



**BOARD OF SUPERVISORS
AGENDA LETTER**

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:

Submitted on:
(COB Stamp)

Department Name: Behavioral Wellness &
General Services

Department No.: 043/063

Agenda Date: May 12, 2026

Placement: Administrative Agenda

Estimated Time:

Continued Item: No

If Yes, date from: N/A

Vote Required: 4/5

TO: Board of Supervisors

FROM: Department Directors: Antonette Navarro, LMFT, Director, Behavioral Wellness
Kirk Lagerquist, Director, General Services

Contact: Laura Zeitz, RN, Assistant Director, Inpatient, Crisis, Long Term Care, Justice
and Housing, Behavioral Wellness

Ted Teyber, Assistant Director, General Services

SUBJECT: Program Funding Agreement with Advocates for Human Potential, Inc. for
California Department of Health Care Services Bond Behavioral Health Continuum
Infrastructure Program Round 2 Unmet Needs Grant Funding Award for the New
Construction of the North County Social Rehabilitation Facilities Project in the City
of Santa Maria (Fifth Supervisorial District)

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County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Director of the Department of Behavioral Wellness' execution of the Bond Behavioral Health Continuum Infrastructure Program (BHCIP) Round 2: Unmet Needs Conditional Award Attestation letter, accepting the conditional award of \$20,000,000.16 for the new construction of the North County Social Rehabilitation Facilities project on County-owned property at Betteravia Road and Black Road in Santa Maria, California, APN 113-210-024, Fifth Supervisorial District;
- b) Approve and authorize the Director of the Department of Behavioral Wellness or designee to execute, on behalf of the County, the forthcoming Program Funding Agreement with Advocates for Human Potential, Inc. and related certifications for the California Department of Health Care Services Bond BHCIP Round 2: Unmet Needs grant funding award in

substantially the same form as the attached program funding agreement sample and in the amount of \$20,000,000.16 for the new construction of the North County Social Rehabilitation Facilities project, subject to review and concurrence by Auditor-Controller, Risk Management, General Services, and County Counsel, and subject to the Board's authority to rescind this delegated authority at any time;

- c) Direct the Director of the Department of Behavioral Wellness to return to the Board of Supervisors for authority i) to execute an amendment of the Bond BHCIP Round 2: Unmet Needs Program Funding Agreement for the North County Social Rehabilitation Facilities project and ii) to execute Bond BHCIP Round 2: Unmet Needs program-related documents that are required by the California Department of Health Care Services or its third party administrator and materially change the County's award of grant funding or its participation in the program;
- d) Approve, ratify, and authorize the Director of General Services or designee to execute all ancillary documents including Regulatory Agreement and Declaration of Restrictions, Preliminary Deed of Trust, Deed of Trust, Title Reports, Title Resolution, appraisal, environmental report, and any other documentation required by Advocates for Human Potential (AHP) to finalize the AHP Bond BHCIP Round 2 grant award in accordance with the forthcoming finalized Program Funding Agreement and Title Instructions;
- e) Direct the Director of the Department of General Services or designee to obtain concurrence from Risk Management, Auditor-Controller, and County Counsel before exercising the delegated authority under recommended action d);
- f) Approve Budget Revision Request (BRR) No. 0011018, to establish Capital Outlay Fund for Capital Assets, in the amount of \$4,938,375, for the Behavioral Wellness North County Crisis Residential Treatment facility. This includes the matching funds required to leverage the \$20,000,000.16 Bond BHCIP Round 2 award; and
- g) Determine that the above recommended actions are not a project that is subject to environmental review under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines section 15378(b)(4) and (b)(5), finding that the actions are governmental funding mechanisms and/or administrative or fiscal activities that will not result in direct or indirect physical changes in the environment.

Summary Text:

The Department of Behavioral Wellness (BWell) has been awarded Bond Behavioral Health Continuum Infrastructure Program (BHCIP) Round 2 funds in the amount of \$20,000,000.16 by the California Department of Health Care Services. The award is for the new construction of two, 16-bed North County Social Rehabilitation Facilities focused on Crisis Residential Treatment services in Santa Maria. These new facilities will provide critical services to individuals recovering from acute psychiatric crises or need residential care and provide them with treatment to support their individual recovery journey.

The new facilities will be built on the County-owned property at the Southwest Corner of Betteravia Road and Black Road in Santa Maria, California, APN 113-210-024, in North County, the Fifth Supervisorial District. BWell and General Services will coordinate the matching funding requirements and the expending of the grant award for the purpose of the new construction.

This Board action will provide approval for the Directors of BWell and General Services, or designees, to execute the forthcoming finalized Program Funding Agreement and related certifications necessary to accept the grant.

Discussion:

On March 11, 2026, BWell was awarded a conditional Bond Behavioral Health Continuum Infrastructure Program (BHCIP) Round 2 grant award in the amount of \$20,000,000.16. This grant will fund the construction of two new, 16 bed Social Rehabilitation Facilities focused on Crisis Residential Treatment services. These new facilities will provide critical services to individuals recovering from acute psychiatric crises or need residential care and provide them with treatment to support their individual recovery journey. This is a critical step-down and step-up service for people with severe behavioral health challenges that will reduce admission to the Psychiatric Hospital Facility.

Conditional acceptance was due to the California Department of Health Care Services (DHCS) no later than March 25, 2026. Not signing within two weeks would cause the County to forfeit the grant award. BWell executed and submitted acceptance of the award and the additional required documents to DHCS on March 13, 2026, and immediately began preparing to bring this grant award to the Board of Supervisors for authorization to enter the Program Funding Agreement. The Bond BHCIP Round 2 implementation requires expedient responses with very short and strict deadlines. It is because of the short, required response times, that BWell is requesting authorization to execute the anticipated Program Funding Agreement that will be substantially in the same form as the template provided. The agreement is anticipated to be received in Summer 2026 and must be executed and returned to Advocates for Human Potential (AHP), DHCS grant administrator, within 90 days of receipt.

The sample Program Funding Agreement (Attachment A) was provided by AHP for the purpose of securing approvals prior to receiving our unique Program Funding Agreement which will be required to be executed within 90 days of receipt. This Board action will provide approval for the Director of BWell, or designee, to execute the Program Funding Agreement that will be in substantially the form provided and will also direct the Director of BWell to return to the Board for approval of amendments that materially change the award funding and/or the County's participation. This Board action will provide authorization for the Director of General Services, or designee, to execute property related documents including, the 30-year encumbrance, the Declaration of Restrictions, Planning Agency Review, Prevailing Wage Compliance, and others. The authorization requires the Director of General Services to seek concurrence from County Counsel, Risk, and Auditor-Controller prior to execution of documents to complete the grant award and property related agreements.

General Services has construction plans for these new buildings beginning in the Fall of 2026, with groundbreaking tentatively scheduled for July 2027, and construction to be completed with issuance of a temporary Certificate of Occupancy in early 2029. Occupancy and program services will be set to begin in June 2029. The anticipated total construction costs are \$28,101,865. Grant funds will be disbursed by AHP in accordance with AHP and DHCS requirements and approval, but no sooner than February 1, 2027. All funds must be obligated and expended by June 30, 2031.

Background:

On September 23, 2025, the Board of Supervisors approved Resolution 25-214, authorizing BWell to apply for the DHCS Bond BHCIP Round 2: Unmet Needs Program. BWell's grant application, No. BR2-0000000568, was for the new construction of two, 16 bed Social Rehabilitation Facilities focused on Crisis Residential Treatment services, located on the County-owned property at the Southwest

Corner of Betteravia Road and Black Road in Santa Maria, California, APN 113-210-024, in the Fifth Supervisorial District.

The Bond BHCIP grant funds are targeted to support constructing, acquiring, and rehabilitating real estate assets in behavioral health settings that serve Medi-Cal members. The Bond BHCIP Grant program was competitive, and awards were made throughout the State for projects that increased the continuum of behavioral health treatment infrastructure by building facilities for expanded services.

General Services and BWell Fiscal have coordinated this effort from the outset and have now confirmed the match in accordance with California Welfare & Institutions Code [WIC] §5960.15 (2023) to AHP. This match confirmation was due on April 1, 2026, and the cash match must be deposited within 90 days of execution of the Program Funding Agreement.

Performance Outcomes:

BWell will be required to submit monthly draw requests to the grant administrator, AHP, including information about design and construction, budgets and expenditures. In addition, BWell and General Services have monthly “check-in” meetings with AHP to report on progress and maintain open communications regarding requirements. Quarterly and yearly reports along with compliance documents are required on progress and construction.

Fiscal and Facilities Impacts:

Budgeted: Yes. Funding for development of the proposed project will come from Capital Outlay Fund 0030 (990 General Fund), Community Corrections Partnership funds, Behavioral Health Service Act (BHSA) funds and Bond BHCIP Round 2 fund sources. The Budget Revision included with this Board item provides the necessary appropriation of \$4,938,375 for the County’s contribution to the Project including the matching grant. Additional appropriations for the project will be brought back to the Board of Supervisors for approval at a later date.

Fiscal Analysis:

The \$28,438,375 total project funding will consist of approximately \$2 million from General Services Capital Outlay Fund 0030 (Budget revision in FY 2025-26 BJE – 0011018); \$2.9 million from Community Corrections Partnership (CCP) (Budget revision in FY 2025-26 BJE – 0011018); \$3.5 million from Behavioral Wellness BHSA (a Budget revision in FY 2026-27 will address the BHSA funds to be used as a match for the project); and \$20 million from Bond BHCIP grant funding for the Behavioral Wellness North County Crisis Residential Treatment Facility Project.

The total project cost estimate is \$28,438,375. The grant award requires a county match of cash and sunk costs in the amount of \$2,000,000.02. The match and remaining funds necessary to complete construction will utilize General Services and Behavioral Wellness funding in the amount of \$8,101,865. General Services will be using redirected Capital Improvement Plan (CIP) General Funds from the BWell Headquarters project originally planned under the Calle Real Master Plan (\$1,998,578), Community Corrections Partnership (CCP) funding in the amount of \$2,939,796.25 initially set aside for construction of a Mental Health Rehabilitation Center (MHRC), and \$100,000 in sunk costs. Behavioral Wellness will provide \$3,500,000 of Mental Health Services Act reserve funds. Sunk costs are project specific expenses incurred within the year prior to the Notice of Conditional Award, March 12, 2025 through March 12, 2026.

| Funding Source | FY 2025-26 | FY 2026-27 | FY 2027-28 | FY 2028-29 | Total |
|---|--------------------|--------------------|---------------------|--------------------|---------------------|
| Capital Outlay Fund 0030 (990 General Fund) | \$1,998,578* | | | | \$1,998,578 |
| State: CCP | \$2,939,797 | | | | \$2,939,797 |
| State: Bond BHCIP | | \$3,000,000 | \$13,000,000 | \$4,000,000 | \$20,000,000 |
| State: BHSA | | \$3,500,000 | | | \$3,500,000 |
| Total | \$4,938,375 | \$6,500,000 | \$13,000,000 | \$4,000,000 | \$28,438,375 |

*General Services will be using the remaining Calle Real Master Plan funds (\$1,998,578) which will cover \$100,000 in Sunk Costs, \$1,562,068.75 for construction, and \$336,509.25 for contingency funds.

Special Instructions:

Please email one minute order to Marilyn Simon-Gersuk at msimongersuk@sbcbswell.org, and to the Behavioral Wellness Contracts Division at bwellcontractsstaff@sbcbswell.org.

Attachments:

Attachment A – Program Funding Agreement Sample

Attachment B – BWell Bond BHCIP Round 2 Application

Attachment C – Grant Award Letter

Attachment D - Budget Journal Entry #0011018

Contact Information:

Marilyn Simon-Gersuk
 Contracts & Procurement Manager
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