



## Health and Human Services Agency

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### BEHAVIORAL HEALTH DEPARTMENT

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#### NEVADA COUNTY BOARD OF SUPERVISORS

##### Board Agenda Memo

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**MEETING DATE:** November 18, 2025

**TO:** Board of Supervisors

**FROM:** **Phebe Bell**

**SUBJECT:** Resolution to create a preliminary budget for Crestwood Behavioral Health, Inc. to Design and Build an inpatient psychiatric facility to better serve the residents of Nevada County in the maximum amount of \$1,245,000 and directing the Auditor-Controller to amend the Behavioral Health Budget for Fiscal Year 2025/26. (4/5 Affirmative vote required)

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**RECOMMENDATION:** Approve the attached Resolution.

**FUNDING:** This project will be funded primarily by the Department of Health Care Services (DHCS) Behavioral Health Continuum Infrastructure Program (BHCIP) grant funds with a required cash match provided through Behavioral Health (BH) realignment and Patient Care revenue funds. This use of funds was affirmed with the Board's approval of Reso 24-592 for applying to the grant including the match requirement. A budget amendment is required for FY 2025/26 and an initial budget amendment of \$1,245,000 is included with this item (4/5 vote required) to allow Crestwood to start work ahead of the official award agreement from the grantor. Once received, the award agreement will be brought before the board and will include the remaining budget amendment needed for the project. Behavioral Health has sufficient fund balances to cover the requested \$1,245,000 amendment and required cash match. There is no impact to county general fund.

**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.

On November 12, 2024, per Resolution 24-592, the Board of Supervisors authorized Nevada County Behavioral Health BHCIP grant of \$23,713,907.78 for an inpatient facility, a critical missing piece in our local continuum of care. This project means that Nevada County community members will no longer need to travel out of the county for these essential services.

Prior to applying for these grant funds, Nevada County Behavioral Health collaborated with the Purchasing Department to develop Request for Proposals (RFP) No. 190141: Behavioral Health Continuum Infrastructure Program Development to seek partners interested both in designing and building a facility as well as operating this facility.

On December 10, 2024, through Resolution 24-621, the Nevada County Board of Supervisors authorized the Behavioral Health Department to accept Crestwood Behavioral Health, Inc. (CBHI) as the awardee from the Request for Proposals process. The Behavioral Health Department entered into a three-phase contracting process with CBHI. In Phase One, a small purchasing level contract was enacted that funded CBHI to conduct initial project planning and design, including completing a schematic design and project budget necessary for the grant application. The facility being designed will be located on County owned land, specifically on the property located next to the Wayne Brown Correctional Facility.

Through Resolution 25-397 the Nevada County Board of Supervisors authorized a Phase Two contract for the comprehensive Design-Build contract with CBHI. The Design-Build contract will be paid for with BHCIP grant funds and \$1.9 million in required department matching funds. Nevada County Behavioral Health is currently engaged in a lengthy process with the State to finalize the BHCIP grant contract prior to bringing it back to the Board of Supervisors for consideration. All costs associated with this early planning phase are billable to the grant and this early work is critical for maintaining grant required construction timelines. If the contract accepting BCHIP grant funds is not executed, this Design Build contract with CBHI will be terminated. With design and planning work commencing immediately, actual construction and groundbreaking is anticipated in Spring 2026.

Lastly, the Phase Three contract will be written and brought to the Board near construction completion. The Phase Three contract is intended to govern the provision of services and operations at the site.

It is recommended that the Board approve by 4/5 Affirmative vote, this initial \$1,245,000 budget amendment to the Behavioral Health Department Budget as CBHI needs to proceed with early work in order to stay on track to meet construction and grant timelines. Behavioral Health has sufficient fund balances to cover these expenditures. The Department will monitor expenditures closely while working with the grantor to complete the grant agreement as soon as possible at which point the remaining budget amendment will be brought before the board. Completion of this facility will ensure Nevada County residents can have access to critical treatment services in our community.

**Approved by:** Phebe Bell, MSW, Behavioral Health Director