



**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  
**Department No.:** 043  
**Agenda Date:** September 23, 2025  
**Placement:** Administrative Agenda  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:** N/A  
**Vote Required:** Majority

**TO:** Board of Supervisors  
**FROM:** Department Director: Antonette Navarro, LMFT, Director, Behavioral Wellness  
Contact: Laura Zeitz, RN, Assistant Director, Inpatient, Crisis, Long Term Care, Justice and Housing, Behavioral Wellness  
**SUBJECT:** Resolution Authorizing Application to and Participation in California Department of Health Care Services Bond Behavioral Health Continuum Infrastructure Program Round 2 Unmet Needs Program Grant Funds

Initial

**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** CEO

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Adopt a Resolution that authorizes and directs the County's submission of one application (Application) for California Department of Health Care Services (DHCS) Bond Behavioral Health Continuum Infrastructure Program (Bond BHCIP) Round 2 Unmet Needs Program grant funds being administered by Advocates for Human Potential, Inc. for new construction of and expansion of services with two 16-bed Social Rehabilitation Facilities focused on crisis residential treatment located near the North Branch jail, in the Fifth District, by budgets to be developed by the County Department of General Services;
- b) Direct the Director of the Department of Behavioral Wellness or designee to return to the Board of Supervisors for authority to execute a Program Funding Agreement and any additional funding requirements for a Bond BHCIP Round 2 Award; and
- c) 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) is requesting that the Board of Supervisors authorize and direct a resolution to submit one Application for Bond BHCIP Round 2 funds. BWell will apply for funding to construct two new 16-bed Social Rehabilitation Facilities focused on crisis residential treatment located near the North Branch jail, in the Fifth District. These new facilities will increase BWell's capacity at the Crisis Residential Treatment level by 32 beds. The Department of General Services is developing the budget for the project. If funds are awarded, BWell will return to the Board of Supervisors to seek approval to execute the Program Funding Agreement and any additional funding requirements and will provide specific details regarding the awarded project, the budget, and the complete funding sources. It is anticipated that funds will be awarded in late Spring 2026.

**Discussion:**

The California Department of Health Care Services (DHCS), through its contractor Advocates for Human Potential, Inc. (AHP), has issued a Request for Applications (RFA) dated May 30, 2025, for the Bond BHCIP Round 2 Unmet Needs ("Program"). The final deadline to submit applications for Bond BHCIP Round 2 is October 28, 2025. The County's competitive Application and budget are in development and BWell is currently working with stakeholders for input. In order to ensure submission as soon as the Application and budget are complete, BWell is requesting the Board of Supervisors authorization to advance and submit the application.

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. Bond BHCIP Grant program is competitive, and awards will be made for projects that increase the continuum of behavioral health treatment infrastructure by building facilities with expanded services. In accordance with section 5960.15 of the California Welfare and Institutions Code (WIC), applicants will be required to commit to operating behavioral health services in the financed facility for the intended purpose for a minimum of 30 years. Bond BHCIP funding may not be used to fund behavioral health services or pay for the renovation/preservation of existing capacity. Bond BHCIP funds may only fund the expansion of new behavioral health capacity.

Targeted areas for this grant include rural or remote areas with outstanding behavioral health needs or insufficient behavioral health infrastructure, projects with a campus model and regional collaborations, and geographic areas with no prior BHCIP infrastructure award.

BWell's Application will support the new construction of two 16-bed Crisis Residential Treatment facilities near the North County Jail on County owned property, located in the Fifth District. The amount of funds to be requested and final project costs have not yet been finalized. There is a 10% match for any funds requested which will be met using County-owned land.

If funds are awarded, BWell will return to the Board of Supervisors to seek approval to execute the Program Funding Agreement and any additional funding requirements and will provide the budget and specific details regarding the awarded project and its complete funding sources. It is anticipated that funds will be awarded in late Spring 2026.

If awarded, BWell will return to the Board of Supervisors for further authorization to execute the funding agreement and other funding requirements.

**Background:**

In March 2024, California voters passed Proposition 1, which was a two-bill package including the Behavioral Health Services Act (BHSA) (Senate Bill 326) and the Behavioral Health Infrastructure Bond Act of 2024 (BHIBA) (Assembly Bill 531).

BHSA (SB 326), part one of Proposition 1, is focused on modernizing the State's behavioral health care system by reforming behavioral health care funding to provide services to those with the most serious mental illnesses and treat substance use disorders; expanding the behavioral health workforce to reflect and connect with California's diverse population; and focusing on outcomes, accountability, and equity. BWell submitted two applications for the Bond BHCIP Round 1, but were not awarded either project. The first application was for the new BWell complex on the County's Calle Real Campus and the second was for two new Crisis Residential Treatment facilities to be located near the North Branch Jail. No specific feedback was received regarding our applications and why they were denied. However, from feedback given in a Bond BHCIP Round 2 application webinar, AHP did state that successful applications were able to be built mostly within three years and were only for expansion of services. While our second application fulfilled the expansion criteria, the project was only in Phase 1, and facilities that were further along in planning were funded. The application for Bond BHCIP Round 2 is for the two new Crisis Residential Treatment facilities. We believe this application will be successful since it will be further along in the planning and design phases and we will coordinate with our neighboring counties for regional capacity building.

BHIBA (AB 531), part two of Proposition 1, is directed to provide funding for behavioral health treatment beds, supportive housing, and community sites, and directs funding for housing for veterans with behavioral health needs.

The BHIBA portion is a \$6.38 billion general obligation bond to develop an array of behavioral health treatment, residential care settings, and supportive housing to help provide appropriate care facilities for individuals experiencing mental health and substance use disorders. Of the BHIBA funds, DHCS was authorized to award up to \$4.4 billion in bond funding for BHCIP competitive grants to expand behavioral health facility infrastructure.

In February 2025, DHCS released a Legislative Analyst's Office (LAO) Report. The LAO evaluated how Proposition 1 bond funding could be strategically used to address gaps in behavioral health services. DHCS utilized the LAO report along with other sources to ensure Bond BHCIP Round 2: Unmet Needs funding focuses on the remaining gaps in the statewide behavioral health continuum and prioritizes mental health community residential beds and crisis settings.

The State priorities for Bond BHCIP are to:

- Address urgent needs in the care continuum for people with mental health or substance use conditions, including unhoused people, veterans, older adults, adults with disabilities, and children and youth.
- Invest in behavioral health and community care options that advance health equity of behavioral health care and community options.
- Increase options across the life span that serve as an alternative to incarceration, hospitalization, homelessness, and institutionalization.
- Meet the needs of vulnerable populations with the greatest barriers to access, including people experiencing unsheltered homelessness and justice involvement.
- Ensure care can be provided in the least restrictive settings to support community integration, choice, and autonomy.
- Leverage county and Medi-Cal investments to support ongoing sustainability.
- Leverage the historic state investments in housing and homelessness.

In May 2025, DHCS announced the release of Bond BHCIP Round 2: Unmet Needs grant RFA. Through this final round of Bond BHCIP funding, DHCS anticipates awarding over \$800 million statewide.

DHCS's focus for the RFA is mental health community residential beds and crisis settings, rural/remote areas with outstanding behavioral health needs or insufficient behavioral health infrastructure, geographic areas with no prior BHCIP infrastructure projects, and regional models aimed at constructing, renovating, and/or expanding community-based services

**Performance Measure:**

In the event funds are awarded, BWell would be required to submit progress reports and other information to AHP and DHCS pursuant to the terms of the Program Funding Agreement once it is executed on behalf of the County.

**Fiscal and Facilities Impact:**

There are no immediate fiscal or facilities impacts associated with the submission of the Application. If approved, this grant will require a 10% County match which will be satisfied through the use of County-owned property for project development or a cash match.

**Fiscal Analysis:**

Once funds are awarded, BWELL will return to the Board of Supervisors to seek approval to execute the Program Funding Agreement and a Budget Revision Request that details the award amount and how the funds will be spent.

**Special Instructions:**

Please email one (1) minute order and one (1) executed Resolution to Marilyn Simon-Gersuk at [msimongersuk@sbcbswell.org](mailto:msimongersuk@sbcbswell.org), and the Behavioral Wellness Contracts Division at [bwellcontractsstaff@sbcbswell.org](mailto:bwellcontractsstaff@sbcbswell.org).

**Attachments:**

**Attachment A** – Bond BHCIP Round 2: Unmet Needs Resolution

**Contact Information:**

Marilyn Simon-Gersuk  
Contracts and Procurement Manager  
[msimongersuk@sbcbswell.org](mailto:msimongersuk@sbcbswell.org)