

Attachment C – Grant Award Letter



March 11, 2026

THIS LETTER SENT VIA EMAIL

Ms. Antonette Navarro
Director of Behavioral Wellness
County of Santa Barbara Department of
Behavioral Wellness
315 Camino del Remedio
Santa Barbara, California 93110

**BOND BEHAVIORAL HEALTH CONTINUUM INFRASTRUCTURE PROGRAM
(BHCIP) ROUND 2: UNMET NEEDS – NOTICE OF CONDITIONAL GRANT
FUNDING AWARD**

Dear Ms. Antonette Navarro:

Congratulations! The Department of Health Care Services (DHCS) is pleased to announce that County of Santa Barbara, a political subdivision of the State of California, acting through its Department of Behavioral Wellness has been selected to receive a conditional Bond BHCIP Round 2: Unmet Needs grant funding award.

Awarded Project

- Project Name: North County SRFs
- Project Address: No address provided, Santa Maria, California
- Primary Applicant: County of Santa Barbara, a political subdivision of the State of California, acting through its Department of Behavioral Wellness
- Award Amount: \$20,000,000.16
- Match Source and Amount: Cash and Sunk Costs; \$2,000,000.02
- Project Scope of Work
 - Facility Type(s) and Behavioral Health Capacity Expansion:
 - Social Rehabilitation Facility (SRF) with 16 new beds
 - Construction Type: Ground-up new construction (e.g., a new facility or new setting being built)
 - Construction Completion: June 30, 2029
 - Social Rehabilitation Facility (SRF) with 16 new beds
 - Construction Type: Ground-up new construction (e.g., a new facility or new setting being built)
 - Construction Completion: June 30, 2029



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Your conditional funding award is being granted on the basis of the project information above identified from your submitted application package and/or information obtained through outreach during the application review process. Any project modifications or discrepancies identified in your application package or this conditional Notice of Award prior to or after finalization of your Bond BHCIP Round 2: Unmet Needs grant award may result in DHCS rescinding your grant funding.

The following outlines the requirements and next steps for conditional awardees that are required to finalize all Bond BHCIP Round 2: Unmet Needs grant awards. Please read all information carefully.

1. Award Acceptance, Attestation, and Related Party and Related Party Transaction Disclosure

Conditional awardee must acknowledge acceptance of the Bond BHCIP Round 2: Unmet Needs conditional grant award by 5:00 p.m. (PT) on March 25, 2026 by submitting a signed copy of the attached Bond BHCIP Round 2: Unmet Needs Conditional Award Attestation and completing the Related Party and Related Party Transaction Disclosure to DHCS via email at BHCIP@dhcs.ca.gov. This acceptance will ensure that the conditional awardee acknowledges they will meet all the requirements necessary to receive grant funding and that the related party and related party transaction arrangements for the project do not present legal, financial, or reputational risks for DHCS and AHP or violate state or federal law. If an updated disclosure of all parties of interest is warranted, the conditional awardee must also submit [Form 6](#): Applicant's Certification of Funding Terms. Failure to respond to DHCS by the due date above will be considered a voluntary relinquishment of the conditional grant award, and results in the funds being directed elsewhere. California law does not provide a protest or appeal process against award decisions made through an informal selection method. Applicants submitting a response to this RFA may not protest or appeal the award. All award decisions made by DHCS shall be final. There are no appeal processes.

2. Program Funding Agreement (PFA)

Information from your application submitted and/or outreach during the application review process is deemed final and will serve as the foundation of the project data, payment schedule, and Statement of Work (SOW). All this information will be included in your Program Funding Agreement (PFA), or contract, with Advocates for Human Potential, Inc. (AHP), the Bond BHCIP administrative entity. See the enclosed PFA for review.

As per the Request for Applications (RFA), the PFA must be digitally signed by the conditional awardee and executed with AHP within 90 days of its receipt, a condition of disbursement. DHCS will not accept any modifications, negotiations, or redlines to the PFA. Furthermore, conditional awardees are obligated to clear title to the subject property to be improved with Bond

BHCIP Round 2: Unmet Needs funds prior to recordation of the security instruments. DHCS retains the authority to rescind conditional award funding and redirect it to alternate applicants in instances where extended delays, in the sole discretion of DHCS, in the execution of the PFA occur.

3. Match Requirements

The match source specified in your submitted application is considered final, and you may not make any modifications to it. Any match source modifications or discrepancies identified with the information provided in your submitted application will result in the rescission of your conditional award. All conditional awardees must provide the necessary documentation to support their match source no later than 5:00 p.m. (PT) on April 1, 2026. For more information about match, see the attached information sheet.

Conditional awardees who identified use of sunk costs for their match source may now submit invoices and proof of payment for costs incurred prior to the date of this letter (“sunk costs”) and receive credit on their required match. Conditional awardees must adhere to strict guidelines and submit all documentation for DHCS approval of allowable sunk costs by 5:00 p.m. (PT) on April 1, 2026. Costs incurred up to one year prior to the date of the award letter can be submitted as sunk costs; costs incurred more than one year earlier will not be considered sunk costs. Sunk costs submitted as match are not reimbursable expenses.

4. AHP Account Success Manager (ASM)

Your designated ASM has scheduled an onboarding call for March 23, 2026 at 1:00pm. This is a mandatory initial step in the contracting process and an opportunity to meet your ASM, who will serve as your point of contact throughout the contracting and funding processes.

5. Bond BHCIP Round 2 Conditional Awardee Kickoff Webinar

A mandatory kickoff webinar will be held on March 18, 2026, from 2:00 to 3:00 p.m. (PT). Please [register here](#). Your project lead and all development team members are invited. A link to the recording will be sent to all conditional awardees for their reference following the webinar.

6. Incurred Cost and Projected Funding Needs

As a conditional awardee, you will be able to incur allowable project-specific expenses beginning on the date of this conditional Notice of Award. However, the ability to invoice is subject to the availability of Bond funds and compliance with all applicable Bond funding and program requirements.

Please note conditional awardees must submit an initial cost projection by 5:00 p.m. (PT) on April 15, 2026 to align with the general obligation bond process. The specificity of these requirements will be covered in your

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scheduled onboarding call and mandatory webinars.

7. Monitoring and Reporting

Conditional awardees are required to complete the SOW and budget to finalize the PFA. Upon execution of the PFA, conditional awardees will be identified as sponsors and at a minimum commit to providing monthly funding projections, updates to project construction timelines, and quarterly progress reports, and attending monthly ASM calls.

Reporting requirements and regular compliance on-site inspections will be required by DHCS for a minimum of 35 years after the completion of the project.

8. Communications and Media Publications

As a condition of this award, conditional awardees are required to respond to DHCS requests regarding the promotion of this award. Requests may include, but are not limited to, media interviews; submission of related letters to the editor; providing quotes for media activities; or submitting informational videos to discuss the organization, funded behavioral health facilities, and impacts on communities as a result of this award.

You will receive an email from BHCIP@DHCS.ca.gov with instructions on how to whitelist safe email addresses. All future communications from AHP will be sent from the following email address: br2@ahpnet.com. Please whitelist this email address to ensure you receive communications related to this award.

For questions, please contact DHCS or AHP at br2@ahpnet.com. Should you no longer be interested in receiving Bond BHCIP Round 2: Unmet Needs grant funding or wish to withdraw your grant application, please contact DHCS immediately at BHCIP@dhcs.ca.gov.

DHCS is excited to embark on this partnership with you to expand California's continuum of behavioral health facilities. We are doing lasting work that will benefit many of our state's most vulnerable individuals.

Sincerely,

DocuSigned by:

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Marlies Perez
Division Chief, Community Services Division
Project Executive, Behavioral Health Transformation
Department of Health Care Services

Enclosure: Award Attestation, PFA, Match Guide, Important Dates Reference, License and Certification Infographic



BOND BEHAVIORAL HEALTH CONTINUUM INFRASTRUCTURE PROGRAM (BHCIP) ROUND 2: UNMET NEEDS CONDITIONAL AWARD ATTESTATION

Instructions:

- (1) Complete the attestation by checking each box and filling in the requested information below.
- (2) The authorized representative(s) must sign the attestation. The authorized representative is an individual that is authorized by the entity to act on its behalf, for instance, a Chief Executive Officer (CEO) or Executive Director.

Submit the completed attestation to DHCS via email at BHCIP@dhcs.ca.gov by 5:00 p.m. (PT) on March 25, 2026. Failure to respond to DHCS by the deadline will be considered a voluntary relinquishment of the Bond BHCIP Round 2: Unmet Needs conditional grant award funding. In such instances, DHCS will provide the applicant with written notification confirming the conditional grant award was voluntarily relinquished.

I, Ms. Antonette Navarro, as an Authorized Representative of County of Santa Barbara, a political subdivision of the State of California, acting through its Department of Behavioral Wellness, acknowledge and accept the terms outlined in the Bond BHCIP Round 2: Unmet Needs Conditional Award Notice dated March 11, 2026 and expectations listed below.

1. **● Mandatory Onboarding Call Participation:** I, or my designee(s), agree to participate in the scheduled onboarding call with my assigned Advocates for Human Potential, Inc. (AHP) Account Success Manager (ASM) on the date and time noted in the Conditional Award Notice.
2. **● Mandatory Webinars:** I agree to attend all required Bond BHCIP Round 2-related webinars and will ensure key personnel (i.e., project lead and development team) are in attendance.
3. **● Related Party and Related Party Transaction Disclosure:** I agree to comply with the requirements set forth in Related Party and Related Party Transaction Disclosure of the Bond BHCIP Round 2 Program Funding Agreement (PFA). In addition, I confirm all related party and related party transaction information were disclosed to DHCS and AHP in [Form 6](#) of the Bond BHCIP Round 2 application, and that the project as described in the Bond BHCIP

Round 2 application does not present legal, financial, or reputational risks for DHCS or AHP or violate state or federal law. I acknowledge that the failure to meet this requirement will result in the rescission of the conditional grant award. "Related party" is defined in Section 10302 of Title 4 of the California Code of Regulations (CTCAC Regulations). The Related Party and Related Party Transaction Disclosure must be completed prior to execution of the Program Funding Agreement.

4. **Program Funding Agreement (PFA):** I agree to review the Bond BHCIP contract, referred to as the PFA, and digitally sign to execute the PFA with AHP within 90 days of receipt. I agree to comply with the general terms and conditions of the PFA. I understand that no modifications, negotiations, or redlining of the PFA will be accepted by DHCS.
5. **Title Clearance:** Prior to recording the security instruments, I understand I am responsible for resolving any outstanding issues to clear the title to the subject property, where applicable. In addition, I understand I am responsible for resolving any Covenants, Conditions & Restriction that may conflict with the Bond BHCIP 30-year Use Restriction requirement.
6. **30-Year Use Restriction:** I agree to comply with California Welfare and Institutions Code Section 5960.15 (d) and "operate services in the financed facility for the intended purpose for a minimum of 30 years."
7. **35-Year Bond Data and Record Retention:** I agree to comply with the 2008 General Obligation Bond Record Retention Memorandum from the California State Treasury Office and all applicable Internal Revenue Service statutes, regulations, and guidance to retain and submit required data and/or information. I agree to comply with program compliance and evaluation requirements for bond data and record retention for a minimum of thirty-five (35) years.
8. **Project Completion and Facility License and/or Certification:** I understand the commitment to completing project construction, obtaining required facility license(s) and/or certification(s), and opening for behavioral health services by June 2031.
9. **Institution for Mental Diseases (IMD) Considerations:**
I understand my conditionally awarded project with mental health and/or substance use disorder facilities with more than 16 beds may be ineligible for federal Medicaid funding due to the federal IMD exclusion. I have reviewed [Section 4390 of the State Medicaid Manual](#) for guidance on determining whether a facility is an IMD. I must consult with the county behavioral health agency (or agencies, if serving Medi-Cal members from more than one county) prior to PFA execution to assess potential financial impacts of the IMD exclusion for Medi-Cal covered residential and/or inpatient services. I understand I must contact DHCS at MHIMD@dhcs.ca.gov no later than two weeks from the conditional award

letter date to initiate DHCS review of facility information, as needed for DHCS to determine if my proposed facility/facilities will meet criteria for the IMD exclusion.

If my proposed facility/facilities are determined to be ineligible for federal Medicaid funding due to the federal IMD exclusion, then I understand that my conditional award is subject to rescission. I further understand that it is a program requirement for my proposed facility/facilities to serve Medi-Cal members.

10. **Medi-Cal Members:** I agree to commit to the Medi-Cal percentage identified for this Bond BHCIP Round 2 conditionally awarded project and to provide Medi-Cal members with behavioral health treatment services. As applicable, if my completed facility type provides a Medi-Cal eligible service, I agree to enroll as a Medi-Cal provider with the Department of Health Care Services.
11. **Grant Funding Usage:** I confirm all Bond BHCIP Round 2 grant funds are to be utilized exclusively for expanding new behavioral health service capacity only (beds and/or slots) and will not be used to preserve or supplant any existing service capacity. I confirm awarded Bond BHCIP Round 2 grant funds will not be used to supplant other funding sources secured or in the process of being secured for the conditionally awarded project. Additionally, I understand paying off existing property loans is not an allowable Bond BHCIP Round 2 expenditure.
12. **Program requirements:** I understand that failure to comply with any of these requirements, requirements in the Conditional Award Notice, any program requirement as stated in the Request for Applications (RFA), or federal and state law may lead to the rescission of my grant funding award..
13. **Conditional Award:** I understand this conditional award is being granted based on the details and project information identified in my application and the Conditional Award Notice. I understand that any project modifications or discrepancies identified in my application materials or the Conditional Award Notice prior to or after finalization of my Bond BHCIP Round 2: Unmet Needs grant award may result in DHCS rescinding my grant funding.
14. **Incurred Costs:** I understand this conditional award is being granted based on the details and project information identified in my application and the Conditional Award Notice. I understand I am responsible for any costs incurred for this project if at any point I am unable to fully execute my program funding agreement, record security instruments, or if there is determination of a previously undisclosed related party and related party transaction. See 3 above.

By signing this attestation, I affirm I am authorized to submit this form on behalf of the Bond BHCIP Round 2 conditional awardee named above. Additionally, I understand and agree to the requirements of the Bond BHCIP Bond BHCIP Round 2: Unmet Needs Conditional Award and commit to fulfilling all program requirements.

Primary Applicant:

DocuSigned by:
Signature: Antonette "Toni" Navarro
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Date: 3/11/2026

Authorized Representative Full Name: Ms. Antonette Navarro

Title: Director of Behavioral Wellness

Entity Name: County of Santa Barbara, a political subdivision of the State of California,
acting through its Department of Behavioral Wellness

Bond BHCIP Round 2 Application No.: BR2-0000000568