



Health and Human Services Agency

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BEHAVIORAL HEALTH DEPARTMENT

NEVADA COUNTY BOARD OF SUPERVISORS

Board Agenda Memo

MEETING DATE: February 17, 2026

TO: Board of Supervisors

FROM: Phebe Bell, Behavioral Health Director

SUBJECT: Resolution authorizing execution of the Program Funding Agreement for the Department of Health Care Services (DHCS) Bond Behavioral Health Continuum Infrastructure Program (BHCIP), authorizing the Behavioral Health Director to execute the Agreement, and directing the Auditor-Controller to amend the Behavioral Health Department's Budget for Fiscal Year 2025/26. (4/5 Affirmative Vote Required)

RECOMMENDATION: Approve the attached Resolution.

FUNDING: On November 12, 2024, per Resolution 24-592, the Board of Supervisors authorized Nevada County Behavioral Health to apply for a BHCIP grant of \$23,713,908 for an inpatient treatment facility, a critical missing piece in our local continuum of care. On May 6, 2025, Nevada County Behavioral Health was conditionally awarded the grant of \$23,713,908 to construct a 16-bed inpatient facility offering two levels of care: psychiatric health facility (PHF) and mental health rehabilitation center (MHRC). Behavioral Health (BH) realignment and Patient Care revenue funds currently residing in fund balance will be used to meet the required cash match of \$1,935,859 to the BHCIP funds. This use of funds was affirmed by the Board with the Board's approval of Resolution 24-592 which authorized the application including the match requirement. The source of fund balance is in line with the intent of payment reform which allows counties to generate excess revenues to reinvest in system improvements. This Program Funding Agreement allows Nevada County to formally accept the funds, terms and conditions of the award, including the encumbrance of the site and facility when constructed. A budget amendment is required and is included in this Resolution (4/5 Affirmative vote required). There are no county general fund dollars required in the Agreement.

BACKGROUND: DHCS launched the BHCIP to address historic gaps in the behavioral health care continuum and meet the growing demand for services and support across the life span of vulnerable individuals in need. The State priorities for BHCIP are facilities that address urgent

needs in the care continuum for people with mental health or substance use conditions. The State is particularly interested in residential facilities that provide comprehensive treatment for community members, and particularly those experiencing behavioral health crises.

Through Resolution 24-592, the Board of Supervisors affirmed the location of the proposed building on an unused portion of the existing Eric Rood Administrative Campus, and acknowledged the 30-year required encumbrance of the site for the proposed use. A Certificate of Compliance has subsequently been executed to define this as a separate parcel with a unique assessor's parcel number (APN) and address. The encumbrance of this parcel required in the Program Funding Agreement will be brought to the Board as a separate resolution. Following an RFP process, the Board accepted Crestwood Behavioral Health, Inc. as the selected Design Build entity through Resolution 24-621, and Resolution 25-397 awarded that contract in August 2025. Design work is in progress, and the project is expected to break ground in Spring 2026.

It is recommended that the Board adopt this resolution approving the Program Funding Agreement in essentially the form attached hereto and authorizing the Behavioral Health Director to execute the Agreement. This Agreement will provide funding for the County to design and build this critically needed facility and will ensure that Nevada County residents have access to quality local treatment services. This resolution also directs the Auditor-Controller to amend the Behavioral Health Department's Budget for Fiscal Year 2025/26.

Approved by: Phebe Bell, Behavioral Health Director