

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

September 9, 2025

FROM

GEORGINA YOSHIOKA, Director, Department of Behavioral Health

SUBJECT

Program Funding Agreement for the Community Care Expansion – Capital Expansion Grant

RECOMMENDATION(S)

1. Approve Program Funding **Agreement No. 25-686**, and its related Compliance Memo, attachments, and exhibits, including non-standard terms, with Horne LLP, on behalf of the California Department of Social Services, relating to the Community Care Expansion – Capital Expansion Grant, in the amount of \$10,515,038, effective upon execution through June 30, 2029.
2. Approve the Performance Deed of Trust, **Security Agreement No. 25-687** and Fixture Filing, and Declaration of Restrictions between San Bernardino County and the State of California, represented by the California Department of Social Services, to restrict the use of certain portions of County-owned real property (Assessor's Parcel Number 3105-191-11-0000), located at 13333 Palmdale Road in Victorville, for the provision of construction or rehabilitation of a residential adult and senior care facility in which 40 beds/units are prioritized for certain qualified residents experiencing or at risk of homelessness, for a minimum of 30 years.
3. Authorize the Chair of the Board of Supervisors, Assistant Executive Officer, Director of the Department of Behavioral Health, Director of the Project and Facilities Management Department, Director of Real Estate Services Department or Information Security Officer of the Department of Behavioral Health to execute and submit the Performance Deed of Trust, Security Agreement and Fixture Filing and Declaration of Restrictions as referenced in Recommendation No. 2, Program Funding Agreement, any attachments and exhibits to the Program Funding Agreement, any non-substantive amendments to the Program Funding Agreement and its related attachments and exhibits or any additional or supplemental documentation, including compliance certifications, subject to review by County Counsel.
4. Direct the Director of the Department of Behavioral Health to transmit the Performance Deed of Trust, Security Agreement and Fixture Filing and Declaration of Restrictions, Program Funding Agreement, and any attachments and exhibits to the Program Funding Agreement, any subsequent non-substantive amendments to the Program Funding Agreement and its related attachments and exhibits, to the Clerk of the Board of Supervisors within 30 days of execution.

(Presenter: Georgina Yoshioka, Director, 252-5142)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote the Countywide Vision.

Operate in a Fiscally-Responsible and Business-Like Manner.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Provide for the Safety, Health and Social Service Needs of County Residents.

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FINANCIAL IMPACT

This item does not impact Discretionary General Funding (Net County Cost). The Community Care Expansion (CCE) – Capital Expansion Grant (Grant) funding award in the amount of \$10,515,038, administered by Horne LLP (Horne), on behalf of the California Department of Social Services (CDSS) requires a local match, which will be provided by the Department of Behavioral Health (DBH) and funded by 2011 Realignment funds, in the amount of \$2,540,102. Adequate appropriation and revenue are included in the DBH 2025-26 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

CDSS is providing CCE – Grant funding, established through Assembly Bill 172, Chapter 696 (3), for the expansion of the Comprehensive Treatment Campus (Campus) located in Victorville. The Campus provides Substance Use Disorder (SUD) treatment and recovery services to eligible county residents, offering long-term care services for older adults and adults with disabilities, giving priority to applicants and recipients of Supplemental Security Income/State Supplementary Payment and Cash Assistance Program for Immigrants benefits who are at risk of or experiencing homelessness. The CCE – Grant will establish the creation of recovery residences that support DBH's clients in SUD treatment and recovery. The recovery residences will be certified through the California Consortium of Addiction Programs and Professionals (CCAPP), adhering to standards to support clients' continued treatment and recovery as they transition to permanent housing and reintegration into the community. The goal is to provide a safe, sober living environment while individuals participate in a treatment program and gain education or employment, so they can transition back into society as a productive member, while being prepared to secure permanent housing. On January 24, 2023 (Item No. 46), the Board of Supervisors (Board) approved the Purchase and Sale Agreement and Joint Escrow Instructions for the acquisition of 29.47 acres, improved with nine single story buildings, totaling about 17,770 square feet of building area, located at 13333 Palmdale Road in the City of Victorville (Property), formerly known as the Saint John of God Campus, for the purchase price of \$2,000,000 to be utilized for the Campus.

On January 24, 2023 (Item No. 19), the Board also approved DBH's submission of the grant application to the California Department of Health Care Services, in the amount of \$51,731,501, for the Behavioral Health Continuum Infrastructure Program (BHCIP) – Crisis and Behavioral Health Continuum grant to expand the Campus.

In March of 2023, DBH was notified of an award in the amount of \$10,093,171 in CCE Grant funding, effective through June 30, 2029, to support the expansion of the Campus.

On December 29, 2023, the County closed escrow through the Chicago Title Company, officially acquiring the Property. Within this purchase, certain portions estimated to total approximately 6.55 acres of the Property would be used to establish the Campus.

On May 21, 2024 (Item No. 22), the Board approved the Program Funding Agreement (PFA) with Advocates for Human Potential, Inc., and granted acceptance for the BHCIP funding, in the amount of \$51,410,844, which would be used to modernize and expand some of these portions of the Property to form the Campus. The PFA required DBH to provide a match in the amount of \$4,341,650, which would be met and funded by 2011 Realignment funding.

On May 21, 2024, DBH received an augmented award notification from CDSS, increasing the award amount by \$421,867, for an updated total amount of \$10,515,038. The CCE Grant funds will be used as part of the Campus expansion to include 52 recovery residence beds, of which

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40 are dedicated to the CCE population. These beds will offer a supportive, home-like environment for individuals with SUD to reside on Campus while engaging in treatment, including group classes and individual sessions.

The recovery residences will be certified through CCAPP, adhering to standards to support clients' continued treatment and recovery as they transition to permanent housing and reintegrate into the community. The goal is to provide a safe, sober living environment while individuals participate in a treatment program and gain education or employment, so they can transition back into society as a productive member, while being prepared to secure permanent housing.

On August 19, 2025 (Item No. 15), the Board adopted Resolution No. 2025-184 for the acceptance of CCE Grant funds, not to exceed \$10,515,038, for the expansion of the Campus as required by CDSS, for the CCE – Grant Program. Adoption of Resolution No. 2025-184 had to be completed before the PFA could be approved by the Board.

Approval of this item will allow DBH to accept the funding and execute the contract documents, which include a Deed of Restrictions that must be filed against the Property.

The PFA with Horne contains non-standard County terms as follows:

1. The County is required to indemnify Horne and CDSS.
 - The County standard contract does not include any indemnification or defense by the County of a contractor and requires the contractor to indemnify the County from any third-party claims.
 - Potential Impact: By agreeing to indemnify Horne and CDSS, the County could be contractually waiving the protection of sovereign immunity. Claims that may otherwise be barred against the County, time limited or expense limited, could be brought against the County without such limitations and the County could be responsible to defend and reimburse Horne and CDSS. Further, the indemnification means that if the County is sued, it may be solely liable for the costs of defense and damages, which could exceed the total PFA amount.
2. Disputes arising under the PFA must be settled by binding arbitration.
 - The County standard contract does not require arbitration.
 - Potential Impact: The PFA requires binding arbitration for all disputes between the parties. Disputes that might otherwise be settled in small claims court would incur arbitration costs that would exceed the costs of a small claims action. Arbitration decisions are not appealable.
3. The PFA does not include certain standard County insurance requirements, including that the County be named as an additional insured.
 - The County standard contract requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department.
 - Potential Impact: Without being named as an additional insured, the County may be prohibited from submitting a legitimate claim against the policies of Horne and CDSS, which could result in expenses that exceed the total PFA amounts.

Approval of this item will allow DBH to formally accept the grant award for the CCE program and approve the PFA, which will be effective upon execution. The PFA includes a Compliance

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Memo which outlines the due dates for the documents, including but not limited to Authorizing Resolutions, certificates of insurance and title endorsements as required throughout the construction process. This will allow DBH to move forward with the Capital Improvement Program for the construction of the CCE portion of the Comprehensive Treatment Campus, in collaboration with the Project and Facilities Management Department.

DBH also requests delegated authority to execute and submit any non-substantive amendments to the PFA and any additional or supplemental documentation, including but not limited to, compliance certifications, Declaration of Restrictions, and the Performance Deed of Trust. These forms are part of the funding requirements and must be submitted within the dates specified in the Compliance Memo.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by Behavioral Health Contracts (Michael Shin, Contracts Manager, 383-0899) on August 14, 2025; County Counsel (Dawn Martin, Deputy County Counsel, 387-5455) on July 31, 2025; Project and Facilities Management (Donald Day, Director, 387-5224 and Rob Gilliam, Chief of Project Management, 387-5000); Risk Management (Greg Ustaszewski, Staff Analyst II, 386-9008) on August 25, 2025; Real Estate Services (Terry Thompson, Director, 387-5104) on August 27, 2025; and County Finance and Administration (Allegra Pajot, Administrative Analyst, 388-0218) on August 28, 2025.

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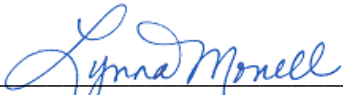
Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: September 9, 2025



cc: DBH - Barajas w/agrees for sign
Contractor - c/o DBH w/agree
File - w/agree

CCM 09/12/2025