

- b. Authorize and direct the Director of Health Services or designee to execute a “Standard Agreement” with the California Department of Health Care Services (DHCS), through its administrative entity Advocates for Human Potential, Inc. (AHP), for the construction of a new regional MHRC, subject to approval by the Office of County Counsel and Board of Supervisors, in a total amount not to exceed \$20,166,779 from BHCIP; and
- c. Direct the Director of Health Services or designee to work with the County Budget and Analysis Division to identify an appropriate funding source for expenses incurred to date for preliminary site assessment activities in the amount of \$407,236; and
- d. Provide further direction as appropriate.

SUMMARY/DISCUSSION

On August 22, 2023, the County of Monterey Board of Supervisors adopted Resolution No. 23-314 wherein the County of Monterey, through its Health Department Behavioral Health Bureau (BHB), was authorized to ratify the submittal of a grant application to DHCS, through its administrative entity AHP, for a BHCIP grant in the amount of \$20,166,779 to establish the Monterey County Regional Mental Health Rehabilitation Center (MHRC).

DHCS received a total of 118 applicants requesting over \$2 billion in funding, which far exceeded the total amount of funding available. On June 23, 2023, BHB received a conditional notice of award from DHCS in the amount of \$20,166,779 for the conversion of the County of Monterey’s jail rehabilitation center into a regional MHRC. The conditional award was contingent on several conditions, including but not limited to confirmation of matching funds, a clean title report, and acceptance of the terms of encumbrance on the property, all of which have been satisfied.

BHB in collaboration with the County Public Works, Facilities, and Parks Department (PWFP), began architectural design work, and a planning and construction schedule for the regional MHRC. The approximate sunk costs to date are \$407,236. While developing a Memorandum of Understanding with the County of Monterey Sheriff’s Office for use of the old County jail rehabilitation center, it was determined that the Sheriff continues to use the facility and needs to retain it for penological needs.

Since the original project location was no longer viable, County staff have identified a new parcel of land on County-owned property on the corner of Medical Center Drive and Constitution Boulevard in Salinas. The approximate square footage of this parcel is 336,699. As this will be new construction, the project may require California Environmental Quality Act (CEQA) review, which could impact an already tight project timeline.

BHB is working with AHP to update its previously approved BHCIP application. If approved, County staff will proceed with architectural designs and any necessary CEQA review at the new location.

Additionally, County staff are working on developing a new total project budget which is estimated to be greater than the BHCIP grant award of \$20,166,779. BHB, in partnership with PWFP, and after consulting with the County Administrative Office, will return to the Board to seek further direction strategies for the unfunded portion.

OTHER AGENCY INVOLVEMENT

The Office of County Counsel has reviewed this item as to legal form. The Department of PWFP has consulted on this matter and will continue to consult with BHB to move this project forward. The Office of Chief Administration and Sheriff have worked with BHB in the creation of the original plan and the pivot to the current proposed Board Action.

FINANCING

The cost of preliminary site assessment activities towards architectural design and construction schedule at the County jail rehabilitation center total \$407,236 and were intended to be covered with grant funds and special purpose revenue. With the determination that the original site is no longer viable, those costs are no longer eligible for reimbursement by these grant funding or special purpose revenues. Accordingly, BHB respectfully requests relief in the amount of \$407,236 for said costs, with an appropriate funding source to be identified in partnership with the Budget and Analysis Division of the County Administrative Office.

The Bureau increased appropriations, funded by grant revenues, in its (HEA012-8410) FY 2023-24 budget via a resolution approved by the Board of Supervisors at its February 6, 2024 meeting for FY 2023-24 estimated costs. Future amounts will be included in the Health Department's (HEA012-8410) future requested budgets.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This work supports the County of Monterey Health Department 2018-2024 Strategic Plan Goal(s):

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability, and transparency.

Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services, promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses, and communities to thrive and grow by reducing violent crimes as well as crimes in general.

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Approved By:

Date

Elsa Mendoza Jimenez, Director of Health Services, 755-4526

Attachments:

Board Report

Conditional Acceptance Letter

Resolution No.: 23-314

Presentation