

**COUNTY OF SAN DIEGO  
BOARD OF SUPERVISORS  
TUESDAY, JUNE 03, 2025**

**MINUTE ORDER NO. 5**

**SUBJECT: AUTHORIZE ACCEPTANCE OF BOND BEHAVIORAL HEALTH  
CONTINUUM INFRASTRUCTURE PROGRAM GRANT FUNDS  
(DISTRICTS: ALL)**

**OVERVIEW**

In March 2024, California voters passed Proposition 1 that includes the Behavioral Health Services Act and the Behavioral Health Infrastructure Bond Act of 2023. This legislation authorized \$6.38 billion in general obligation bonds to expand behavioral health treatment, residential care settings, and housing to support people with mental health conditions and substance use disorders. Funds from the bonds were allocated to competitive grants for facilities that provide behavioral health treatment and residential settings, including tribal entities and serving individuals who are homeless or at risk of homelessness with behavioral health needs.

In July 2024, the California Department of Health Care Services (DHCS) released a request for applications for the Bond Behavioral Health Continuum Infrastructure Program (Bond BHCIP) that provided \$4.4 billion in competitive grant funds to counties, cities, tribal entities, nonprofit, and for-profit entities, for behavioral health capital infrastructure. The County of San Diego (County) Health and Human Services Agency, Behavioral Health Services (BHS) applied for the Bond BHCIP funds. Subsequently, on May 6, 2025, BHS received a notice of a conditional grant award, totaling \$29.8 million of funding, with \$21.9 million for the Substance Use Residential and Treatment Services (SURTS) facility and \$7.9 million for the new Children's Crisis Residential Care facility.

Today's action requests the San Diego County Board of Supervisors authorize the acceptance of \$29.8 million in one-time grant funds from the DHCS for capital infrastructure at the SURTS facility and the new Children's Crisis Residential Care facility and to waive Board Policy B-29, Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery, which requires full-cost recovery for grants

Today's action supports the County vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities. This will be accomplished by further strengthening the continuum of behavioral health services in San Diego County.

**RECOMMENDATION(S)**

**CHIEF ADMINISTRATIVE OFFICER**

1. Authorize the acceptance of Bond Behavioral Health Continuum Infrastructure Program (Bond BHCIP) grant funding of up to \$29.8 million from the California Department of Health Care Services (DHCS) for Fiscal Years 2025-26 through 2029-30, for capital infrastructure at the Substance Use Residential and Treatment Services facility and the new Children's Crisis Residential Care facility; and authorize the Deputy Chief Administrative Officer, Health and Human Services Agency, or designee, to execute all required documents, upon receipt, including any annual extensions, amendments, or revisions that do not materially impact or alter the services or funding level.

2. Waive Board Policy B-29, Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery, which requires full cost recovery for grants.

## **EQUITY IMPACT STATEMENT**

The County of San Diego Health and Human Services Agency, Behavioral Health Services (BHS) functions as the specialty mental health plan for Medi-Cal eligible residents with serious mental illness, and the service delivery system for Medi-Cal eligible residents with substance use disorder care needs within San Diego County. As a regional steward of public health, BHS must ensure services address social determinants of health by being accessible, capable of meeting the needs of a diverse population, and equitably distributed to those most in need. BHS utilizes a population health approach, evidence-based practices, robust data analysis, and input from consumers, community-based providers, healthcare organizations, and other stakeholders to identify community needs and design services that are impactful, equitable, and yield meaningful outcomes for clients. BHS conducts ongoing engagement activities, such as community outreach, focus groups, listening sessions, and key informant interviews, to ensure community input remains central to priorities and planning activities.

Establishing additional dedicated behavioral health infrastructure to support people with mental health and substance use needs who are Medi-Cal eligible will yield positive outcomes for some of the most vulnerable residents in San Diego County. This will be accomplished through the creation of the Substance Use Residential and Treatment Services (SURTS) facility and the Children's Crisis Residential Care facility. These capital projects will enhance access to behavioral health care across the region for adults in need of residential substance use services and children in need of behavioral health crisis services.

According to the 2023 National Survey on Drug Use and Health, 95.5% of people aged 12 and older with a substance use disorder did not receive substance use treatment in the past year. The SURTS facility will help meet the unmet and rising need for residential treatment options. In addition, the development of the new Children's Crisis Residential Care facility establishes a new resource for youth up to 18 years of age not currently in place within the local behavioral health care continuum. This facility serves as an alternative to hospitalization and is an essential level of care for the treatment of children and youth with serious emotional disturbances in mental health crisis. Children and youth in mental health crisis often face long wait times for a hospital bed and are often transported, without a parent, to a facility far from home to access necessary treatment services. Locating placements for youth with high acuity mental health needs continues to be a challenge as they frequently move between congregate care settings, hospitals, and detention facilities while attempting to stabilize.

## **SUSTAINABILITY IMPACT STATEMENT**

Today's proposed action supports the County of San Diego (County) Sustainability Goal #2, to ensure equitable access to County services. BHS has conducted extensive engagement activities to better understand local behavioral health needs and enhance collaboration with local partners. Through these efforts, BHS has solicited community feedback to inform department priorities, inclusive of services and infrastructure planning. The development of the Substance Use Residential and Treatment Services facility and Children's Crisis Residential Care facility will support increased capacity dedicated to children and adults with behavioral health conditions. These services will support equitable access to essential behavioral health care for Medi-Cal eligible children and adults, enabling them to be connected to care.

## **FISCAL IMPACT**

### **Recommendation #1: Authorize the Acceptance of the Behavioral Health Continuum Infrastructure Program Grant**

Funds tied to the acceptance of the Bond Behavioral Health Continuum Infrastructure Program (Bond BHCIP) grant funding for the Substance Use Residential and Treatment Services (SURTS) are not included in the Fiscal Year (FY) 2025-26 CAO Recommended Operational Plan for the Health and Human Services Agency. If approved, this request will result in estimated costs and revenue of approximately \$21.9 million in FY 2025-26. Appropriations for SURTS are already included in the FY 2024-25 Operational Plan and will be made available in subsequent fiscal years through the appropriate year-end process. The funding source is the Behavioral Health Continuum Infrastructure Program Grant.

Funds tied to the acceptance of the Bond BHCIP grant funding for the Children's Crisis Residential Care facility is partially included in the FY 2025-26 CAO Recommended Operational Plan in the County Health Complex Fund (Project 1027588). If approved, the request will result in estimated costs and revenue of approximately \$7.9 million in FY 2025-26. The funding source is the Behavioral Health Continuum Infrastructure Program Grant. The CAO Recommended Operational Plan includes \$6.9 million to fund this project. The estimated \$1.0 million additional available grant funds in comparison to project estimates is earmarked for use towards the project as needed. Future Board action will be necessary if an increase to the capital project is necessary. At that time, staff would return to the Board for future approvals necessary.

If approved, this request will result in a total estimated costs and revenue of approximately \$29.8 million in FY 2025-26 through FY 2029-30 and will be used for capital costs as noted above.

There will be no change in net General Fund cost and no additional staff years.

### **Recommendation #2: Waive Board Policy B-29, Fees, Grants, Revenue Contracts**

A waiver of Board Policy B-29 is associated with the BHCIP minimum grant match requirement of 10 percent of the total award in FY 2025-26 through FY 2029-30, or \$2.9 million. To increase competitiveness in the application process, the required local match was exceeded by utilizing both the value of the property as well as sunk capital costs already expended for each project, for a total demonstrated local match of \$10.8 million. The public benefit of this project far outweighs the B-29 unrecoverable costs. There will be no change in net General Fund cost and no additional staff years.

## **BUSINESS IMPACT STATEMENT**

N/A

### **ACTION:**

ON MOTION of Supervisor Anderson, seconded by Supervisor Desmond, the Board of Supervisors took action as recommended, on Consent.

AYES: Anderson, Lawson-Remer, Montgomery Steppe, Desmond

ABSENT: (District 1 Seat Vacant)

State of California)  
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER  
Clerk of the Board of Supervisors



**Signed**  
**by** Andrew Potter