Mental Health Rehabilitation Center Project Update

Health, Housing, Homelessness, and Human Services Committee
August 18, 2025





Background



Feb. 2023

Behavioral Health Submitted a BHCIP Round 5 grant application for \$20,166,779 to rehabilitate a wing of the old county jail on Natividad Road



Aug. 2023

BoS adopted Resolution 23-138, authorizing the Director of Health Services to execute grant agreement



Spring 2024

County Team identified a vacant parcel on Constitution Blvd (across the street from the Regional Soccer Complex) as an alternative location

DHCS conditionally awarded the grant

June 2023

Rehabilitation wing of the old county jail is no longer available



Feb. 2024







Background continued

June 2024, BHB presentation to the BoS

- Moving from Rehabilitation to New Construction
- •Six (6) separate, 16-bed MHRCs
- Allows for Medi-Cal billing
- One (1) Support building
- Leverage San Mateo County model
- Cordilleras Facilities design & plans

November 2024, BHB Report and Financing Options Presentation to the BoS

- •Estimated project budget increase from \$45M to \$75M based on recent projects
- Increase due to change from rehabilitation to new construction
- •Funding gap of \$54M between grant and budget
- •BOS approved 4-1 to seek COPs to fund the gap







Background continued

December 2024, BHB submitted two BHCIP Bond R1 Applications

- \$31M application to increase bed capacity at MHRC from 96 to 144
- \$11M application to build a Behavioral Health Urgent Care (BHUC)

Between December 2024 and May 2025, BHB met with PWFC to discuss bed expansion, which was deemed not viable

Project Programming continued and was completed in April 2025

July 2025, BHB met with AHP and DHCS to discuss the needed project revisions for the \$31M grant

- Request for project modification was submitted and is currently under review
- Determination is expected from DHCS by the end of August 2025



Cost estimates increased from \$75M to \$172M

Parcel lacks essential infrastructure (water, sewer, electricity, etc.)

Federal Tariffs

Construction contingency requirement of 20%

Project Cost Factors



Project Timeline

Summer 2025, Finalize Floor Plans Summer/Fall 2025, Public Outreach Spring 2026, Complete Environmental Review Summer/Fall 2026, Construction Contract Process

Early 2027, Begin Construction

Summer 2029, Project Completion

