

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, OCTOBER 21, 2025**

MINUTE ORDER NO. 9

SUBJECT: RECEIVE UPDATE ON BEHAVIORAL HEALTH CAPITAL FACILITY PROJECT RECOMMENDED FOR PROPOSITION 1 INFRASTRUCTURE BOND ROUND 2 GRANT FUNDING, AUTHORIZE AND ADOPT A RESOLUTION TO APPLY FOR THE GRANT FUNDS, AND DIRECT THE DEPARTMENT OF GENERAL SERVICES TO EXPLORE THE FEASIBILITY OF A PUBLIC-PRIVATE PARTNERSHIP MODEL (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.

As part of Proposition 1, 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) Round 1: Launch Ready grant program that provided \$4.4 billion in competitive grant funds to counties, cities, tribal entities, and nonprofit and for-profit entities for behavioral health capital infrastructure. The County of San Diego (County) Behavioral Health Services (BHS) applied for Bond BHCIP Round 1 funds. On May 6, 2025, BHS received a notice of a 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 Children's Crisis Residential Care facility.

In June 2025, DHCS released a second request for applications for the Bond BHCIP Round 2: Unmet Needs grant program, providing \$800 million in competitive grant funds. As with the initial round, the State guidance indicates that awards will be prioritized to counties, cities, tribal entities, nonprofit, and for-profit entities demonstrating site control, emphasizing residential treatment, and commencing service delivery in an expedient manner.

Subsequently, on August 26, 2025 (25), the San Diego County Board of Supervisors (Board) approved a Resolution to apply for Bond BHCIP Round 2 grant funding not to exceed \$150 million. Today's action requests the Board receive an update on the behavioral health capital facility project prioritized for Bond BHCIP Round 2 grant funding, the Behavioral Health Wellness Campus. In addition, this item requests the Board authorize and adopt an updated Resolution to apply for the grant funds, superseding the Resolution approved by the Board on August 26, 2025 (25) to align it with updated project cost estimates, and direct the County Department of General Services to explore the feasibility of a public-private partnership model to support a timely and cost-effective approach for the development and construction of the campus.

Today's actions support 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 through further strengthening the continuum of behavioral health services in San Diego County.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Receive an update on the recommended behavioral health capital facility project prioritized for Proposition 1 Infrastructure Bond Round 2: Unmet Needs grant funding, and authorize the Chief Administrative Officer, or designee, to submit the grant fund proposal through the Bond Behavioral Health Continuum Infrastructure Program.
2. Adopt a Resolution entitled: A RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS AUTHORIZING APPLICATION TO AND PARTICIPATION IN THE BEHAVIORAL HEALTH CONTINUUM INFRASTRUCTURE PROGRAM ("BHCIP") to authorize the Chief Administrative Officer to execute the Bond BHCIP Round 2: Unmet Needs competitive grant application, program funding agreement, and related documents. This Resolution supersedes the Resolution approved by the Board on August 26, 2025 (25).
3. Direct the Department of General Services to explore the feasibility of a public-private partnership model to support the development and construction of the Behavioral Health Wellness Campus.

EQUITY IMPACT STATEMENT

The County of San Diego 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.

SUSTAINABILITY IMPACT STATEMENT

Today's proposed actions support the County of San Diego (County) Sustainability Goal #1, to engage the community in meaningful ways and continually seek stakeholder input, and 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. Prioritizing the development of the recommended facility will

support increased capacity dedicated to people with behavioral health conditions. These services will support equitable access to essential behavioral health care for Medi-Cal eligible individuals, enabling them to be connected to the care they need.

FISCAL IMPACT

There is no immediate fiscal impact associated with these recommendations. The rough order of magnitude for the construction costs of the Wellness Campus is approximately \$193.0 million, including an estimated \$182.6 million for construction of the five BHS facilities and \$10.4 million for facility operations space and ancillary costs not eligible for Bond BHCIP grant funding.

For the Bond BHCIP Round 2 grant application, the estimated total value of the project is up to \$210.0 million, inclusive of the planning, development, and construction costs of \$182.6 million and land value of \$27.4 million. If today's recommendations are approved, BHS will apply for up to \$100 million in Bond BHCIP Round 2 grant funding for this project. If awarded grant funding, the County of San Diego Behavioral Health Services will return to the Board at a future date with additional recommendations, including recommendations to fund the balance of the unawarded amount. At this time, 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 Aguirre, seconded by Supervisor Desmond, the Board of Supervisors took action as recommended, on Consent, adopting Resolution No. 25-114 entitled: A RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS AUTHORIZING APPLICATION TO AND PARTICIPATION IN THE BEHAVIORAL HEALTH CONTINUUM INFRASTRUCTURE PROGRAM ("BHCIP").

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

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

