Bond BHCIP Round 1 Implementation Update

July 7, 2026

sonoma county
DEPARTMENT OF HEALTH SERVICES

Overview

- **Overview of BHCIP Bond Round 1 Project**
  - Background/History
  - Estimated Project Costs and Funding Gap
    - *Board Authority Requested:* initiate competitive solicitation process; execute State grant documents to accept BHCIP award
  - Project Location Options
    - *Board Authority Requested*: utilize Los Guilicos and/or Orenda Center

- **Review of BHHU Project**
  - *Board Authority Requested*: return State grant; reallocate BHHU funding to the BHCIP Project

Background/History

December 2024: DHS applies for Bond Behavioral Health Continuum Infrastructure Program (BHCIP) Round 1 funding.

May 2025: DHS offered $67,702,227.50 conditional award for:

- 104 treatment beds
- 4 Mental Health Rehabilitation Centers (MHRC): 64 Beds
- 1 Adult Residential Substance Use Disorder (SUD) Treatment Facility: 40 Beds

June – August 2025: Site location and projected construction costs indicate significant challenges.

September 2025- June 2026: Ongoing DHCS discussions regarding award

- DHS offered $54,623,064.16 to develop 88 treatment beds

Bond BHCIP Round 1 Market Analysis

Alameda County: $77.2 Million

- Award: $14,883,715.05 | Beds: 10 | Approx. **$1.4 M Per Bed**
- Award: $62,411,191.59 | Beds: 40 | Approx. **$1.5 M Per Bed**

Contra Costa County: $98.3 Million

- Award: $16,584,691.02 | Beds: 16 | Approx. **$1M Per Bed**
- Award: $43,730,635.3 | Beds: 16 | Approx. **$2.7 M Per Bed**
- Award: $37,993,775.84 | Beds: Unknown

Sonoma County: $67.7 Million:

- Award: $67,702,227.50 | Beds: 104 | Approx. **$650k Per Bed**

Funding Scenarios & Gaps

Anticipated Project Expense: Scenario 1 (104 Beds)		
104 Treatment Beds x $1.4M Per Bed:	$	145,600,000
10% Contingency:	$	14,560,000
Total:	**$**	**160,160,000**

Projected Construction Expenses: Scenario 2		
88 Treatment Beds x $1.4M Per Bed:	$	123,200,000
10% Contingency:	$	12,320,000
Total:	**$**	**135,520,000**

Anticipated Project Funding: Scenario 1 (104 Beds)		
DHCS Award:	$	67,702,227
One-Time County Capital Funds:	$	27,201,244
Opioid Settlement Funds (Match):	$	3,800,000
Subtotal:	$	98,703,471
Cost under Scenario 1	$	160,160,000
Funding Gap:	**$**	**61,456,529**

Anticipated Project Funding: Scenario 2 (88 Beds)		
DHCS Award:	$	54,623,064
One-Time County Capital Funds:	$	27,201,244
Opioid Settlement Funds (Match):	$	3,800,000
Subtotal:	$	85,624,308
Cost under Scenario 2	$	135,520,000
Funding Gap:	**$**	**49,895,692**

Project Location

Project Needs:

- 88 Treatment Beds
- 2 Mental Health Rehabilitation Centers with 32 treatment beds (16-bed each)
- 1 Substance Use Disorder Treatment Facility with 56 treatment beds

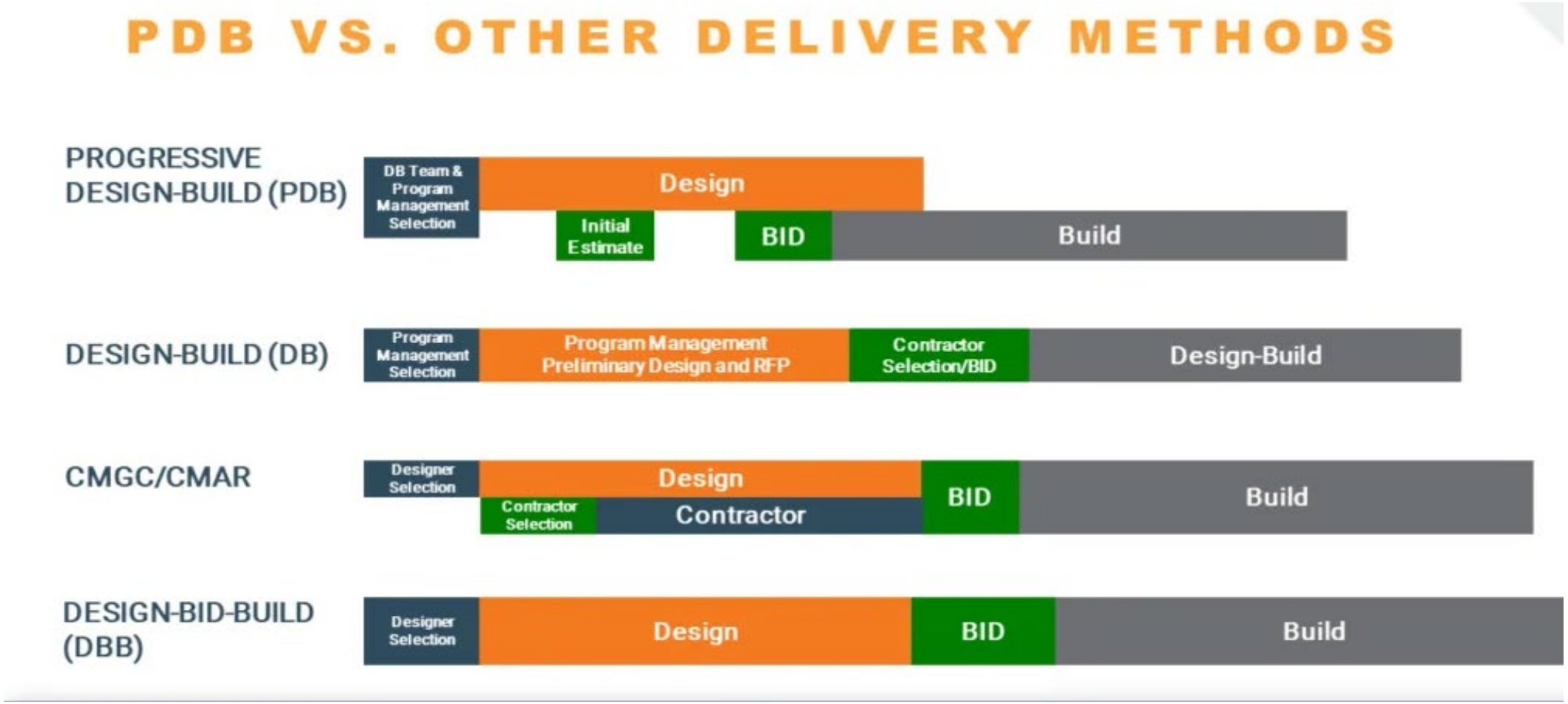
Scenario 1: Build at Los Guilicos

Scenario 2: Build at Orenda Center

Scenario 3: Multi-Site Development (Los Guilicos & Orenda Center)

Solicitation responses will help determine the approach.

Request for Proposals (RFP)



DHCS Conditional Offers

The Department of Health Care Services has indicated that any reduction in the number of treatment beds will result in an award reduction. Dept. of Health Service options include:

- Accept the original $67.7 million award for 104 treatment beds
- Accept the amended $54.6 million for 88 treatment beds
- Decline the BHCIP award

Behavioral Health Housing Unit Project

- In 2015, the County received a $40 million award from the Board of State and Community Corrections (BSCC) to construct a 72-bed facility for the mental health treatment and rehabilitation of inmates
- Construction and operating costs have exceeded the original award, and the Behavioral Health Housing Unit (BHHU) Project is no longer feasible.
- Opportunity to leverage those BHHU funds by terminating the BHHU agreement with the BSCC and reallocating funds to the BHCIP Project.

Recommended Actions

BHCIP Recommendations:

1. Authorize the Dept. of Health Services and Public Infrastructure Depts. to develop and release a competitive solicitation.
2. Select Los Guilicos and the Orenda Center sites as locations for further project planning, feasibility, and development plan efforts.
3. Authorize the Dept. of Health Services to pursue public and private funding opportunities to reduce the funding gap.
4. Authorize the Dept. of Health Services to accept an amended $54.6 million BHCIP award.
5. Direct the Director of Health Services, or designee, to execute all documents necessary to secure the BHCIP award

Recommended Actions

Behavioral Health Housing Unit Recommendations:

1. Direct and authorize the Chief Executive Officer to initiate termination of the SB 863 Behavioral Health Housing Unit Project
2. Approve the use of the Behavioral Health Housing Unit project's local set aside amounts for use on the BHCIP Project.