

RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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**RESOLUTION: A) APPROVING A FUNDING COMMITMENT OF \$2,000,000 FROM SAN MATEO COUNTY OPIOID SETTLEMENT FUNDS AS 10% LOCAL MATCH FUNDS FOR HORIZON SERVICES, INC.'S PALM RECOVERY CENTER PROJECT APPLICATION UNDER THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (DHCS) BEHAVIORAL HEALTH CONTINUUM INFRASTRUCTURE PROGRAM (BHCIP) ROUND 2: UNMET NEEDS; AND
B) AUTHORIZING THE CHIEF OF SAN MATEO COUNTY HEALTH, OR DESIGNEE(S), IN CONSULTATION WITH COUNTY ATTORNEY, TO NEGOTIATE AND EXECUTE ALL AGREEMENTS, AWARD LETTERS, AND OTHER DOCUMENTS NECESSARY AND APPROPRIATE TO ACCOMPLISH THE PURPOSES OF THIS RESOLUTION**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that:

WHEREAS, the California Department of Health Care Services ("Department") has issued a Request for Applications, dated May 30, 2025 (RFA) for the Behavioral Health Continuum Infrastructure Program (BHCIP) – Bond Round 2 (BB2): Unmet Needs Program with the intent to award \$800+ million statewide for outstanding behavioral health needs or insufficient behavioral health infrastructure, projects with a campus model and regional collaborations, in geographic areas with no prior BHCIP infrastructure award; and

WHEREAS, San Mateo County has received no prior BHCIP grants from prior BHCIP RFAs.; and

WHEREAS, San Mateo County Behavioral Health and Recovery Services (BHRS) experienced the permanent closure of its 14-bed Sobering Center on May 21, 2025, leaving a critical gap in the local substance use continuum of care, particularly for clients with high-risk alcohol and substance use needs; and

WHEREAS, Horizon Services, Inc. (Horizon), a longstanding provider partner with the County, has operated in the Bay Area since 1976, and has operated Palm Avenue Detox since 1987; and

WHEREAS, Horizon has operated sobering centers in Alameda County since 2009, in Santa Clara County since 2017, and in Butte County since 2024, and has operated residential withdrawal management/detox facilities in Alameda County since 2008 and residential treatment facilities since 1980; and

WHEREAS, Horizon intends to submit a proposal under the BHCIP Round 2 to develop the Palm Recovery Center, a new integrated behavioral health campus, to be located at 101 North El Camino in San Mateo; and

WHEREAS, the Palm Recovery Center will include an estimated 58 licensed beds across multiple service lines, including 14 Sobering Center beds, 14 Withdrawal Management/Detox beds, and 30 Residential Treatment beds, consistent with American Society of Addiction Medicine (ASAM) best practices; and

WHEREAS, this integrated model will restore lost Sobering Center capacity, expand detoxification and residential treatment access, improve treatment outcomes by extending client engagement across levels of care, and reduce emergency department utilization and other high-cost system impacts; and

WHEREAS, the total estimated project cost is approximately \$20–23 million;
and

WHEREAS, under BHCIP Round 2 rules, the applicant must commit a 10% local match, proposed here as a \$2,000,000 allocation from San Mateo County Opioid Settlement funds, which would unlock approximately \$20 million in state bond funds and is an allowable BHCIP match expenditure according to the Department’s High Impact Abatement Activities guidance; and

WHEREAS, the Palm Recovery Center will be designed and operated as a co-occurring capable program with enhanced Incidental Medical Services (IMS), expanded Medication-Assisted Treatment (MAT), and alignment with CalAIM reforms, ensuring sustainability through Health Plan of San Mateo reimbursements, commercial insurance contributions, and County payer-of-last-resort support; and

WHEREAS, the project serves a critical public purpose by expanding essential substance use disorder treatment services, advancing community health, addressing the opioid crisis, and fulfilling the County’s obligations under CalAIM, state licensing requirements, and network adequacy standards.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves the following:

1. The Board of Supervisors approves the commitment of \$2,000,000 from County Opioid Settlement funds to Horizon Services, Inc. as the required 10% local match to support the Palm Recovery Center project under BHCIP Round 2.

2. The Board authorizes and directs the Chief of San Mateo County Health, or designee(s), in consultation with County Attorney, to negotiate and execute all necessary agreements, including but not limited to the County award/commitment letter, memoranda of understanding, and funding agreements with Horizon Services, Inc. and the State Department of Health Care Services, to effectuate the match.

BE IT FURTHER RESOLVED that the Chief of San Mateo County Health, or designee(s), is further authorized to execute contract amendments that modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

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