



# COUNTY OF SONOMA

575 ADMINISTRATION  
DRIVE, ROOM 102A  
SANTA ROSA, CA 95403

## SUMMARY REPORT

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**Agenda Date:** 3/3/2026

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**To:** Board of Supervisors of Sonoma County  
**Department or Agency Name(s):** County Executive's Office  
**Staff Name and Phone Number:** Katie Kavanaugh, 707-565-3779  
**Vote Requirement:** 4/5th  
**Supervisorial District(s):** 4<sup>th</sup> District

**Title:**

Grant of State funds for Alexander Valley Healthcare Center Project

**Recommended Action:**

- A) Authorize the County Executive, or designee, to accept \$3,500,000 in pass-through funding allocated under the State of California 2025 Budget Act, for the Alexander Valley Healthcare Center project.
- B) Authorize the County Executive, or designee, to execute an agreement, in a form approved by County Counsel, to transfer funds to Alexander Valley Healthcare as required by said State grant.
- C) Adopt a Resolution amending the Fiscal Year 2025-26 budget by \$3,500,000 in expenditures and revenues to facilitate the pass-through of funds.  
(4/5<sup>th</sup> vote required)

**Executive Summary:**

This item requests that the Board accept the \$3,500,000 allocated under the State of California's 2025 Budget Act, for Alexander Valley Healthcare to construct a re-designed Health and Wellness Center. The State of California allocated the funding to the County, to then be transferred to Alexander Valley Healthcare. Senator Mike McGuire advocated for this funding in the 2025 Budget Act.

This award will complement the \$1,000,000 funding allocated by the Board of Supervisors in 2023 to support this project, funded through 4<sup>th</sup> District Community Infrastructure Funds. The cost for the new facility is expected to be approximately \$40 million, funded through tax-exempt bonds, philanthropic support, and Federal and State funding.

**Discussion:**

The Alexander Valley Healthcare (AVH) is a Sonoma County-based non-profit, Federally Qualified Health Center that provides family medicine, dental, and behavioral health services to community members in and around Cloverdale. Construction of a new [Alexander Valley Health and Wellness Center](https://alexandervalleyhealthcare.org/wellness-center/), starting in 2025, will expand access to comprehensive, integrated services, all while keeping costs low and supporting the wellness of the community.

AVH's current services include:

- Comprehensive Primary Care for all ages

- Behavioral and Mental Health Services
- Substance Use Disorder Treatment
- Financial Assistance for MediCal, Medicare, Affordable Care insurance, Prescription Services, and Supplemental Nutrition Application aid

With the facility expansion, AVH plans to offer several new services:

- Urgent Care
- Teen Clinic
- Sonoma County Health and Human Services
- Expanded Specialty Dental and Dental Hygiene Services
- On-Site Pharmacy
- Laboratory Services
- Community Health Education multi-purpose room

The County is allocated the State funding only as a pass-through entity in the [2025 State Budget Act <https://legiscan.com/CA/text/SB105/id/3270023>](https://legiscan.com/CA/text/SB105/id/3270023). The funding will be transferred to AVH pursuant to a funding agreement, to ensure proper use of all said funds in accordance with the State Budget Act and other applicable laws.

**Strategic Plan:**

N/A

**Racial Equity:**

**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

No

**Prior Board Actions:**

10/24/2023 - The Board of Supervisors authorized a funding agreement with Alexander Valley Healthcare for \$1,000,000 in support of the Alexander Valley Health and Wellness Center, funded through 4<sup>th</sup> District Community Infrastructure Funds.

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY25-26 Adopted</b>	<b>FY26-27 Projected</b>	<b>FY27-28 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested	\$3,500,000		
<b>Total Expenditures</b>	<b>\$3,500,000</b>		
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal	\$3,500,000		
Fees/Other			
Use of Fund Balance			

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General Fund Contingencies			
<b>Total Sources</b>	<b>\$3,500,000</b>		

**Narrative Explanation of Fiscal Impacts:**

\$3,500,000 in SB 105 funds will be deposited in the Designated Purposes Fund (10155) until authorized for distribution.

**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

Attachment 1: Budget Resolution

Attachment 2: Funding Agreement with Alexander Valley Healthcare

**Related Items "On File" with the Clerk of the Board:**

None.