chang*

**What you will learn in this chapter:**

**• Market Studies and Needs Assessments**

**• Site Selection Criteria Specific to Behavioral Health**

**• Zoning, Access to Services, and Neighborhood Integration**

**• Preliminary Budgeting and Pro Forma Modeling**

**• Risk Identification and Mitigation Strategies**

**• Due Diligence Process**

**• Real Estate Development Process**

Strategic planning is the bedrock of successful behavioral   
health real estate development. While construction mile-  
stones and design innovation often steal the spotlight, it is the   
thoughtful, data-informed groundwork laid in the early phases   
that determines whether a project thrives, stalls, or fails. In   
this chapter, we explore the foundational elements of planning   
and feasibility that ensure projects are aligned with real-world   
needs, financially viable, and ready to navigate a complex reg-  
ulatory and community landscape.

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Readers will come away equipped to:

• Define demand and assess need through rigorous market research.

• Align site selection with operational, clinical, and community integration goals.

• Construct realistic financial models and pro formas.

• Navigate zoning, entitlement, and regulatory constraints.

• Proactively identify and mitigate risks.

• Understand the critical importance of Due Diligence

• Know The Real Estate Development Process

**Market Studies and Needs Assessments**

*“Without data, you’re just another person with an*  *opinion.” — W. Edwards Deming*

The first pillar of any successful behavioral health real es-tate project is need validation. Objective, data-driven market studies and needs assessments are the tools that translate vague intentions into strategic, community-aligned vision.

**Purpose and Structure of Market Studies**

Market studies quantify and qualify local demand by analyz-ing:

**• Prevalence of behavioral health conditions**

**• Service utilization rates** from hospitals, correctional systems, and outpatient providers

**• Demographic profiles**, including age, race, income, and insurance status

**• Provider capacity and waitlists**  
**• State and local policy context**, including funding initiatives and delivery system reforms  
• These studies form the foundation of investment decisions, regulatory applications, and architectural programming.

**Community-Focused Needs Assessments**

Needs assessments are qualitative complements to market stud-ies. They incorporate:

• Focus groups and interviews with community leaders and service users  
 • Data from MHSA plans, CHNAs, and local health   
 agencies  
 • Barriers to access: language, transportation, stigma, cultural competency  
 • Identification of high-need populations (e.g., justice- involved, transitional-age youth, veterans)   
Together, these assessments ensure that facilities are not only economically feasible but clinically and socially relevant.

**Key Data Sources**

• SAMHSA Behavioral Health Barometers• County Health Rankings  
• State Medicaid data (CalAIM, Medi-Cal)• OSHPD hospital discharge data  
• U.S. Census / American Community Survey• Local MHSA Innovation Plans

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**Site Selection Criteria Specific to Behavioral Health**

*“Real estate is not just about buildings. It’s about access,*  *context, and community.” — Anonymous*

Site selection is more than a real estate transaction—it’s a clini-cal and operational decision with long-term implications. A site that aligns with behavioral health-specific needs can enhance access, improve outcomes, and reduce stigma.

**Critical Selection Criteria**

• Proximity to transit and social services

• Distance from triggering environments or high-crime areas

• Zoning compatibility and community acceptance

• Patient privacy and therapeutic outdoor spaces

**• Infrastructure readiness**: utilities, digital connectivity, fire access

A robust site evaluation matrix should include weighted scores for each criterion, with input from clinicians, neighbors, and public agencies.

**Common Red Flags**

• Environmental contamination (brownfields)

• Unfavorable zoning with little political will to support variances

• High neighborhood resistance (NIMBYism)

• Poor infrastructure (septic, limited broadband, aging utilities)

**Zoning, Access to Services, and Neighborhood Integration**

*“Planning is bringing the future into the present*  *so that you can do something about it now.”*  *— Alan Lakein*

Zoning and entitlement challenges are among the top reasons projects stall. A clear understanding of land use policy, layered with political realities and neighborhood dynamics, is essential.

**Zoning and Entitlements**

• Early zoning analysis can determine site viability and preempt deal-breakers.

• Conditional Use Permits (CUPs) are often required for mental health facilities.

• Entitlement processes vary widely—some require multiple public hearings or environmental reviews.

Work with zoning attorneys and planners early. Public engage-ment should begin before official applications are submitted.

**Neighborhood Integration Strategies**

• Align facility design with local architecture and landscape.

• Offer shared spaces for community wellness programs.

• Establish community advisory boards to monitor operations post-occupancy.

• Celebrate groundbreakings and ribbon cuttings to build public goodwill.

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**Preliminary Budgeting and Pro Forma Modeling**

*“A budget is telling your money where to go instead of*  *wondering where it went.” — Dave Ramsey*

A financial model is both a map and a mirror. It charts the project’s financial pathway while reflecting assumptions that require scrutiny and discipline.

**Risk Identification and Mitigation Strategies**

*“In preparing for battle I have always found that plans*  *are useless, but planning is indispensable.” —*  *Dwight D. Eisenhower*

The number one reason behavioral health facilities fail to launch is unmanaged risk. Strategic planning must include a rigorous, realistic analysis of what can go wrong.

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| **Development Budget Components**  **1. Land acquisition and holding costs** | **Key Risk Areas** |

**2. Soft costs**: legal, architectural, permitting, environmental reviews

**3. Hard costs**: construction, FF&E, site work, contingencies

**4. Financing and interest reserve**

**5. Operational reserve** for early stabilization

**Pro Forma Modeling**

A behavioral health pro forma should:

• Project revenue by service line (Medicaid, private pay, grants)

• Integrate operating expenses tied to staffing ratios and acuity levels

• Analyze debt service coverage ratios (DSCR), IRR, and net present value (NPV)

• Include sensitivity analyses for reimbursement rate fluctuations or census shortfalls

Pro formas should be developed collaboratively by finance consultants and providers, with input from local funding agen-cies.

• Entitlement or zoning denial  
• Cost escalation beyond contingencies  
• Licensing or accreditation failure  
• Insufficient operating funds post-construction  
• Community resistance leading to political backlash

**Risk Management Framework**

**• Contingency planning** (budget, schedule, scope)  
**• Insurance and bonding**: builder’s risk, E&O, liability**• Legal agreements**: MOUs, joint venture (JV) documents**• Alternative sites** or phasing options  
**• Scenario planning**: best-, base-, and worst-case forecasts

Risk is unavoidable. But it is also manageable with the right governance structures, team alignment, and adaptive planning.

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**Importance of Due Diligence**

**The Critical Role of Due Diligence in Behavioral Health Real Estate Development**

In behavioral health real estate, the due diligence process is not simply a checklist—it is a high-stakes, multi-disciplinary investigation that determines the viability, cost, safety, timeline, and compliance of a project. Whether ground-up construction or rehabilitation of an existing facility, due diligence is the foundation upon which successful, compliant, and sustainable development is built.

Projects without thorough due diligence routinely suffer from cost overruns, failed permitting, environmental liabilities, missed timelines, or unbuildable conditions. In behavioral health—where specialized regulations, safety considerations, and funding cycles add further complexity—failure to perform deep due diligence can be fatal to a project’s success.

This section outlines the full spectrum of best practices for technical, legal, financial, and regulatory due diligence.

• Reversion clauses or use limitations.

• Shared access agreements, utilities, or reciprocal easements.

• Confirm the **right to develop** and use the property for behavioral healthcare (residential, outpatient, crisis, etc.).• Engage real estate counsel to assess zoning entitlements and contract rights.

**2. Zoning and Entitlement Analysis**

• Verify current zoning and allowable land uses.

• Request a **Zoning Verification Letter** from the local municipality.

• Determine:  
• If Conditional Use Permits (CUPs) or Variances are required.

• Density, height, FAR, and parking requirements.

• Local General Plan consistency.

• Identify restrictions that could prevent behavioral health occupancy or limit building envelope.

**I. Site and Legal Due Diligence**  **3. ALTA Survey**

• Commission an **ALTA/NSPS Land Title Survey**:

**1. Title Report and Legal Review**

• Order a **preliminary title report** through a licensed title company.

• Examine for:

• Encumbrances (easements, liens, deed restrictions, CC&Rs).

• Locate all boundaries, easements, encroachments, utility access, setbacks.

• Overlay with title report for consistency.

• Include flood zones, topography, adjacent parcel context, and access points.

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**II. Environmental and Physical Due Diligence**

**4. Phase I and II Environmental Site Assessments (ESA)**  
 • Conduct a **Phase I ESA** (ASTM E1527-21):  
 • Assess historical land use, hazardous material storage, prior industrial activity.

• Interview previous owners/occupants.

• If required, proceed with **Phase II ESA**:  
• Test soil, groundwater, and vapor for contaminants.• Determine remediation feasibility and costs.

**5. Hazardous Materials and Abatement**   
**Assessment (Rehabilitation Projects)**  
 • Perform hazardous building materials survey: • Asbestos, lead-based paint, mold, PCBs, and silica. • Estimate abatement scope and cost.

• Include permitting and air quality clearances in schedule.

**6. Geotechnical and Soils Investigation**• Retain a licensed geotechnical engineer to:• Drill borings and analyze soil composition.

• Evaluate bearing capacity, liquefaction, subsidence, and slope stability.

• Assess groundwater level and drainage suitability.

• Provide design parameters for:  
• Foundation system (shallow vs. deep).

• Grading plans.

• Pavement sections and retaining walls.

**III. Infrastructure and Utility Due Diligence**

**7. Civil Engineering Feasibility and Site Analysis**

• Retain a civil engineer for:  
• Preliminary grading and drainage design.

• Stormwater management plan (SWPPP/NPDES).

• Hydrology and utility capacity studies.

• Off-site improvement obligations (sidewalks, fire access, ADA).

• Identify need for:  
• Stormwater detention basins.

• Retaining walls, cut/fill balancing.

• Soil export/import plans.

**8. Utility Coordination and Will-Serve Letters**

• Coordinate with utility providers (electric, gas, water, sewer, telecom):  
• Obtain **Will-Serve Letters** for service confirmation and capacity.

• Verify location of nearest connection points.

• Confirm cost responsibility for new service, trenching, or upgrades.

• Identify lead times for transformers, meters, and backflow prevention.

**9. Traffic and Access Studies**

• Conduct a **Traffic Impact Analysis (TIA)** if required by city or county.

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• Verify: • Factor in:

• Site ingress/egress geometry.

• Emergency vehicle access and fire lane compliance.

• Parking demand versus zoning minimums.

• Assess public transportation access and ADA accessibility for staff and patients.

**IV. Architectural and Programmatic Fit**

**10. Architectural Test Fits and Conceptual Design**

• Hire architect experienced in behavioral health design.

• Develop:  
**• Test fits** aligned with programmatic needs.

• Site blocking diagrams to evaluate clinical adjacencies, staff circulation, security.

• Preliminary code compliance for setbacks, FAR, and height.

• Confirm alignment with:  
• Licensing requirements (DHCS, OSHPD).

• Clinical workflows and trauma-informed care principles.

**11. Preliminary Construction Cost Estimates**

• Engage cost estimator or pre-construction team to create **ROM (Rough Order of Magnitude)** estimates.

• Include:  
• Site prep and grading.

• Vertical construction (core & shell, MEP, finishes).

• Hardscape/landscape and off-site requirements.• Soft costs (design, fees, contingency).

• Prevailing wage requirements.

• Abatement, demo, temporary power, stormwater systems.

**V. Financial and Operational Due Diligence**

**12. Capital Stack and Funding Alignment**

• Match costs with funding sources:  
• Public grants (BHCIP, MHSA, CDBG, HOME).

• Tax credits (LIHTC, NMTC).

• Conventional debt or philanthropic capital.

• Model:  
• Soft/hard cost schedules.

• Reimbursement timing and draw schedules.

• Operating pro forma (staffing, rent, insurance, FF&E, reserves).

**13. Entitlement and Permitting Timeline Assessment**

• Meet with local planning, building, public works, and fire authorities.

• Map realistic timeline for:  
• CEQA/NEPA reviews.

• Community hearings (NIMBY mitigation).• Site plan review and architectural approvals.• Building permit issuance.

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**14. Licensing Feasibility Analysis**

• Align facility plan with licensing categories:  
• RCFE, ARF, STRTP, CRT, CDRH, SNF, SUD-TX, or residential mental health.

• Cross-check facility layout with licensure plant requirements:  
• Bedroom counts, private vs. shared occupancy.

**Overview of The Real Estate Development Process**

Real estate development is a highly structured and multifaceted process requiring careful planning, expert collaboration, and disciplined execution. A successful development cycle typi-cally unfolds over a two- to three-year period and involves **six major phases**:

• Communal space minimums. 1. Concept Planning

• Accessibility, safety, and nurse station design.

**Conclusion on Due Diligence: Build on Certainty, Not Assumption**

The strength of a behavioral health facility begins below the surface—both literally and figuratively. Comprehensive due diligence protects every stakeholder by eliminating unknowns and giving leadership the confidence to make informed, stra-tegic decisions. Whether it’s site grading, hazardous material abatement, zoning exceptions, or architectural test fits, each investigation builds a case for—or against—moving forward.

In a field as sensitive and regulated as behavioral health, rigor-ous due diligence is not optional. It is the shield that prevents catastrophic oversight, the compass that guides capital invest-ment, and the bridge between visionary goals and executable development.

Build with intention. Build with information. Build with confi-dence.

2. Due Diligence and Feasibility Analysis

3. Schematic Planning, Entitlements and Approval

4. Construction Drawings and Permitting

5. General Contractor Evaluation and Contract Agreement

6. Construction and Move-In

Strategic planning in behavioral health real estate development is not a preliminary formality—it is the essential groundwork upon which the entire project is built. Success is never acci-dental in this sector. It results from intentionality, data-driven foresight, stakeholder alignment, and the seamless integration of financial, clinical, and regulatory perspectives.

Every successful behavioral health facility begins with a clear vision and is carried forward by a disciplined process. The six phases of development outlined below are not theoretical constructs—they are lived realities for high-performing teams. Each phase builds upon the previous one, ensuring that scope, schedule, and budget remain in strategic alignment.

Each phase demands seamless collaboration between key pro-fessionals, including:

• Developers and Owners

• Owner’s Advisors

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• Architects and Engineers  
• Construction Managers  
• Financial Analysts  
• Utility and Environmental Consultants

This section offers a comprehensive look at each stage, explor-ing the critical workflows, roles, challenges, and opportunities that drive behavioral health developments from vision to suc-cessful operation.

Real estate development typically spans 24-36-48 months and involves **six critical phases**:

**Phase 1: Concept Planning**

• Define vision, target population, and service model  
 • Conduct early market scans and site screenings  
 • Create a preliminary development and operating budget The Owner’s Advisor plays a crucial role in aligning stakehold-ers and setting a unified direction. This phase sets the tone and expectations for the remainder of the project.

**Phase 2: Due Diligence and Feasibility**

• Environmental site assessments (Phase I/II ESAs)• Zoning and land use verification  
• Dry utility coordination and “will-serve” letters• Soil/geotech investigations  
• Risk matrix and feasibility scoring

**Phase 3: Schematic Design and Entitlements**

• Schematic plans and engineering coordination• CUP, CEQA, and environmental review  
• Community engagement and public hearings• Budget revisions based on entitlement constraints

**Phase 4: Construction Drawings and Permits**

• Full CD set and agency submittals  
• Constructability review and value engineering• Permit expediting and resubmittals

**Phase 5: GC Selection and Contracting**

• Issue RFP, conduct interviews, and level bids• Negotiate GMP or fixed-price contract  
• Lock in schedule, budget, milestones

**Phase 6: Construction and Occupancy**

• Site mobilization, inspections, quality assurance• Cost tracking and monthly pay apps  
• Punch list, commissioning, closeout  
• Certificate of occupancy and operations handoff

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**The Power of Preparation: Know The 6 Phases of Development**

*“Chance favors only the prepared mind.” — Louis*  *Pasteur*

Strategic planning in behavioral health real estate development is not a preliminary formality—it is the essential foundation. Successful projects don’t happen by luck; they result from fore-sight, structure, and team alignment.

A well-executed development process involves **six clear phases**. Each step builds on the last to bring a concept from idea to reality. Here’s a streamlined view of the journey:

**Phase 1: Concept Planning**

**• Define the vision and goals** of the project.

**• Assess community needs** and service gaps.

**• Develop a preliminary budget** and operating plan.

**• Engage early advisors**: architects, planners, and financial experts.

*Outcome: Clear direction and stakeholder alignment.*

**• Stakeholder Engagement**: Consulting with investors, municipal agencies, and community representatives.

**• Early Team Formation**: Engaging architects, planners, and financial consultants.

**• Project Scope Definition**: Establishing the intended use, size, and target demographic.

Key Players:

**• Owners/Developers**: Define project objectives and feasibility.

**• Market Analysts**: Assess demand and economic conditions.

**• Architects & Planners**: Provide initial site concepts and massing studies.

**• Financial Analysts**: Develop preliminary pro formas.

Challenges & Opportunities:

**• Challenges**: Zoning limitations, community pushback, and inaccurate financial assumptions.

**• Opportunities**: Early engagement with municipal authorities, and adaptive reuse of existing sites.

**Phase 2: Due Diligence & Feasibility Analysis**

• Conduct **environmental and geotechnical assessments**.

Key Steps: • Verify **zoning, land use**, and infrastructure capacity.

**• Site Selection & Market Research**: Identifying suitable locations based on zoning, accessibility, demand, and economic viability.

**• Preliminary Financial Modeling**: Estimating   
development costs, potential revenues, and investment returns.

• Finalize the **financial feasibility and risk analysis**.

***Outcome: Confident site selection and project go/no-go clari-ty.***

The due diligence ensures that the proposed site is viable, and aids the project team in identifying potential constraints and risks before significant investment is made.

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Key Steps: **Phase 3: Schematic Design & Entitlements**

**• Environmental Assessments**: Conducting Phase I and II Environmental Site Assessments (ESAs) to identify contamination risks.

**• Land Use & Zoning Analysis**: Confirming allowable land uses and required approvals.

**• Geotechnical & Soil Studies**: Evaluating soil stability for structural integrity.

**• Utility Assessments**: Working with dry utility consultants to determine service availability.

**• Will-Serve Letters**: Securing commitments from utility providers.

**• Preliminary Budgeting & Financing**: Refining cost estimates and identifying funding sources.

**• Risk Assessment & Exit Strategy**: Developing contingency plans for potential obstacles.

Key Players:

**• Environmental Consultants**: Conduct ESAs and remediation planning

**• Civil Engineers**: Assess site infrastructure and drainage

**• Legal Counsel**: Ensures compliance with local land use laws

**• Utility Consultants**: Confirm service availability

Challenges & Opportunities:

**• Challenges**: Environmental contamination, restrictive zoning laws, and unanticipated site conditions

**• Opportunities**: Incentives for redevelopment and public- private partnerships

• Develop **early drawings and site plans**.

• Submit for **entitlements, CUPs, and CEQA** review.

• Host **community engagement sessions** and public hearings.

***Outcome: Approved plans that reflect both regulatory needs and community support.***

This phase involves design development, community outreach, and regulatory compliance.

Key Steps:  
 **• Schematic Design Development**: Architects create conceptual site plans, elevations, and layouts.

**• Engineering Coordination**: Civil, structural, mechanical, and electrical engineers provide input.

**• Community Outreach & Public Hearings**: Engaging stakeholders and addressing concerns.

**• Submitting Entitlement Applications**: Seeking rezoning, variances, and conditional use permits.

**• Regulatory Negotiations & Compliance**: Working with city planners and review boards.

**• Budget Refinements**: Updating financial projections based on entitlement-related costs.

Key Players:  
 **• Architects & Planners**: Create schematic designs.

**• Attorneys & Lobbyists**: Navigate the entitlement process.

**• Community Relations Specialists**: Manage outreach efforts.

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Challenges & Opportunities:  
 **• Challenges**: Lengthy approval timelines, community opposition, and unexpected regulatory requirements. **• Opportunities**: Collaboration with local authorities to streamline approvals.

**Phase 4: Construction Drawings & Permitting**

• Finalize **blueprints and engineering documents**.• Apply for **building, utility, and fire permits**.

• Conduct **value engineering** to maintain scope and budget.

*Outcome: Permit-ready plans with a locked-in*  *construction strategy.*

Once entitlements are secured, detailed design and permitting commence.

Key Steps:  
 **• Creation of Construction Documents (CDs)**: Architects and engineers finalize blueprints.

**• Permitting Submissions**: Coordinating with local agencies for approvals.

**• Bid Package Preparation**: Developing documentation for contractor selection.

**• Pre-Construction Coordination**: Reviewing constructability and materials procurement.

**• Final Budget Lockdown**: Refining financials based on contractor input.

Key Players:  
 **• Architects & Engineers**: Produce construction drawings.

**• Permit Expediters**: Facilitate approvals.

**• Project Managers**: Coordinate pre-construction activities.

Challenges & Opportunities:  
 **• Challenges**: Permit delays, design revisions, and rising material costs.

**• Opportunities**: Value engineering to optimize costs.

**Phase 5: General Contractor Selection & Contracting**

• Issue **RFPs and compare bids**.

• Evaluate qualifications, pricing, and schedule.

• Finalize contracts with **clear performance terms**.

***Outcome: A reliable, mission-aligned construction partner.***

Selecting the right general contractor (GC) is critical to main-taining budget and schedule discipline.

Key Steps:  
 **• Request for Proposal (RFP) Process**: Soliciting and evaluating bids.

**• Bid Evaluations & Value Engineering**: Ensuring cost efficiency.

**• Contract Negotiations**: Defining terms, schedules, and performance benchmarks.

**• Procurement Planning**: Identifying long-lead items.

Key Players:  
 **• General Contractors**: Oversee construction execution.

**• Construction Managers**: Manage logistics and scheduling.

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**• Procurement Specialists**: Handle material sourcing.

Challenges & Opportunities:  
 **• Challenges**: Finding qualified contractors, rising labor costs.

**• Opportunities**: Negotiating bulk pricing for materials.

**Phase 6: Construction, Commissioning & Move-In**

• Oversee **construction execution** and quality inspections.• Complete **final walkthroughs and punch lists**.

• Obtain **certificate of occupancy** and prepare for operations.

***Outcome: A licensed, operational facility ready to serve the community.***

This phase is where the vision becomes reality.

Key Steps:  
 **• MEP Installation**: Installing mechanical, electrical, and plumbing systems.

**• Inspections & Quality Control**: Conducting city inspections, final walkthroughs.

**• Final Budget Reconciliation**: Closing financials.

**• Certificate of Occupancy & Move-In Coordination**: Transitioning occupants into the space.

Key Players:  
 **• General Contractors & Subcontractors**: Execute construction.

**• Inspectors & Compliance Officers**: Ensure regulatory adherence.

**• Facility Managers**: Prepare for occupancy.

Challenges & Opportunities:

**• Challenges**: Weather delays, supply chain disruptions, labor shortages.

**• Opportunities**: Implementing sustainability features.

**Critical Leadership Role in all 6 Phases: The Role of the Owner’s Advisor**

Throughout every stage, a skilled **Owner’s Advisor** acts as the central hub—coordinating decisions, managing risks, and maintaining alignment between design intent, budget, and schedule. This role is especially critical in behavioral health, where the stakes are high, and the complexity is deep.

**Best Practices for Successful Strategic Planning**

**1. Start with a Shared Vision** Every successful project begins with clarity—mission, population served, services offered, and long-term goals. The vision must be   
translated into design principles, site criteria, operational KPIs, and financial benchmarks.

**2. Build a Strategic, Multidisciplinary Team** Early   
engagement of subject matter experts (SMEs)—including real estate developers, clinical planners, architects,   
financial analysts, engineers, and utility consultants—ensures each component of the project is tested, validated, and aligned with real-world conditions.

**3. Conduct Rigorous Due Diligence** Site selection is inseparable from success. Detailed due diligence—including title reports, geotechnical assessments, ALTA surveys, zoning analysis, utility access, and structural integrity reviews—should be completed prior to   
acquisition or design. According to DBIA, projects that

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skip this step have a 60% higher risk of redesign or permit denial.

**4. Model Realistic Financial Scenarios** A strong pro forma is not a formality. It is a roadmap to financial sustainability. Planning should include base-case and worst-case models, escalation factors, capital stack assumptions, and clearly defined sources and uses.

Integrating construction contingencies (typically 5–10%) and reserves into the model prevents surprises later.

**5. Align Regulatory, Licensing, and Operational**   
**Timelines** Behavioral health projects are subject to   
overlapping layers of regulatory oversight. Site feasibility must include licensing pre-checks, FGI and ADA   
compliance analysis, CEQA/environmental reviews, and AHJ alignment.

**6. Use Phased Decision-Making and Risk Registers** Smart planning uses phasing tools to de-risk major commitments. Develop a risk register early, updated weekly, with status indicators and accountable parties.

Risk mitigation isn’t reactive—it’s a discipline of anticipation.

**7. Engage Stakeholders from Day One** No project exists in a vacuum. Stakeholders include city planning officials, funding agencies, neighbors, hospital partners, and future operators. Early engagement builds buy-in, accelerates approvals, and reduces long-term opposition.

**8. Document Everything** Establish decision logs, meeting minutes, and team charters. Create a shared digital library of site studies, reports, and permits. Use dashboards to track schedule, budget, entitlement status, and team deliverables in real time.

**Why It Matters**

Planning errors are costly. According to a 2022 McKinsey Global Institute report, more than 70% of large-scale construc-tion projects exceed their budgets due to incomplete planning and misaligned teams. In behavioral health, where projects are often grant-funded and time-constrained, the tolerance for delay is virtually zero.

In contrast, data from DBIA shows that design-build and inte-grated project delivery methods—both of which rely on upfront collaboration and owner-led strategic planning—achieve:

• 33% faster delivery

• 6–10% lower cost growth

• 2.5x higher satisfaction among stakeholders

These gains aren’t hypothetical. They’re the result of intention-al, integrated planning. They’re the product of teams that invest time, resources, and leadership into preparation.

**Conclusion: The Power of Preparation**

*“Chance favors only the prepared mind.” — Louis Pasteur*

Strategic planning is the backbone of successful behavioral health real estate development. In a sector where complexity is high, risk is substantial, and margins for error are narrow, outcomes are determined not by chance—but by preparation, discipline, and alignment. According to the Design-Build Insti-tute of America (DBIA), projects that integrate early planning and collaborative preconstruction practices are completed 33% faster and cost 6% less on average than traditional delivery models. These statistics underscore a fundamental truth: suc-cess is designed before it is built.

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In behavioral health development, strategic planning isn’t an early milestone—it is the foundation upon which the en-tire project rests. This phase defines scope, aligns teams, and translates a vision into actionable, fundable, and buildable steps. Without comprehensive feasibility modeling, stakeholder engagement, and regulatory review, even the most well-inten-tioned projects face delays, cost overruns, or licensing failures.

**The Owner’s Advisor serves as the central force in this or-chestration**. A true subject matter expert, the Advisor coordi-nates diverse disciplines—architecture, finance, clinical plan-ning, permitting, and construction—to create harmony between ambition and execution. DBIA’s 2023 research confirms that when an Owner’s Advisor is engaged during the earliest stages of design, project risk is reduced by 25%, and schedule certain-ty increases by over 30%.

Behavioral health real estate development is not just about bricks and land. It’s about creating safe, dignified, and healing environments. Environments where human potential can be restored, where care can be delivered with compassion, and where operational sustainability is built into every square foot.

**That journey begins not with construction—but with clarity.** Not with drawings—but with decisions. And not with hope—but with preparation.

*“The future belongs to those who prepare for it today.”*  *— Malcolm X*

This level of strategic integration is essential in behavioral   
health, where facilities must meet demanding codes, serve vul-  
nerable populations, and support long-term operational success.

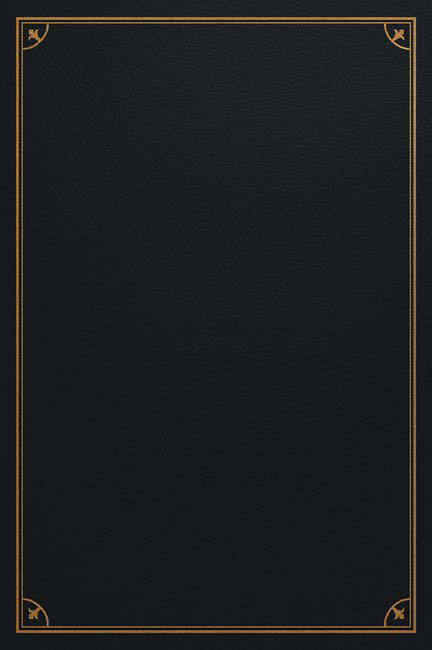
A missed regulatory requirement or an underestimated cost   
variable can derail not just a schedule—but an entire mission.

**Final Thoughts: From Planning to Transformation**

The chapters ahead will explore how strategic plans evolve into   
design documents, bid packages, construction milestones, and   
clinical operations. But as this chapter affirms, those outcomes   
are only as strong as their foundation.

Success is cultivated, not assumed. It begins with a disciplined   
Owner’s Advisor, a team of engaged professionals, a process   
rooted in real data, and a shared commitment to purpose.

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**Chapter 3**

**Team Assembly and Leadership**   
**Structure**

**• Defining Core Team Roles: Developer, Architect, Engineer, GC**  
**• Selection Criteria and Procurement Approaches**  
**• Contracting Strategies: Progressive Rapid Delivery, Design-Build,**   
 **GMAX**  
**• The Owner’s Representative vs. Owner’s Advisor Distinction:**   
 **Importance of Both!**

**• Creating Collaborative Team Dynamics and Accountability Mod-**  
 **els**

In behavioral health real estate development, assembling the right   
team is the single most important predictor of project success. While   
strategy and planning establish the vision, it is the human architec-  
ture—the roles, relationships, and accountability structures—that   
turn plans into performance.

Behavioral health projects demand more than routine development   
expertise. These projects require a team that understands trauma-in-  
formed care, healthcare licensure, high-acuity environments, and a   
public-facing mission. As such, each role must be carefully selected,   
every relationship purposefully constructed, and the entire structure   
designed to foster collaboration, trust, and disciplined execution.

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In this chapter, we explore the core components of a high-per-formance project team, from role definition and procurement strategies to the critical leadership distinctions between an Owner’s Representative and an Owner’s Advisor. We conclude by outlining proven methods to build accountability and collab-oration into the DNA of your development team.

**Defining Core Team Roles**

A well-balanced and seasoned project team brings together critical expertise across planning, design, construction, compli-ance, and financing. Each of the core roles listed below brings unique value—and carries distinct risks if poorly selected or misaligned.

**Defining Core Team Roles: Subject Matter Experts Driving Project Success**

A successful behavioral health development project is not built by chance—it is crafted by a disciplined, expert-driven team led by a clear hierarchy of strategic professionals. In this sec-tion, we present the most essential players in the development process, ranked in order of influence and importance. Each member of the team brings unique subject matter expertise that, when aligned under a shared vision, propels the project forward with clarity and precision.

**1. The Owner: The Mission-Driven Leader**

The Owner is the origin of the project’s vision and values. They are the financier, decision-maker, and ultimate steward of the project’s purpose.

Key Responsibilities:

• Define the mission, priorities, and success criteria

• Approve all major decisions, budgets, and timelines

• Empower the project team to act on their behalf

An engaged and informed Owner sets the tone for the entire project. Their commitment to quality, community impact, and clinical excellence provides the foundation upon which all other decisions are made.

**2. The Real Estate Attorney: The Legal Strategist**

The Real Estate Attorney safeguards the project from legal, regulatory, and contractual risk. They ensure that every deal is properly structured, every agreement is enforceable, and every step complies with the complex matrix of real estate and healthcare law.

Key Responsibilities:

• Structure site acquisition, purchase agreements, and land use documents

• Draft and negotiate contracts with design, construction, and consultant teams

• Advise on entitlement, leasing, insurance, and regulatory compliance

This legal expert is a key player from pre-development through closeout, and their counsel helps avoid costly disputes, delays, or vulnerabilities.

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