

**PROGRAM FUNDING AGREEMENT**

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**SUMMARY COVER SHEET**

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Program Funding Agreement ID	<b>7690-CA BHCIP-BOND_988_Olive-01</b>
Program Agreement Effective Date:	12/15/2025
Program Funding Agreement Manager:	<b>ADVOCATES FOR HUMAN POTENTIAL, INC., a Massachusetts corporation (AHP)</b> 490-B Boston Post Road, Sudbury, MA 01776-3365 Tel: +1 (978) 443-0055 ♦ Fax: (978) 261-1467  <b>AHP Contracting Officer:</b> General Counsel Tel: +1 (978) 443-0055 (o)   legalnotices@ahpnet.com  <b>AHP Designated Representatives:</b> Steve Thronson, Senior Program Director Tel: +1 (323) 545-6627 (o)   BONDBHCIPRound1@ahpnet.com Nichole Rupp, Program Director Tel: +1 (626) 757-0009 (o)   BONDBHCIPRound1@ahpnet.com
Sponsor:	<b>County of Fresno, a political subdivision of the State of California, acting through its Department of Behavioral Health</b> 1925 East Dakota Avenue Fresno, CA 93726  <b>Sponsor Designated Representative:</b> Susan Holt Tel:(559) 600-9058   sholt@fresnocountyca.gov
Prime Contract Identification:	<b>State Department of Health Care Services</b> <b>Agreement No.: 24-40117</b> <b>Contract Title:</b> <i>California Bond Behavioral Health Continuum Infrastructure Program (Bond BHCIP)</i>
Contract Type:	Deliverable Based Program Funding Agreement
Period of Performance:	[Effective Date] through June 30, 2030
Consideration/Budget:	Bond BHCIP Round 1 Launch Ready Program Funding <b>Not to Exceed \$46,999,999.04</b>
Billing Terms:	See Attachment E-Payment Schedule

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This Program Funding Agreement (the “**Agreement**”) is entered into as of 12/15/2025 (the “**Effective Date**”), by and between **ADVOCATES FOR HUMAN POTENTIAL, INC.**, a Massachusetts corporation, with offices located at **490-B Boston Post Road, Sudbury, MA 01776** (“**AHP**”), and **COUNTY OF FRESNO**, a political subdivision of the State of California, acting through its Department of Behavioral Health, with offices located at **1925 East Dakota Avenue, Fresno, CA 93726** (“**County of Fresno**” or the “**Sponsor**”). AHP and the Sponsor may be referred to separately as a “**Party**” or collectively as “**Parties.**”

## **RECITALS**

A. The State of California (the “**State**”), through the Department of Health Care Services (“**DHCS**”), has entered into an agreement with AHP, a private consulting and research firm focused on improving health and human services systems, to assist with management of the Behavioral Health Infrastructure Bond Act of 2024 funds (“**Bond BHCIP Funds**”) and to administer the Behavioral Health Continuum Infrastructure Program (“**BHCIP**” or “**Program**”), as amended. The agreement between DHCS and AHP shall hereinafter be referred to as the “**Prime Contract;**”

B. Pursuant to the requirements of BHCIP and DHCS guidelines, qualified grantees or entities shall use an award of Bond BHCIP Funds to expand the community capacity for serving persons with behavioral health disorders by the acquisition, construction, renovation, or other physical improvement of real property, infrastructure, or facilities;

C. DHCS oversees BHCIP to award Bond BHCIP Funds to qualified entities to construct, acquire, and rehabilitate real estate assets to address significant crisis care gaps in California’s behavioral health (mental health and substance use disorder) infrastructure;

D. In response to that certain Request for Applications for Bond BHCIP Round 1: Launch Ready issued by DHCS on or about July 17, 2024 (the “**RFA**”), for the Bond BHCIP Funds, the Sponsor submitted an application (“**Application**”) to construct the project described in the Statement of Work, **Attachment D** (“**SOW**”), located at 5555 East Olive Avenue, Fresno, CA 93727 (the “**Project**”); and the Sponsor has been awarded Bond BHCIP Funds for the Project in an amount not to exceed Forty-six Million, Nine Hundred Ninety-nine Thousand, Nine Hundred Ninety-nine Dollars and Four Cents (\$46,999,999.04) (“**Program Funds**”); and

E. This Agreement sets forth the terms and conditions of AHP’s management and administration of the Program Funds and the Sponsor’s duties and obligations related to its receipt of Program Funds. Capitalized terms not defined herein shall have the meanings ascribed thereto in the California Welfare and Institutions Code sections 5960–5960.4.

**NOW, THEREFORE**, based upon the foregoing, and in consideration of the mutual covenants and agreements herein set forth, the Parties agree as follows:

### **ARTICLE 1.** **AUTHORITY**

California Assembly Bill 133 (Chapter 143, Statutes of 2021) (“**AB 133**”) added sections 5960–5960.45 to the California Welfare and Institutions Code, providing the statutory basis for the Program.

The Behavioral Health Infrastructure Bond Act of 2024 (section 4, Chapter 4 of California Assembly Bill 531 (“**AB 531**”)), that provided, in part, for the: (a) addition of section 5965.04 to the California Welfare and Institutions Code allocating additional funding to the Program; and (b) repealed section 5960.45 from the California Welfare and Institutions Code.

DHCS, as part of the California Health and Human Services Agency, issued the RFA for the Bond BHCIP Funds, and AHP provides pre-application consultation, technical assistance, general training, and support on individual BHCIP projects, as well as management and administration of the Bond BHCIP Funds.

This Agreement is entered under the authority of and in furtherance of the Program. This Agreement is the result of the Application by the Sponsor for funding under BHCIP.

This Agreement hereby incorporates by reference the Sponsor’s approved Application, as well as any report prepared by AHP in reliance on the representations and descriptions included in that Application. This Agreement is governed by the following (collectively, the “**Program Requirements**”), and each of the following, as amended and in effect from time to time, is hereby incorporated by this reference as if set forth herein in full:

- 1.1 AB 133, including any subsequent amendments to the statutes contained therein;
- 1.2 AB 531, including any subsequent amendment to the statutes contained therein;
- 1.3 California Welfare and Institutions Code Division 5, Part 7, Chapter 1, including any subsequent amendment to the statutes contained therein;
- 1.4 The Behavioral Health Infrastructure Bond Act of 2024 (California Welfare and Institutions Code Division 5, Part 7, Chapter 4) including any subsequent amendment to the statutes contained therein;
- 1.5 The State General Obligation Bond Law (Chapter 4 (commencing with section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), including any subsequent amendments to the statutes contained therein, with the exception of subdivisions (a) and (b) of section 16727 of the Government Code;
- 1.6 All California State Treasurer’s Office, California Department of Finance, and Internal Revenue Service statutes, regulations, and sub-regulatory guidance applicable to bond funded programs;
- 1.7 The RFA, in the form attached to this Agreement as **Attachment J**; Notwithstanding any incorporation of the RFA into this Agreement, the parties expressly agree that the portion of Section 2.8 of the RFA providing, ‘if an applicant has a current Negotiated Indirect Cost Rate Agreement (NICRA) established with a federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then the applicant may use its current NICRA as the basis for indirect costs,’ shall **not** apply and is hereby excluded from this Agreement. The parties expressly agree that the applicable indirect cost rate for indirect costs shall be determined by DHCS in its sole discretion
- 1.8 Guidance issued by DHCS regarding the Program;

- 1.9 Program Guidelines, or Program Manuals, as adopted by DHCS, and as may be amended from time to time;
- 1.10 The Notice of Conditional Grant Award letter issued by DHCS to the Sponsor (the “**Notice of Conditional Award Letter**”) attached to this Agreement as **Attachment K**; State Requirements attached to this Agreement as **Attachment A**; Certification Regarding Lobbying attached to this Agreement as **Attachment B**; the Sponsor Public Works Certification attached to this Agreement as **Attachment C**; Statement of Work attached to this Agreement as **Attachment D**; Payment Schedule attached to this Agreement as **Attachment E**; the Sponsor Compliance Certifications attached to this Agreement as **Attachment F**; Performance Milestones attached to this Agreement as **Attachment G**; Regulatory Agreement and Declaration of Restrictions (“**Declaration of Restrictions**”) attached to this Agreement as **Attachment H**; Construction Contract Addendum attached to this Agreement as **Attachment I**; and Facility Access Agreement attached to this Agreement as **Attachment L**; and
- 1.11 All other applicable law, including, but not limited to, California Labor Code statutes applicable to public works projects.

The Sponsor is solely responsible and liable for the Sponsor’s and the Sponsor’s subcontractors’ performance and compliance with this Agreement, the above-referenced Program Requirements, and all other local, state, and federal laws applicable to the Project.

## **ARTICLE 2.** **TERM**

2.1 This Agreement shall commence on the Effective Date and shall automatically expire concurrently with the expiration of the Prime Contract, on June 30, 2030 (the “**Expiration Date**”); unless, prior to the date of expiration of the Prime Contract, AHP shall assign, and DHCS shall accept, an assignment of AHP’s duties and obligations pursuant to this Agreement (the period from the Effective Date through the Expiration Date shall be referred to herein as the “**Term**”), unless earlier terminated by AHP or DHCS.

2.2 Upon the expiration of the Term, there shall be no extension or renewal of the Term of this Agreement, unless the Parties and DHCS otherwise agree in writing.

2.3 Notwithstanding the foregoing or anything to the contrary contained herein, AHP and/or DHCS shall have the termination rights as set forth in Article 9 and Article 10 of this Agreement.

## **ARTICLE 3.** **PROGRAM FUNDS**

The Sponsor has been awarded the Program Funds in the amount set forth in this Agreement to be used solely for the purposes set forth in this Agreement and as detailed in the SOW and for no other purposes. The Sponsor shall be responsible for any costs to complete the Project in excess of the Program Funds award amount. The Sponsor shall return any excess or remaining Program Funds to the State upon completion of the Project.

This Agreement is entered into, and the obligation to fund is made, based upon the appropriation and availability of funds from the Behavioral Health Infrastructure Fund as defined in and created pursuant to California Welfare and Institutions Code section 5965.03. In the event that this appropriation is reduced subsequent to the Effective Date of this Agreement, AHP may, with written approval from DHCS, reduce the amount of Program Funds awarded to the Sponsor or cease to provide funding and pursuant to Section 10.1 of this Agreement, terminate the Agreement.

#### **ARTICLE 4.** **CONDITIONS OF DISBURSEMENT**

AHP shall disburse the Program Funds to the Sponsor for the amount of any allowable, reasonable, actual and documented Project specific fees and expenses incurred by the Sponsor on or after May 6, 2025, the date of the Notice of Conditional Award Letter, issued by DHCS to the Sponsor, upon DHCS's determination, in its sole discretion, that the requirements described in Section 4.1 below have been satisfied.

Program Funds disbursed for real property acquisition shall be disbursed only upon satisfaction of the requirements in Section 4.1 and the additional requirements of Section 4.2 below.

Program Funds to be disbursed for construction costs, including for costs of demolition, shall be disbursed only upon satisfaction of the requirements of Section 4.1 and the additional requirements described in Section 4.3 below. Under this Agreement, "demolition" shall include, but not be limited to, the dismantling, razing, destroying, or wrecking of any building or structure, or any part thereof.

Program Funds shall be disbursed to the Sponsor for costs incurred for the Project, contingent upon the availability of Bond BHCIP Funds. The Sponsor shall submit requests for Program Funds monthly, no later than the 15<sup>th</sup> of each month. Funding requests for reimbursement shall include incurred costs no later than forty-five (45) days from the date the Sponsor incurs the expense. Such request for Program Funds must be approved and all requirements set forth in this Article 4 must be satisfied in the sole discretion of AHP and DHCS, as applicable.

Notwithstanding the foregoing, or any provisions in this Agreement to the contrary, any request for disbursement of Program Funds submitted after April 30<sup>th</sup> of any State fiscal year ending June 30<sup>th</sup> may be subject to delayed review, processing, and disbursement, without liability to AHP or DHCS.

4.1 Requirements for Disbursement of Program Funds. No Program Funds shall be released to the Sponsor for any Project costs until the Sponsor submits, and AHP and DHCS approves, the documents described below, and any additional supporting information, as may be required:

- 4.1.1 a fully executed copy of this Agreement, including all Attachments;
- 4.1.2 the Sponsor's request for Program Funds, with all required supporting documents appended thereto;
- 4.1.3 an executed copy of Certification No. 2, "Related Party & Related Party Transaction Disclosure";

- 4.1.4 a completed Government Agency Taxpayer ID Form;
- 4.1.5 a projection model on the approved template provided to the Sponsor by AHP or DHCS presenting expected expenditures of Program Funds (“**Funding Projection Survey**”);
- 4.1.6 an authorizing resolution or set of authorizing resolutions that, in AHP’s reasonable determination, materially comports with the Program Requirements (if the Sponsor has not already submitted the same);
- 4.1.7 evidence in the form of account statements or other auditable financial record that the Sponsor has received Program Funds and paying fees and expenses directly related to the Project, as detailed in the Project budget attached as Schedule 1 to the SOW;
- 4.1.8 evidence in the form of account statements or other auditable financial record that any funds required to match the Program Funds pursuant to the RFA (“**Match Funds**”); or, in the event the Match Funds are an in-kind contribution, in lieu of cash, including real property upon which the Project is to be constructed or operated and/or the amount of any allowable, reasonable, actual, and documented, as determined by AHP and DHCS in their sole discretion, Project specific fees and expenses incurred by the Sponsor no more than one (1) year prior to May 6, 2025, the date of the Notice of Conditional Award (“**Sunk Costs**”), the value of such in-kind contribution has been approved by AHP and DHCS in their sole discretion, as may be required;
  - 4.1.8.1 AHP and DHCS reserve the right to withhold up to twenty-five percent (25%) of total Program Funds (“**Withheld Funds**”) until such time as the Sponsor provides documents, in the form and substance acceptable to AHP and DHCS, verifying that the Sponsor expended its Match Funds or that the value of its in-kind contribution and/or Sunk Costs has been reviewed and approved by AHP and DHCS. If AHP and DHCS elects to exercise this right, AHP and DHCS shall inform the Sponsor of that election in writing. AHP and DHCS shall release the Withheld Funds only after the Sponsor provides documentation that adequately, as determined by DHCS, verifies that the Sponsor has expended its Match Funds or that the value of its in-kind contribution and/or Sunk Costs has been reviewed and approved by AHP and DHCS. Withheld Funds are entirely separate and distinct from Retention Funds, as described in Section 4.3.7.1 below;
- 4.1.9 unless the Sponsor is acquiring real property for the construction or operation of the Project, in which event the Sponsor shall be subject to the requirements as described in Section 4.2.5.1, a copy of a recorded **Declaration of Restrictions** that demonstrates that the Sponsor has recorded the Declaration of Restrictions against the real property upon which the Project is to be constructed or operated shall be provided to AHP; provided that, in the event that the Project is being constructed or operated

on a leasehold interest, which lease must be for a term of not less than thirty (30) years, the Sponsor shall record the Declaration of Restrictions against the leasehold and the fee interest to the real property upon which the Project is to be constructed or operated;

4.1.10 intentionally omitted;

4.1.11 Evidence of insurance or self-insurance in the amounts and types sufficient to satisfy the requirements of Article 11 of this Agreement, subject to AHP approval, in its sole discretion;

4.1.12 certifications in the form attached as **Attachment F** required for the disbursements of Program Funds, which shall be submitted within sixty (60) days of the completion of each Performance Milestone set forth in **Attachment G**;

4.1.13 a current title report reflecting all existing liens, encumbrances, taxes owed, easements, covenants, or any other restrictions for the real property upon which the Project is to be constructed or operated. If the Sponsor's interest in the real property upon which the Project is to be constructed or operated is a leasehold, then the Sponsor shall provide a current title report for the leasehold interest and the fee interest;

4.1.14 a signed opinion letter from the Sponsor's legal counsel certifying that this Agreement, the Declaration of Restrictions, and the Program Requirements do not conflict with any existing contract, agreement, or other requirement applicable **to the Sponsor, the property** upon which the Project is to be constructed or operated, **or the Project**, and **are otherwise enforceable against the Sponsor**; and such opinion letter shall be in the form and substance acceptable to AHP, subject to DHCS's approval in its sole discretion; or a written confirmation letter certifying that the Sponsor has reviewed a current title report reflecting all existing liens, encumbrances, taxes owed, easements, covenants, or any other restrictions for the real property upon which the Project is to be constructed or operated; has received delegated authority from the Board of Supervisors for the County of Fresno to the Department(s) of Behavioral Health to accept Program Funds; comply with Program Requirements; and has determined there are no other deed restrictions, including restrictions of use of the Project; and such confirmation letter shall be in the form and substance acceptable to AHP, subject to DHCS's approval in its sole discretion; and

4.1.15 the Sponsor and DHCS have executed a Facility Access Agreement substantially in the form attached as **Attachment L**.

4.2 Requirements for Disbursement of Program Funds for Acquisition Costs. Program Funds granted in advance of the Sponsor expending the funds for acquisition of real property will be deposited directly into an escrow account opened by the Sponsor for the transfer of title of the real property with First American Title Insurance Company, unless another title company is approved by AHP and DHCS. No Program Funds shall be released to the Sponsor for any Project costs related to the acquisition of real property until the Sponsor satisfies the requirements

described in Section 4.1 above and the Sponsor submits, and AHP and DHCS approve, all documents described in this Section 4.2, and any additional information as may be required.

- 4.2.1 a fully executed purchase and sale agreement or other agreement evidencing the Sponsor's right to acquire the property upon which the Project is to be constructed or operated;
- 4.2.2 a written appraisal report setting forth an opinion of fair market value of the real property upon which the Project is to be constructed or operated prepared by a certified general appraiser licensed in the State of California ("**Certified Appraisal Report**"), which shall be in the form and substance acceptable to AHP and DHCS;
- 4.2.3 intentionally omitted;
- 4.2.4 evidence of any additional funds necessary for the Sponsor to acquire the property upon which the Project is to be constructed if the Program Funds are not providing the full amount of the acquisition costs;
- 4.2.5 signed escrow instructions, approved by AHP or DHCS, providing for the following:
  - 4.2.5.1 a Declaration of Restrictions in the form attached to this Agreement as **Attachment H** shall be recorded at the close of escrow against the real property upon which the Project is to be constructed or operated; and
  - 4.2.5.2 intentionally omitted.
- 4.2.6 completing and signing Certification No. 8 included as part of **Attachment F** shall be submitted to evidence the Sponsor's performance of required due diligence; and
- 4.2.7 certifications in the form of **Attachment F** required for the disbursements of Program Funds, which shall be submitted within sixty (60) days of the completion of each Performance Milestone set forth in **Attachment G**.

4.3 Requirements for Disbursement of Program Funds for Construction Costs. No Program Funds shall be released to the Sponsor for Project costs related to construction or demolition on the Project until the Sponsor satisfies the requirements described in Section 4.1 above and the Sponsor submits, and AHP and DHCS approve, all documents described below, and any additional information, as may be required:

- 4.3.1 the Sponsor Certification No. 1, in the form attached as **Attachment F**, and the Sponsor's General Contractor's Certification No. 12, certifying compliance with requirements related to public works projects pursuant to California Labor Code section 1720 et seq., as well as all applicable federal labor and wage laws;

- 4.3.2 plans and specifications for the construction work approved by AHP, as identified by the completion of Certifications Nos. 9 and 10 no later than six (6) months from the Effective Date;
- 4.3.3 a construction contract, as identified by the completion of Certification No. 11, based on a permitted set of construction plans with a licensed general contractor for an amount consistent with the construction costs in the approved Project budget incorporated into the SOW as Schedule 1 that incorporates the requirements of this Agreement, including, but not limited to, the prevailing wage requirements, and contains the Construction Contract Addendum in the form attached as **Attachment I**;
- 4.3.4 a copy of the Notice of Exemption for the Project filed with the county clerk of each county in which the Project is located, pursuant to the California Environmental Quality Act (“CEQA”) Guidelines section 15062 (14 CCR Section 15062);
- 4.3.5 copies of labor and material bonds and performance bonds for the construction work in an amount equal to one hundred percent (100%) of the cost of construction, naming AHP and DHCS as co-obligees on the bonds;
- 4.3.6 a written request for Program Funds on a form approved by AHP and DHCS, providing sufficient detail and with sufficient supporting documentation to permit AHP and DHCS to confirm that the request is consistent with the terms of this Agreement and the Project budget;
- 4.3.7 when a disbursement is requested by a Sponsor to pay any contractor in connection with the construction work, the written request must be accompanied by (a) certification by the Sponsor’s architect or project manager that the work for which disbursement is requested has been completed (although AHP reserves the right to inspect the Project and make an independent evaluation) and (b) lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to AHP;
  - 4.3.7.1 AHP and DHCS shall retain ten percent (10%) of total Program Funds to the Sponsor (“**Retention Funds**”) until the Sponsor submits an executed copy of Certification No. 17, “Notice of Completion and Receipt of Conditional/Unconditional Final Releases of Liens,” as set forth in **Attachment F**. AHP and DHCS shall release Retention Funds to the Sponsor only upon the Sponsor’s satisfaction of all applicable requirements in this Section 4.3.7.1 and the submission of Certification No. 17 in a form and substance acceptable to AHP and DHCS, and any additional supporting documentation, as may be required, subject to approval by AHP or DHCS. Retention Funds are entirely separate and distinct from Withheld Funds, as described in Section 4.1.8.1 above; and

4.3.8 certifications in the form of **Attachment F** required for the disbursements of Program Funds, which shall be submitted within sixty (60) days of the completion of each Performance Milestone set forth in **Attachment G**.

4.4 **Disbursements for Pre-construction Expenses**. Notwithstanding anything to the contrary stated in this Article 4, or otherwise in this Agreement, Program Funds may be released to the Sponsor for certain pre-construction Project costs, subject to approval by AHP or DHCS in its sole discretion, provided that the Sponsor has: (i) satisfied the requirements set forth in subsections 4.1.1, 4.1.2, 4.1.3, 4.1.4, 4.1.5, 4.1.6, 4.1.7, 4.1.8, 4.1.11, 4.1.12, 4.1.14, and 4.1.15; (ii) the Project budget includes pre-construction expenses; and (iii) the planning and pre-construction phase of Project development shall be completed within ninety (90) days of the Effective Date.

4.5 **Monthly Submittal of Funding Projection Survey**. The Sponsor shall continue to review, update, and resubmit to AHP no later than the 15<sup>th</sup> day of each month, its Funding Projection Survey forecasting anticipated Project expenses.

## **ARTICLE 5.** **CONSTRUCTION PROJECTS/NOTICE TO PROCEED**

In the event that Program Funds are used for the performance of construction or demolition on the Project, the Sponsor shall submit an updated budget and schedule to AHP and DHCS for its approval prior to the Sponsor's issuance of a notice to proceed to its general contractor. The updated budget and schedule shall be consistent with the final plans and specifications for the Project. The Sponsor shall not issue a notice to proceed to its general contractor until AHP and DHCS have approved the updated budget and schedule. AHP or DHCS shall use reasonable efforts to review and provide feedback on the updated budget within seven (7) business days. Notwithstanding the foregoing, AHP or DHCS may extend the period of review and feedback, with notice to the Sponsor, for an additional thirty (30) days without any liability to the Sponsor, AHP, or DHCS.

## **ARTICLE 6.** **PERFORMANCE**

The Sponsor shall comply with the schedule set forth in the Performance Milestones in **Attachment G** and shall provide each certification contained in **Attachment F** within sixty (60) days of the completion of each Performance Milestone. The Sponsor shall provide regular progress reports to AHP but in all events at least once every thirty (30) days, including its progress toward meeting the Performance Milestones. The Project shall not be considered complete until the submission of either Certification No. 16 or Certification No. 17, as applicable, and Certification No. 18. The Sponsor may apply to AHP for an extension of any Performance Milestones or an extension to submit any required certification, which AHP may approve, provided that the Sponsor has made a showing of good cause for such an extension and provided acceptable assurances for timely completion of the remaining Performance Milestones as determined by AHP. Any extension granted by AHP shall not be effective unless granted in writing, and such writing shall be considered an amendment to this Agreement and incorporated herein. In all events, all Program Funds must be obligated and expended by June 30, 2030.

FAILURE TO SATISFY ANY ONE OF THE CERTIFICATIONS AND/OR PERFORMANCE MILESTONES (UNLESS SUCH PERFORMANCE MILESTONE IS EXTENDED OR WAIVED IN WRITING BY DHCS) SHALL CONSTITUTE A BREACH OF THIS AGREEMENT AND ENTITLE AHP TO MANDATE THE SPONSOR TO RETURN TO THE STATE OF CALIFORNIA ANY PROGRAM FUNDS DISBURSED; IN ANY SUCH INSTANCE, AHP MAY, ONLY WITH DHCS APPROVAL, ALSO CANCEL THIS AGREEMENT WITHOUT OWING ANY DAMAGES OR OTHER PAYMENT TO THE SPONSOR.

## **ARTICLE 7.** **FISCAL ADMINISTRATION**

7.1 Disbursements of Program Funds to the Sponsor by AHP shall be deposited in the Sponsor's account unless such funds are to be used for acquisition of the property upon which the Project is to be constructed or operated, in which event the Program Funds shall be deposited directly into an escrow account established with a title company for the purposes of acquisition of the property upon which the Project is to be constructed or operated. All interest earned from the deposit of Program Funds shall be used by the Sponsor for eligible Program administrative activities; however, any such use shall not exceed Five Hundred Dollars (\$500.00) per year. Program Funds shall be segregated from the Sponsor's other funds and shall only be disbursed from the Sponsor's account for eligible Program Funds costs.

7.2 AHP has approved the Sponsor's budget for the Project incorporated in the SOW at **Attachment D**, as such budget may be updated prior to issuance of a notice to proceed to the general contractor in accordance with Article 5. The Sponsor may adjust line items in the budget, including drawing upon any contingency amounts listed in the budget, only with the prior written approval from AHP and DHCS, provided that such adjustments do not increase the overall budget amount. If, upon completion of a particular phase or segment of the Project, the Program Funds allocated to that segment or phase have not been fully expended, the Program Funds allocated to the Sponsor for such segment of the Project shall remain available to the Sponsor for disbursement for subsequent segments of the Project; provided, however, in no event shall the total amount of the Program Funds available to the Sponsor exceed the amount set forth in this Agreement without a written amendment to this Agreement signed by both Parties and approved by DHCS.

7.3 The Sponsor shall notify AHP and DHCS within thirty (30) days of any changes in the work required to be performed under this Agreement, including any additions, changes, or deletions to the plans and specifications approved by AHP and DHCS. The Sponsor shall provide prior notice to AHP of any written change order before any of the following changes, additions, or deletions in work for the Project may be performed: (1) any change in the work the cost of which exceeds One Hundred Thousand Dollars (\$100,000); (2) any set of changes in the work the cost of which cumulatively exceeds One Hundred Thousand Dollars (\$100,000); (3) any material change in building materials or equipment, specifications, or the structural or architectural design or appearance of the Project as provided for in the plans and specifications approved by AHP; or (4) any changes in the schedule that will extend the completion date. Notice of any additions, changes, or deletions to the work shall not relieve or release the Sponsor from any other obligations under this Agreement or relieve or release the Sponsor or its surety from any surety bond.

7.4 The Sponsor shall provide AHP with an updated budget and schedule for the Project when fifty percent (50%) completion of construction work is achieved that shows all changes in

costs and schedule from the budget and schedule provided to AHP prior to issuance of the Notice to Proceed.

7.5 Any Program Funds that were granted but have not been expended by the expiration of the Period of Performance set forth in the Summary Cover Sheet and the Attached Performance Milestones must be returned to DHCS with any accrued interest in excess of Five Hundred Dollars (\$500.00) per year, which may be used pursuant to Section 7.1 for administrative activities. Returned Program Funds shall be paid as directed by AHP or DHCS, no later than thirty (30) calendar days after the expiration of the applicable Period of Performance.

**ARTICLE 8.**  
**CHANGES TO STATEMENT OF WORK**

8.1 The Sponsor shall not, without the prior written approval of DHCS, change either of the following: (i) the behavioral health purpose of the Project; or (ii) the population to be served by the Project, the foregoing, each, as described in (x) the Sponsor's Application, and (y) the SOW. The Sponsor shall ensure, and change as necessary, the purpose of the Project or the population to be served by the Project is tailored to provide behavioral health treatment that will meet community needs identified by local stakeholders, including the county board of supervisors, the county behavioral health director, providers of behavioral health services, and individuals who have or have had a mental health disorder or substance use disorder. As part of its review of the Sponsor's change request, DHCS shall ensure that any requested change aligns with these community needs. DHCS shall approve or deny the Sponsor's request for change within thirty (30) days of DHCS' receipt of the request. DHCS's decision to disapprove a request to change the Sponsor's SOW is fact-specific, and the decision shall be final and not subject to further review. The Sponsor shall submit to AHP, with a copy to DHCS, its written request to change either (i) the behavioral health purpose of the Project; or (ii) the population to be served by the Project, which shall include a detailed description of the following criteria:

- 8.1.1 the changes to the services or the Project that the Sponsor is requesting to make;
- 8.1.2 a detailed explanation of why the change is necessary and justification for how the change in the Project meets the changing behavioral health needs of the county or geographic area that the Project serves;
- 8.1.3 the behavioral health population, services, and needs that the Sponsor's change will meet;
- 8.1.4 an attestation that the Sponsor will serve the same percentage (or more) of Medi-Cal beneficiaries as originally stated in the Sponsor's Application;
- 8.1.5 anticipated additional costs of changes to the Project, including a financial plan for meeting additional costs; and
- 8.1.6 any other information requested by AHP or DHCS to evaluate the Sponsor's request.

Any changes to the SOW approved by DHCS shall be provided to AHP and set forth as an amendment to this Agreement as required by Section 20.10 of this Agreement.

8.2 The Sponsor is solely liable and responsible for any increases in costs that exceed the Program Funds. In no event shall AHP or DHCS be responsible for any costs that exceed the Program Funds amount awarded for the Project. In the event that Project costs exceed the funds that the Sponsor has available to pay such costs, the Sponsor shall within thirty (30) days of such occurrence provide for notice to AHP of the financial plan, for AHP's approval, for meeting such additional costs, which may be approved or disapproved by DHCS, in its sole discretion. A financial plan for meeting additional costs may include the Sponsor providing additional funds for the Project or the Sponsor incurring additional debt. The Sponsor shall not incur any additional debt without the prior written approval of AHP and DHCS. A preliminary financial plan may be submitted to AHP in the form of a written confirmation that the Sponsor or designee shall request approval from the Board of Supervisors regarding the use of additional funds necessary to complete the Project. The Sponsor shall provide to AHP written confirmation of such Board of Supervisor approval within thirty (30) days of its submittal to AHP of its preliminary financial plan.

## **ARTICLE 9.** **DEFAULT AND REMEDIES**

9.1 **Event of Default.** Any of the following shall, after written notice by AHP or DHCS and expiration of any applicable cure period, constitute an “**Event of Default**” under this Agreement:

- 9.1.1 The Sponsor's failure to satisfy the conditions precedent to disbursement of Program Funds, as set forth in Article 4 above, or to expend Program Funds pursuant to the terms of this Agreement;
- 9.1.2 The Sponsor's failure to timely satisfy each or any of the conditions set forth in this Agreement or the Notice of Conditional Award Letter;
- 9.1.3 The Sponsor's violation of any of the Program Requirements; and
- 9.1.4 AHP's or DHCS's determination of the following:
  - 9.1.4.1 the Sponsor has concealed any material fact from AHP or DHCS related to the Sponsor, the Application, the property upon which the Project is to be constructed or operated, or the Project;
  - 9.1.4.2 any material fact or representation, made or furnished to AHP or DHCS by the Sponsor in connection with the Application, the Notice of Conditional Award Letter, or this Agreement which shall have been untrue or misleading at the time that such fact or representation was made known to AHP, or subsequently becomes untrue or misleading at the Sponsor's fault;
  - 9.1.4.3 any certification provided by the Sponsor is determined to be untrue or misleading; or
  - 9.1.4.4 any objectives or requirements of the Program cannot be met in accordance with this Agreement or within applicable timeframes, as memorialized by this Agreement.

9.2 Right to Cure. If the breach, violation, or default pursuant to Section 9.1 is not cured to AHP's and DHCS's satisfaction, as determined by AHP and DHCS, subject to DHCS's approval in its sole and absolute discretion, within **thirty (30) days** of notice to the Sponsor, provided in accordance with the notice requirements of this Agreement, then AHP, subject to DHCS's approval, may declare an Event of Default under this Agreement.

9.2.1 Notwithstanding the foregoing, the Sponsor may request additional time to cure any Event of Default. AHP may, but shall not be required to, grant any such request, which request shall be subject to DHCS's approval. AHP's approval of the Sponsor's request for additional time to cure shall be subject to the Sponsor's continuing and diligent efforts to cure, and any additional cure period provided to the Sponsor shall be reasonable, as determined by AHP, subject to DHCS's approval in its sole discretion. In no event shall any extension of the cure period exceed thirty (30) days. For the avoidance of doubt, any extension of the cure period shall be granted in writing by AHP, subject to DHCS's approval in its sole discretion.

9.3 AHP/State/DHCS Remedies. Upon the occurrence of an Event of Default or termination, AHP and/or DHCS may take any and all actions or remedies that are available under this Agreement, in law, or in equity, including, but not limited to, the following:

- 9.3.1 temporarily withhold disbursement of Program Funds pending correction of the noncompliance, breach, violation, or default;
- 9.3.2 disallow use of Program Funds for all or part of the costs resulting from the noncompliance, breach, violation, or default;
- 9.3.3 wholly or partly suspend or terminate this Agreement and the Sponsor's award of Program Funds, or disbursements thereof (any such suspension or termination of this Agreement or the Sponsor's award of Program Funds shall be effective upon the Sponsor's receipt of AHP or DHCS notice of termination or suspension);
- 9.3.4 withhold or deny further Program Funds or awards to the Sponsor;
- 9.3.5 require the Sponsor to return all or part of any Program Funds, including any interest earned thereon;
- 9.3.6 intentionally omitted;
- 9.3.7 any and all remedies under the Declaration of Restrictions;
- 9.3.8 specific performance;
- 9.3.9 injunctive relief;
- 9.3.10 recovery and completion of the Project pursuant to the payment and performance bonds; and
- 9.3.11 any and all other remedies allowed by law or available in equity.

**ARTICLE 10.**  
**TERMINATION**

10.1 AHP and/or DHCS shall have the right, each in its sole discretion and without prejudice to any other rights and remedies it may have under applicable law, to terminate this Agreement effective immediately upon written notice of such termination to the Sponsor if (i) an Event of Default is declared by AHP or DHCS; (ii) three (3) breaches, violations, or defaults by the Sponsor of the terms and conditions of this Agreement (whether the same or different) occur within any twelve-month period, so long as such breaches, violations, or defaults are caused by the Sponsor's negligence or willful misconduct, and regardless of whether any or all such breaches, violations, or defaults are timely corrected; (iii) the Sponsor files a petition in bankruptcy or is adjudicated by a court of competent jurisdiction to be bankrupt or insolvent, or makes an assignment for the benefit of creditors or an arrangement pursuant to any bankruptcy law, or the Sponsor discontinues or dissolves its business, or a receiver is appointed for the Sponsor or the Sponsor's business; (iv) any lender to the Sponsor declares a default under its loan agreement, or funds available to the Sponsor from any lender become unavailable such that the Sponsor is unable to timely satisfy obligations under this Agreement; (v) the Sponsor's failure to provide AHP or DHCS with adequate assurances within a reasonable time that the Sponsor is financially solvent, or AHP or DHCS determines that the Sponsor is financially insecure; or (vi) Bond BHCIP Funds necessary to complete the Project are no longer available based upon a reduction in the appropriation or availability of funds from the Behavioral Health Infrastructure Fund as defined in and created pursuant to California Welfare and Institutions Code section 5965.03.

10.2 Notwithstanding the foregoing, or anything to the contrary stated herein, AHP may terminate this Agreement upon thirty (30) days' written notice if the Prime Contract is terminated by DHCS, or if AHP is directed by DHCS to terminate this Agreement.

10.2.1 For Cause

DHCS may terminate this Agreement, in whole or in part, and be relieved of any payments should the Sponsor or Owner fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination, DHCS may proceed with the work in any manner deemed proper by DHCS. If this Agreement is terminated, in whole or in part, DHCS may require the Sponsor or Owner to transfer title to any real or personal property acquired, developed, or purchased with funds under this Agreement to DHCS, or in the case of licensed software, license, and deliver to DHCS any completed deliverables, partially completed deliverables, and any other materials, related to the terminated portion of this Agreement, including but not limited to, computer programs, data files, user and operations manuals, system and program documentation, training programs related to the operation and maintenance of the system, and all information necessary for the reimbursement of any outstanding claims subject to DHCS review and approval.

10.2.2 For Convenience

DHCS retains the option to terminate this Agreement, in whole or in part, without cause, in DHCS's sole discretion, without penalty, provided that written notice has been delivered to the Sponsor or Owner at least fifteen (15) calendar days prior to such termination date. In the event of termination, in whole or in part, under this

paragraph, DHCS may require the Sponsor or Owner to transfer title to any real or personal property acquired, developed, or purchased with funds under this Agreement to DHCS, or in the case of licensed software, license, and deliver to DHCS any completed deliverables, partially completed deliverables, and any other materials related to the terminated portion of this Agreement including but not limited to, computer programs, data files, user and operations manuals, system and program documentation, training programs related to the operation and maintenance of the system, and all information necessary for the reimbursement of any outstanding claims. Payment is limited to expenses necessarily incurred and approved by DHCS pursuant to this Agreement up to the date of termination.

10.3 Upon termination of this Agreement for any reason, neither AHP nor DHCS shall be liable for any work that is not performed in accordance with the Agreement. Neither AHP nor DHCS shall be responsible for any disbursement of Program Funds after the effective date of termination of this Agreement unless: (1) the Sponsor submitted to AHP a complete draw request for disbursement of a specific amount of Program Funds prior to the effective date of termination of this Agreement; and (2) AHP determines that the request is for expenses consistent with the terms of this Agreement and the Project budget. Notwithstanding the foregoing, neither AHP nor DHCS shall be responsible for any disbursement of Program Funds requested by the Sponsor after the effective date of termination of this Agreement based upon the occurrence of an Event of Default. Upon any termination, neither AHP nor DHCS shall be responsible for any damages to the Sponsor as a result of such termination.

## **ARTICLE 11.** **INSURANCE**

11.1 Insurance Requirements. The Sponsor shall continuously maintain for the duration of this Agreement, and so long as the Declaration of Restrictions is in place, the following insurance or self-insurance at, or in excess of, the limits detailed below:

11.1.1 Builder's risk insurance, including a permission to occupy endorsement during the course of construction, and upon completion of construction, if the Project is new construction, property insurance, covering all risks of loss, excluding earthquake, flood, or other risks customarily excluded from "All-Risks" coverage, in an amount equal to full replacement cost of the Project, including all improvements, fixtures, furnishings, and equipment thereon at the time of loss.

11.1.2 If the Project is rehabilitation of an existing facility, property insurance covering all risks of loss, excluding earthquake, flood, or other risks customarily excluded from "All-Risks" coverage, in an amount equal to the full replacement costs of all improvements located on the property upon which the Project is to be constructed, including all improvements, fixtures, furnishings, and equipment thereon at the time of loss. Upon completion of the rehabilitation, any property insurance policy shall be updated to reflect the increased replacement costs resulting from the rehabilitation.

11.1.3 Workers' compensation insurance as required by the State.

11.1.4 Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including on-site and off-site operations and owned, non-owned, or hired vehicles, with One Million Dollars (\$1,000,000) combined single limits.

11.1.5 Commercial general liability insurance of not less than One Million Dollars (\$1,000,000) per occurrence with an annual aggregate limit of Five Million Dollars (\$5,000,000) for bodily injury and property damage liability combined. The Sponsor's required limits may be satisfied through a combination of general liability and umbrella or excess liability policies of coverage. The commercial general liability insurance policy shall cover liabilities arising out of premises, independent contractors, products, completed operations, ongoing operations, personal and advertising injury, and liability assumed under an insured agreement. The commercial general liability insurance shall apply to each insured against whom claim is made or suit is brought subject to the Sponsor's limit of liability. If the scope of services involves one on one activities with minors, such policy shall include or not exclude sexual assault and misconduct coverage.

11.2 Third-Party Insurance Policy Requirements. If the Sponsor elects to obtain third-party insurance, with the exception of Workers' Compensation, all policies, including their Lender Loss Payable clauses, shall be endorsed to name AHP and the "State Department of Health Care Services on behalf of the State (Agreement No.: 24-40117)" as additional insureds on such third-party insurance with respect to the work to be performed by the Sponsor. The endorsements and policies will provide that the insurer waives its rights of subrogation, and the insurer will provide notice to AHP in writing at least thirty (30) days prior to any cancellation, material change in coverage, or intent not to renew such insurance coverage. All such insurance must be primary and non-contributory and required to respond and pay prior to any other insurance or self-insurance available.

11.3 Contractor Insurance Requirements. The Sponsor shall require its general contractor and its subcontractors to provide insurance in the amounts and form set forth above during the course of construction (except the general contractor shall not be required to maintain Builder's Risk insurance or property insurance) and to name AHP and the "State Department of Health Care Services on behalf of the State (Agreement No.: 24-40117)" as additional insureds on all such insurance during the course of construction.

11.4 Evidence of Self-Insurance. If the Sponsor elects to maintain self-insurance, upon the request of AHP or DHCS, the Sponsor shall immediately deposit with AHP a letter, signed by an authorized Sponsor representative, certifying that the Sponsor maintains self-insurance consistent with the above requirements. The Sponsor shall certify its self-insurance maximum coverage amounts for each of the items above and whether they have individually self-insured or if they pooled self-insurance with other public entities through a joint powers agreement. Self-insurance maximum coverage amounts shall meet or exceed the minimum coverage amounts listed for each item above. Upon AHP's request, the Sponsor shall also provide to AHP the Department of Industrial Relations' certificate of consent for the county to self-insure against workers' compensation claims. The Sponsor shall maintain self-insurance consistent with the requirements set forth above at all times during the term of the Agreement and the term of the Declaration of Restrictions. Notwithstanding the expiration of this Agreement, the Sponsor shall provide to

DHCS a new certificate of insurance evidencing its third-party insurance, or a new letter certifying its compliance with the self-insurance coverage, as provided herein, for a period not less than thirty (30) years from the date of either of the following: (i) the date of issuance of a Certificate of Occupancy, or (ii) the date of recordation of a Notice of Completion, in the official records of the county where the Project is located.

11.5 Insurance Indemnification. The Sponsor shall indemnify, defend, and hold harmless AHP and DHCS against any and all liabilities to third persons and other losses (not compensated by insurance or otherwise) and for any other costs and expenses incurred, including reasonable attorneys' fees, judgments, settlements, or penalties, as a result of any claim or liability resulting from the failure of the Sponsor (or its lower-tier subcontractors or consultants) to maintain the insurance policies required by this Article.

11.6 Insurance Premiums. Neither AHP nor DHCS shall be responsible for any premiums, deductibles, or assessments on any insurance policy referred to in this Agreement.

11.7 Survival. The requirements to provide insurance in this Article 11 shall survive termination of this Agreement.

## **ARTICLE 12.** **OPERATIONS**

The Sponsor agrees that, in consideration of the receipt of Program Funds pursuant to the terms of this Agreement, the Sponsor shall enter into, as required by this Agreement, the Declaration of Restrictions, to be recorded against the property upon which the Project is to be constructed or operated, in a form substantially similar as attached hereto and incorporated herein by this reference as **Attachment H**. The Declaration of Restrictions shall by its terms restrict the development, use, and occupancy of the Project for the term of thirty (30) years, from either the date of the issuance of a Certificate of Occupancy or the recordation of a Notice of Completion in the official records of the county in which the Project is located. In addition to any requirements in the Declaration of Restrictions, the Sponsor shall comply with all applicable state, federal, and local health and safety laws and ordinances with respect to the operation and maintenance of the Project. The facility or facilities financed pursuant to this Agreement shall accept and provide services to Medi-Cal beneficiaries as patients. If the Sponsor transfers title to the Project, the Sponsor shall ensure and guarantee that the requirements of this provision transfer and bind the Sponsor's successor in title. These rights and obligations shall survive the expiration or early termination of this Agreement and are covenants running with the Project pursuant to the Declaration of Restrictions in the form of **Attachment H** to be recorded against the Project. During the Term of this Agreement and the term of the Declaration of Restrictions, the Sponsor shall execute such other documents as required by DHCS to comply with the Program Requirements, including deed restrictions, covenants, and conditions recorded against the Project.

## **ARTICLE 13.** **POLICIES AND LEGAL AUTHORITIES**

13.1 The Sponsor shall comply with:

13.1.1 All California and federal law, regulations, and published guidelines, to the extent that these authorities contain requirements applicable to the

Sponsor's performance under this Agreement, including any applicable licensing and health and safety requirements;

- 13.1.2 AB 133, including any subsequent amendments to the statutes contained therein;
- 13.1.3 AB 531, including any subsequent amendment to the statutes contained therein;
- 13.1.4 California Welfare and Institutions Code Division 5, Part 7, Chapter 1, including any subsequent amendment to the statutes contained therein and any related DHCS guidance, regulations, and/or subsequent additions or amendments thereto;
- 13.1.5 The State Behavioral Health Infrastructure Bond Act of 2024 (California Welfare and Institutions Code Division 5, Part 7, Chapter 4) including any subsequent amendment to the statutes contained therein;
- 13.1.6 The State General Obligation Bond Law (Chapter 4 (commencing with section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), including any subsequent amendments to the statutes contained therein, with the exception of subdivisions (a) and (b) of section 16727 of the Government Code; and
- 13.1.7 All California State Treasurer's Office, California Department of Finance, and Internal Revenue Service statutes, regulations, and sub-regulatory guidance applicable to bond funded programs.

13.2 In the event the Sponsor does not comply with the terms of this Article 13, AHP shall give notice in accordance with Section 20.7 and shall have all rights set forth in Article 9 and Article 10.

#### **ARTICLE 14.** **INDEMNIFICATION**

14.1 The Sponsor shall indemnify, defend, and hold harmless AHP, its directors, officers, employees, consultants, and agents, and DHCS, and its respective officers, members, supervisors, directors, officials, and employees, counsel, attorneys, and agents against liabilities to third persons and other losses (not compensated by insurance or otherwise) and for any costs and expenses incurred by AHP and DHCS, including judgments, settlements, or penalties, against all liabilities, claims, suits, demands, or liens for damages to persons or property ("**Claims**") (unless such Claims arise from the gross negligence or willful misconduct of AHP or DHCS) arising out of, resulting from, or relating to, the Sponsor's performance under this Agreement, and including, but not limited to, the following:

- 14.1.1 any act, omission, or statement of the Sponsor, or any person employed by or engaged under contract with the Sponsor, that results in injury (including death), loss, or damage to any person or property;
- 14.1.2 any failure on the part of the Sponsor to comply with applicable Program Requirements and requirements of law;

- 14.1.3 any failure to maintain the insurance policies required by this Agreement or the work performed, inclusive of intellectual property infringement, if applicable, under this Agreement. Insurance coverage that may be required shall in no way lessen or limit the liability of the Sponsor under the terms of this obligation;
- 14.1.4 any failure on the part of the Sponsor to satisfy all claims for labor, equipment, materials, and other obligations relating to the performance of the work hereunder;
- 14.1.5 any injury to property or person occurring on or about the Project or the property of the Sponsor; or
- 14.1.6 any claims related to the use, generation, storage, release, threatened release, discharge, disposal, or presence of hazardous materials on, under, or about the property upon which the Project is to be constructed or located.

14.2 The Sponsor shall indemnify AHP and DHCS under this clause for any of the above acts attributable to its employees, consultants, agents, and/or lower-tier subcontractors engaged in performance of the work under this Agreement. AHP or DHCS shall provide timely notice of any Claim, describing in reasonable detail such facts and circumstances with respect to such Claim. The Sponsor shall defend AHP and DHCS with counsel reasonably acceptable to AHP and DHCS. AHP and DHCS, each, may, at its option and own expense, engage separate counsel to advise them regarding the Claim and its defense. Such counsel may attend all proceedings. The Sponsor shall not settle any Claim without the consent of AHP and DHCS, if the settlement impacts either of their interests. If the settlement does not impact either AHP's or DHCS' interests, the Sponsor shall provide AHP and DHCS with notice of the settlement within seven (7) days.

14.3 The Sponsor agrees to indemnify, defend, and save harmless AHP and its directors, officers, employees, consultants, and agents, and DHCS and its officers, employees, consultants, and agents from any and all claims, costs (including, but not limited to, all expenses incurred in investigating, preparing, serving as a witness in, or defending against any such claim, action, or proceeding, commenced or threatened), and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the Sponsor in the performance of this Agreement.

14.4 This indemnification shall survive the expiration or termination of the Agreement.

## **ARTICLE 15.** **PREVAILING WAGE**

Any construction work that is part of the Project is subject to state and federal prevailing wage law, including California Labor Code section 1720 et seq. The Sponsor is urged to seek professional legal advice about prevailing wage law requirements and the Sponsor's obligations thereunder. Prior to disbursing the Program Funds, the Sponsor must sign Certification No. 1 and the Sponsor's general contractor must sign Certification No. 12, certifying compliance with California's prevailing wage law and all applicable wage and hours laws. The Sponsor shall also

comply with any other labor requirements applicable to the Project as a result of other funding sources or regulatory requirements.

**ARTICLE 16.**  
**ENVIRONMENTAL CONDITIONS**

The Sponsor shall provide a Phase I Environmental Site Assessment (“**ESA**”) for the Project, in conformance with Advancing Standards Transforming Markets (ASTM) Standard Practice E 1527, evaluating whether the Project is affected by any recognized environmental conditions. If the Phase I ESA discloses evidence of recognized environmental conditions and the Sponsor desires to proceed with the Project, the Sponsor shall provide AHP with a Phase II report and any additional reports as required by AHP and in a form acceptable to AHP. The Sponsor shall also provide an asbestos assessment and a lead-based paint report for AHP’s approval if the Project involves rehabilitation or demolition of existing improvements. Prior to disbursement of Program Funds for real property acquisition, AHP shall require the Sponsor to complete and sign Certification No. 8, certifying that all recommendations of the Phase I or Phase II ESA have been complied with or shall be complied with prior to commencement of construction. Prior to disbursement of Program Funds for any rehabilitation work, AHP shall require the Sponsor to complete and sign Certification No. 8, certifying that all asbestos and/or lead-based paint has been abated or shall be abated prior to or during the performance of any such rehabilitation work.

**ARTICLE 17.**  
**RELOCATION**

The Sponsor must comply with the California Relocation Assistance Law (California Government Code section 7260 et seq.), and their implementing regulations (collectively, the “**Relocation Laws**”) if the Project will result in the displacement, as that term is defined in the Relocation Laws, of any persons, businesses, or farm operations. Pursuant to the Relocation Laws, the Sponsor must have a relocation plan prior to proceeding with any phase of a Project or other activity that will result in the displacement of persons, businesses, or farm operations. The Sponsor shall provide any required notices and relocation benefits in accordance with the Relocation Laws. AHP shall require the Sponsor to complete and sign Certification No. 8, certifying that all applicable Relocation Laws have been complied with.

**ARTICLE 18.**  
**INSPECTIONS, AUDITS, AND RECORD RETENTION**

18.1 AHP or any of its authorized representatives shall have the right to access any documents, papers, or other records of the Sponsor which are pertinent to the Program Funds, in the format requested by AHP and DHCS, for the purpose of performing audits, examinations, and/or review regarding compliance with the provisions of this Agreement and the Program Requirements. Such monitoring activities shall include, but are not limited to, inspection of the Sponsor’s books and records, in addition to site inspections, as AHP or DHCS deems appropriate.

18.2 AHP or DHCS may perform compliance reviews, review procedures and documents pertaining to the SOW and other elements of this Agreement, perform on-site visits, and desk reviews in order to ensure the Sponsor’s compliance with this Agreement, as well as to protect against fraud, waste, and abuse.

18.3 The right to access records, in the format requested by AHP and DHCS, also includes timely and reasonable access, no longer than thirty (30) days, to the Sponsor's personnel for the purpose of interview and discussion related to the requested documents and/or information. Notwithstanding the foregoing, AHP shall use reasonable efforts to not disrupt the Sponsor's business operations when accessing records or personnel

18.4 The right to access records, in the format requested by AHP and DHCS, is not limited to the required retention period but lasts as long as the records are retained by the Sponsor.

18.5 The Sponsor shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Project and the Program Funds for a minimum of thirty-five (35) years from the date of final payment under this Agreement, and in compliance with the July 2, 2008 General Obligation Bond Record Retention Memorandum from the California State Treasury Office, 26 C.F.R. §1.148-5(d)(6)(iii)(E), Section 7 of **Attachment A** of this Agreement, and all applicable Internal Revenue Service statutes, regulations, and guidance.

18.5.1 The Sponsor shall maintain the list of documents as listed in Appendix V of the Department of Finance's "Bond Accountability and Audits" guide document. The list of documents is not exhaustive and additional documents may be requested by AHP or DHCS.

View this publication at the following:

[https://dof.ca.gov/wp-content/uploads/sites/352/Programs/OSAE/Bond\\_Accountability\\_and\\_Audits.pdf](https://dof.ca.gov/wp-content/uploads/sites/352/Programs/OSAE/Bond_Accountability_and_Audits.pdf)

18.6 The Parties recognize and acknowledge that DHCS and the Sponsor are public entities subject to the Public Records Act and information exchanged between the Parties and DHCS may be subject to public disclosure and the Parties have no right to assume that such information shall be kept confidential.

18.7 Any review or inspection undertaken by AHP with reference to the Project is solely for the purpose of determining whether the Sponsor is properly discharging its obligations to DHCS and should not be relied upon by the Sponsor or by any third parties as a warranty or representation by AHP or DHCS as to the quality of the design or construction of the Project.

18.8 The Sponsor agrees that claims based upon an audit finding, that is appealed and upheld, shall be recovered by AHP and made payable to the State Department of Health Care Services by one of the following options:

18.8.1 the Sponsor's remittance to AHP of the full amount of the audit exception within thirty (30) days of the date the audit finding is upheld; or

18.8.2 a repayment schedule which is agreeable to AHP, DHCS, and the Sponsor.

18.9 AHP reserves the right to select which option described in Sections 18.8.1 and 18.8.2 shall be employed, and AHP shall notify the Sponsor in writing of the claim procedure to be utilized. Interest on the unpaid balance of the audit finding or debt shall accrue at a rate equal to the maximum allowed by applicable law in the State of California for any such other audit findings.

**ARTICLE 19.**  
**THIRD-PARTY BENEFICIARIES**

The State, represented by DHCS in this Agreement, is a third-party beneficiary of this Agreement. The Agreement shall not be construed so as to give any other person or entity, other than the Parties and DHCS, any legal or equitable claim or right. DHCS or another authorized department or agency representing the State may enforce any provision of this Agreement to the full extent permitted in law or equity as a third-party beneficiary of this Agreement. The State may take any and all remedies available in law or equity. In the event of litigation, the State may choose to seek any type of damages available in law or equity, up to the full amount of Program Funds awarded to the Sponsor.

**ARTICLE 20.**  
**MISCELLANEOUS**

20.1 Dispute Resolution.

20.1.1 In the event of a dispute, the Parties shall first try to resolve the dispute by escalating it to higher levels of management to negotiate in good faith. If negotiations are unsuccessful, any controversy, dispute, or disagreement arising out of or relating to this Agreement, its breach, or its subject matter shall be conducted in a court of competent jurisdiction in Fresno County, California. Any Party bringing an action must comply with all applicable laws relating to claims against public entities, including the time limitations and manner of claim presentation prescribed by Chapter 2, commencing with section 910 of Part 3 (Claims Against Public Entities) of Division 3.6 of Title 1 of the California Government Claims Act.

20.1.2 The Sponsor shall be obligated to continue to perform pursuant to this Agreement while any dispute is pending.

20.1.3 Dispute Resolution provisions do not apply to the State.

20.2 Intentionally Omitted.

20.3 Waiver. AHP's failure to notify the Sponsor of a breach or to insist on strict performance of any provision of this Agreement shall not constitute waiver of such breach or provision.

20.4 Remedies. No remedy in this Agreement is exclusive of any other remedy available under this Agreement, in law or equity. AHP or DHCS may seek equitable relief, including an injunction, against the Sponsor in connection with any breach or threatened breach of this Agreement.

20.5 Limitation of Liability. Except as otherwise provided in this Agreement, or by applicable law, the Sponsor waives any right to seek, and AHP and DHCS shall not be liable for, any special, consequential, or punitive damages; indirect or incidental damages; or for any loss of goodwill, profits, data, or loss of use arising out of, resulting from, or in any way connected with the performance or breach of this Agreement, even if the Sponsor advises AHP or DHCS of the possibility of any such damages.

20.6 Relationship. The Sponsor is an independent contractor with respect to AHP and DHCS. This Agreement is not intended to create a partnership, joint venture, employment, agency, or fiduciary relationship between the Parties or between any Party and DHCS.

20.7 Notices. Unless otherwise provided in this Agreement, each Party shall deliver all notices, requests, consents, Claims, demands, waivers, and other communications required or permitted under this Agreement (each, a “**Notice**”) (i) in writing; (ii) exclusively by electronic mail (“**email**”); and (iii) sent to the other Party’s Designated Representatives at the email address(es) set forth in Section 20.7.1.1 or to such other email address(es) as a Party may designate from time to time in accordance with the requirements of this Section. Counsel for a Party may send or receive a Notice on behalf of such Party.

20.7.1 The Parties acknowledge that Notices delivered by email shall be valid and binding and shall satisfy any requirement that a Notice must be in writing under applicable law, including the California Uniform Electronic Transactions Act (Cal. Civ. Code § 1633.1 et seq.), subject to the following:

20.7.1.1 For purposes of this Agreement, “**Designated Representative**” means initially (i) for AHP, BONDHCIPRound1@ahpnet.com, and (ii) for the Sponsor, Susan Holt at sholt@fresnocountyca.gov and Ernest Mendes at bmenDES@fresnocountyca.gov. A Party may change a Designated Representative only upon delivery of a Notice to the receiving Party, in accordance with the requirements of Section 20.7 - 20.7.1.3.

20.7.1.2 A Notice shall be deemed effective only upon the sending Party’s receipt of an acknowledgement of receipt from the receiving Party, which shall be established by a reply email from the receiving Party expressly confirming receipt of the Notice.

20.7.1.3 If the sending Party does not receive an acknowledgement of receipt from the other Party, receives a bounce-back, out-of-office message, or other automated response indicating non-receipt, the sending Party shall (i) re-attempt delivery to the same designated email address(es) until the other Party acknowledges receipt, or (ii) if no acknowledgement is received within a reasonable time, in the sole discretion of DHCS, deliver a Notice to the other Party by a nationally recognized overnight courier service to the address(es) set forth on the Summary Cover Sheet as an alternative. The Notice shall be deemed valid and effective on the first business day following its timely deposit with the courier service, with delivery fees prepaid for next business day delivery. The internal records of the courier service shall serve as sufficient evidence of the date of the deposit of the Notice with the courier service.

20.8 Governing Law. The place of performance of this Agreement is California and the laws of the State of California shall govern the validity, performance, enforcement, and interpretation of this Agreement. Any litigation or enforcement of an award must be brought in the appropriate federal or state court in the State of California, County of Sacramento. Each Party consents to personal and subject matter jurisdiction and venue in such courts and waives the right

to change venue with respect to any such proceeding. The Parties acknowledge that all directions issued by the forum court, including injunctions and other decrees, shall be binding and enforceable in all jurisdictions and countries.

20.9 Assignment. The Sponsor shall not assign, delegate, or otherwise transfer this Agreement or its duties or obligations in connection therewith, in whole or in part, without the prior approval of AHP and DHCS. AHP's obligations under this Agreement shall be assignable to DHCS or DHCS's designee upon DHCS's request without the Sponsor's consent. In the event that AHP assigns its obligations under this Agreement to DHCS, AHP shall make commercially reasonable efforts to transition any reasonably necessary documentation related to this Agreement to DHCS or its designee; provided, however, that AHP shall have no obligation to incur any liability nor pay fees, charges, or reimbursement in connection with any assignment, wind-down, or transition of its services hereunder.

20.10 Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the Parties with respect to its subject matter. It supersedes all oral or written agreements or communications between the Parties. No understanding, agreement, modification, change order, or other matter affecting this Agreement shall be binding, unless in writing, signed by both Parties. No handwritten changes shall be effective unless initialed by each Party.

20.11 Independent Legal and Tax Advice. AHP and the Sponsor, each, have reviewed and negotiated this Agreement using such independent legal and tax counsel as each has deemed appropriate. The Sponsor further acknowledges that it has been afforded the opportunity to obtain legal and tax advice concerning its legal and financial duties and obligations, including its state and federal tax liabilities related to its receipt of Program Funds, and hereby confirms by the execution and delivery of this Agreement that it has either done so or waived its right to do so in connection with entering into this Agreement. For the avoidance of doubt, the Sponsor shall be solely responsible for its tax liabilities related to its receipt of Program Funds.

20.12 Exhibits. The attachments, schedules, and addenda attached to this Agreement are a part of this Agreement and incorporated into this Agreement by reference.

20.13 Partial Invalidity. If any part of this Agreement is unenforceable, the remainder of this Agreement and, if applicable, the application of the affected provision to any other circumstance, shall be fully enforceable.

20.14 Captions. The headings contained herein are for convenience only and are not intended to define, limit, or describe the scope or intent of any provision of this Agreement.

20.15 Force Majeure. Neither Party shall be liable to the other for loss or damages due to failure or delay in rendering performance caused by circumstances beyond its reasonable control, if such failure could not have been overcome by the exercise of due diligence, due care, or foresight. Such circumstances may include, but are not limited to, acts of God or a public enemy; wars; acts of terrorism; riots; fires; floods; epidemics; quarantine restrictions; labor disputes; strikes; defaults of subcontractors/vendors; failure/delays in transportation; unforeseen freight embargoes; unusually severe weather; or any law/order/regulation/request of a state or local government entity, the U.S. Government, or any agency, court, commission, or other instrumentality of any such governments. Times of performance under this Agreement may be appropriately extended for excused delays if the Party whose performance is affected promptly notifies the other of the existence and nature of such delay.

20.16 Publicity. Without prior written approval of the other, neither Party shall use the other's name or make reference to the other Party or any of its directors, officers, employees, consultants, or agents in publications, news releases, advertising, speeches, technical papers, photographs, sales promotions, or publicity purposes of any form related to this work or data developed hereunder, unless disclosure of such materials is required by legal, accounting, or regulatory requirements beyond the disclosing Party's reasonable control. Use of either Party's name may be made in internal documents, annual reports, and proposals. This Section shall survive expiration/termination of this Agreement. Notwithstanding the foregoing, the Sponsor agrees that the State may use and refer to the Sponsor and the Project in any publication, news release, advertising, speech, technical paper, or for any other purposes.

20.17 Notice of Litigation. Promptly, and in any event within five (5) business days after an officer or other authorized representative of the Sponsor obtains knowledge thereof, the Sponsor shall provide written notice to AHP of (i) any litigation or governmental proceeding pending against the Sponsor which could materially adversely affect the business, operations, property, assets, condition (financial or otherwise), or prospects of the Sponsor and (ii) any other event which is likely to materially adversely affect the business, operations, property, assets, condition (financial or otherwise), or prospects of the Sponsor.

20.18 Survival. Except as otherwise stated, sections that by their terms impose continuing obligations or establish continuing rights shall be deemed to survive the expiration or termination of this Agreement.

20.19 Successors. This Agreement shall be binding upon the Parties, their successors, and assigns.

20.20 Approvals. Whenever this Agreement calls for approval by either (i) a Party or (ii) DHCS, approval shall mean prior written approval (including via email), not to be unreasonably conditioned, delayed, or withheld, unless sole discretion is expressly noted.

20.21 Timeliness. Time is of the essence in this Agreement.

20.22 Counterparts; Electronic Signatures. The Parties may sign this Agreement in several counterparts, each of which constitutes an original, but all of which together constitute one instrument. Electronic signatures are valid and shall bind the Party delivering such signature.

***SIGNATURES ON THE FOLLOWING PAGE***

IN WITNESS THEREOF, the Parties hereto have executed this Agreement by their duly authorized respective officers as of the day and year last written below.

**AHP:**

**ADVOCATES FOR HUMAN POTENTIAL, INC.**, a Massachusetts corporation

By: *Jennifer Barnett Polen*

**SPONSOR:**

**COUNTY OF FRESNO**, a political subdivision of the State of California, acting through its Department of Behavioral Health

By: *Ernest Mendes*

**Name:** Jennifer Polen

**Name:** Ernest Mendes

**Title:** Chief Operating Officer

**Title:** Chairman of the Board of Supervisors of the County of Fresno

**Date:** 12/15/2025

**Date:** 12/15/2025

## LIST OF ATTACHMENTS

<b>Title</b>
Attachment A – State Requirements
Attachment B – Certification Regarding Lobbying
Attachment C – The Sponsor Public Works Certification
Attachment D – Statement of Work
Attachment E – Payment Schedule
Attachment F – The Sponsor Compliance Certifications
Attachment G – Performance Milestones
Attachment H – Regulatory Agreement and Declaration of Restrictions
Attachment I – Construction Contract Addendum
Attachment J – RFA
Attachment K – Notice of Conditional Award Letter
Attachment L – Facility Access Agreement

## ATTACHMENT A

### STATE REQUIREMENTS

**Only the State Requirements applicable to the Sponsor's Program Funding are included in this Attachment and inapplicable provisions have been intentionally omitted.**

#### **1. Federal Equal Opportunity Requirements.**

- a. The Sponsor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. The Sponsor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. The Sponsor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or AHP, setting forth the provisions of the Equal Opportunity clause, section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. § 4212). Such notices shall state the Sponsor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.
- b. The Sponsor will, in all solicitations or advancements for employees placed by or on behalf of the Sponsor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.
- c. The Sponsor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of the Sponsor's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. The Sponsor will comply with all provisions of and furnish all information and reports required by section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. § 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive

Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 C.F.R. part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.

- e. The Sponsor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 C.F.R. part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- f. In the event of the Sponsor's noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Sponsor may be declared ineligible for further federal and state contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 C.F.R. part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- g. The Sponsor will include the provisions of Paragraphs a through g in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 C.F.R. part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. § 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each Sponsor or vendor. The Sponsor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or AHP may direct as a means of enforcing such provisions including sanctions for noncompliance provided, however, that in the event the Sponsor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by AHP, the Sponsor may request in writing to AHP, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

## **2. Travel and Per Diem Reimbursement.**

(Applicable if travel and/or per diem expenses are authorized to be reimbursed with Agreement funds.)

Reimbursement for travel and/or per diem expenses from AHP under this Agreement shall, unless otherwise specified in this Agreement, be at the rates currently in effect, as established by the California Department of Human Resources (CalHR), for nonrepresented state employees as stipulated in DHCS's Travel Reimbursement Information Exhibit in Attachment A-State Requirements. If the CalHR rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary. Exceptions to California Department of Human Resources (CalHR) lodging rates may be approved by AHP upon the submission of a statement by the Sponsor indicating that such rates are not available to the Sponsor. No travel outside the State of California shall be reimbursed without prior authorization from DHCS. Verbal authorization should be confirmed in writing. Written authorization may be in a form including fax or email confirmation.

## **3. Procurement Rules.**

Applicable to agreements in which equipment/property, commodities and/or supplies are furnished by AHP or DHCS or expenses for said items are reimbursed by funds with state or federal funds provided under this Agreement.

### **a. Equipment/Property Definitions.**

Wherever the term equipment and/or property is used, the following definitions shall apply:

Major equipment/property: A tangible or intangible item having a base unit cost of Five Thousand Dollars (\$5,000) or more with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement. Software and videos are examples of intangible items that meet this definition.

Minor equipment/property: A tangible item having a base unit cost of less than Five Thousand Dollars (\$5,000) with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement.

b. Government and public entities (including state colleges/universities and auxiliary organizations), whether acting as a contractor and/or subcontractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this Agreement. Said procurements are subject to Paragraphs d through h of Provision 3. Paragraph c of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.

c. Intentionally Omitted.

d. Intentionally Omitted.

- e. In AHP's sole discretion (e.g., when AHP has a need to monitor certain purchases, etc.), AHP, with DHCS approval, may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. AHP or DHCS reserves the right to either deny claims for reimbursement or to request repayment for any Sponsor purchase that AHP or DHCS determines to be unnecessary in carrying out performance under this Agreement.
- f. The Sponsor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under this Agreement. AHP and the State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Sponsor at any time.
- g. For all purchases, the Sponsor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Sponsor for inspection or audit.
- h. AHP may, with cause (e.g., with reasonable suspicion of unnecessary purchases or use of inappropriate purchase practices, etc.), and DHCS approval, withhold, cancel, modify, or retract the delegated purchase authority granted under Paragraphs b and/or c of Provision 3 by giving the Sponsor no less than thirty (30) calendar days written notice.

#### **4. Equipment/Property Ownership/Inventory/Disposition.**

(Applicable to agreements in which equipment/property is furnished by DHCS and/or AHP when said items are purchased or reimbursed by DHCS with state or federal funds provided under this Agreement.)

- a. Wherever the term equipment and/or property is used in Provision 4, the definitions in Paragraph a of Provision 3 shall apply.

Unless otherwise stipulated in this Agreement, all equipment and/or property that is purchased/reimbursed with Agreement funds or furnished by AHP under the terms of this Agreement shall be considered state equipment and the property of DHCS, unless a waiver is granted.

- (1) Reporting of Equipment/Property Receipt - DHCS requires the reporting, tagging and annual inventorying of all equipment and/or property that is furnished by AHP or DHCS, or purchased or reimbursed with funds provided through this Agreement.

Upon receipt of equipment and/or property, the Sponsor shall report the receipt to the AHP. To report the receipt of said items and to receive property tags, the Sponsor shall use a form or format designated by AHP. If the appropriate form does not accompany this Agreement, the Sponsor shall request a copy from AHP.

- (2) Annual Equipment/Property Inventory - If the Sponsor enters into an agreement with a term of more than twelve months, the Sponsor shall

submit an annual inventory of state equipment and/or property to the AHP using a form or format designated by AHP. If an inventory report form does not accompany this Agreement, the Sponsor shall request a copy from AHP. The Sponsor shall:

- (a) Include in the inventory report, equipment and/or property in the Sponsor's possession and/or in the possession of a subcontractor (including independent consultants).
  - (b) Submit the inventory report to AHP according to the instructions appearing on the inventory form or issued by AHP.
  - (c) Contact AHP to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by AHP.
- b. Title to state equipment and/or property shall not be affected by its incorporation or attachment to any property not owned by the State.
  - c. Unless otherwise stipulated, AHP or DHCS shall be under no obligation to pay the cost of restoration, or rehabilitation of the Sponsor's facility which may be affected by the removal of any state equipment and/or property.
  - d. The Sponsor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or property.
    - (1) In administering this provision, AHP may require the Sponsor to repair or replace, to AHP's satisfaction, any damaged, lost or stolen state equipment and/or property. In the event of state equipment and/or miscellaneous property theft, the Sponsor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and the Sponsor shall promptly submit one copy of the theft report to AHP.
  - e. Unless otherwise stipulated by the Program funding this Agreement, equipment and/or property purchased/reimbursed with agreement funds or furnished by AHP under the terms of this Agreement, shall only be used for performance of this Agreement or another DHCS agreement, with prior approval only.
  - f. Within sixty (60) calendar days prior to the termination or end of this Agreement, the Sponsor shall provide a final inventory report of equipment and/or property to AHP and shall, at that time, query DHCS as to the requirements, including the manner and method, of returning state equipment and/or property to AHP. Final disposition of equipment and/or property shall be at AHP's expense and according to AHP's instructions. Equipment and/or property disposition instructions shall be issued by AHP immediately after receipt of the final inventory report. At the termination or conclusion of this Agreement, AHP OR DHCS may at its discretion,

authorize the continued use of state equipment and/or property for performance of work under a different DHCS agreement.

**5. Subcontract Requirements.**

- a. Intentionally Omitted.
- b. DHCS reserves the right to (i) approve or disapprove the selection of subcontractors, where any such DHCS approval or disapproval may be communicated to the Sponsor by AHP, and (ii) with advance written notice, require the substitution of subcontractors and require the Sponsor to terminate subcontracts entered into in support of this Agreement. DHCS shall consult with the Sponsor prior to issuing a final disapproval of a subcontractor.
  - (1) Upon receipt of a written notice from AHP requiring the substitution and/or termination of a subcontract, the Sponsor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within sixty (60) calendar days, unless a longer period is agreed to by DHCS. DHCS shall consult with the Sponsor prior to issuing a final disapproval of a subcontractor.
- c. DHCS in its sole discretion, may elect to require that all actual subcontracts (i.e., written agreement between the Sponsor and a subcontractor) of Fifty Thousand Dollars (\$50,000) or more shall be subject to DHCS prior review and written approval. Any such DHCS election shall be confirmed in writing by DHCS.
- d. The Sponsor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by AHP or DHCS, make copies available for approval, inspection, or audit.
- e. AHP assumes no responsibility for the payment of subcontractors used in the performance of this Agreement. The Sponsor accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement.
- f. The Sponsor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.
- g. The Sponsor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.
- h. The Sponsor agrees to include the following clause, relevant to record retention, in all subcontracts for services:

The Sponsor agrees to maintain and preserve, until three years after termination of this Agreement and final payment from AHP, to permit AHP or DHCS or any duly authorized representative, to have access to, examine

or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records.

- i. Unless otherwise stipulated in writing by AHP, AHP shall be the Sponsor's sole point of contact for all matters related to performance and payment under this Agreement.
- j. The Sponsor shall, as applicable, advise all subcontractors of their obligations to comply with this **Attachment A**.

**6. Intentionally Omitted.**

**7. Audit and Record Retention.**

- a. The Sponsor shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
- b. The Sponsor shall maintain records in a data storage medium that is accessible to AHP and DHCS. DHCS, at its sole discretion, shall determine whether the Sponsor's type of data storage medium meets this accessibility requirement.
- c. The Sponsor shall maintain the list of documents as listed in Appendix V of the "Bond Accountability and Audits" guide document. View this publication at the following:  
  
[https://dof.ca.gov/wp-content/uploads/sites/352/Programs/OSAE/Bond\\_Accountability\\_and\\_Audits.pdf](https://dof.ca.gov/wp-content/uploads/sites/352/Programs/OSAE/Bond_Accountability_and_Audits.pdf)
- d. The Sponsor's facility or office or such part thereof as may be engaged in the performance of this Agreement and his/her records shall be subject at all reasonable times to inspection, audit, and reproduction.
- e. The Sponsor agrees that AHP, DHCS, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Sponsor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Sponsor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Cal. Gov. Code, § 8546.7; Cal. Code Regs., tit. 2, § 1896.77.)
- f. The Sponsor shall preserve and make available his/her records (1) for a period of thirty-five (35) years from the date of final payment under this Agreement, and (2)

for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement, or by subparagraphs (1) or (2) below.

- (1) If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of thirty-five (35) years from the date of any resulting final settlement.
  - (2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the thirty-five (35) year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular thirty-five (35) year period, whichever is later.
- g. The Sponsor may, following receipt of final payment under this Agreement, submit a request to AHP and DHCS to reduce its accounts, books and records related to this Agreement to CD ROM, DVD, or other data storage medium accessible to AHP and DHCS. DHCS, at its sole discretion, may approve or deny this request. Upon request by an authorized representative to inspect, audit or obtain copies of said records, the Sponsor must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records.
- h. The Sponsor shall, if applicable, comply with the Single Audit Act and the audit requirements set forth in 2 C.F.R. § 200.501 (2014).

## **8. Site Inspection.**

The State has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Sponsor, the Sponsor shall provide and shall require Sponsors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

## **9. Intentionally Omitted.**

## **10. Intentionally Omitted.**

## **11. Warranties.**

The Sponsor represents and warrants that:

- a. It is free to enter into and fully perform this Agreement.
- b. It has secured and will secure all rights and licenses necessary for its performance of this Agreement.

- c. It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to AHP or DHCS in this Agreement.
- d. It has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- e. It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way the Sponsor's performance of this Agreement.
- f. All materials and equipment furnished with respect to the Project and all work performed by the Sponsor will be of good and workmanlike quality, free from faults and defects, and in conformance with the Agreement.
- g. It shall comply with all applicable laws in connection with its performance of its obligations under this Agreement.
- h. Intentionally Omitted.
- i. It shall disclose to AHP and/or DHCS, during the Term of this Agreement, promptly upon the existence or discovery of the existence of an actual or potential transaction, agreement, or settlement with any entity, member, manager, partner, or person that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or common control with the Sponsor ("Related Party" or "Related Parties") in connection with the Project ("Related Party Transaction").
- j. It shall disclose to AHP and/or DHCS, during the Term of this Agreement, promptly upon the existence or discovery of the existence of a Related Party or a Related Party Transaction: (1) the nature of the relationship, (2) the nature of the potential or actual transaction, agreement, or settlement, (3) the dollar amounts of any such transaction, agreement, or settlement, (4) the dollar amounts due to or from a Related Party, and (5) documents and any additional information, as may be required by AHP and/or DHCS in their sole discretion.
- k. The provisions set forth herein shall survive any termination or expiration of this Agreement or any Project schedule.

**12. Intentionally Omitted.**

**13. Prior Approval of Training Seminars, Workshops or Conferences.**

The Sponsor shall obtain prior AHP approval of the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference conducted pursuant to this Agreement and of any reimbursable publicity or educational materials to be made available for distribution. The Sponsor shall acknowledge the support of the State whenever publicizing the work under this Agreement in any media. This

provision does not apply to necessary staff meetings or training sessions held for the staff of the Sponsor to conduct routine business matters.

**14. Confidentiality of Information.**

- a. The Sponsor and its employees, agents, or subcontractors shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available or are disclosed to the subcontractors as a result of services performed under this Agreement, except for statistical information not identifying any such person.
- b. The Sponsor and its employees, agents shall not use such identifying information for any purpose other than carrying out the Sponsor's obligations under this Agreement.
- c. The Sponsor and its employees, agents shall promptly transmit to the AHP Contract Office or Project Manager all requests for disclosure of such identifying information not emanating from the client or person.
- d. The Sponsor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the client, any such identifying information to anyone other than AHP without prior written authorization from the AHP Contract Office or Project Manager, except if disclosure is required by State or Federal law.
- e. For purposes of this provision, "identity" shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.
- f. As deemed applicable by AHP or DHCS, this provision may be supplemented by additional terms and conditions covering personal health information (PHI) or personal, sensitive, and/or confidential information (PSCI). Said terms and conditions will be outlined in one or more exhibits that will either be attached to this Agreement or incorporated into this Agreement by reference.

**15. Intentionally Omitted.**

**16. Intentionally Omitted.**

**17. Intentionally Omitted.**

**18. Intentionally Omitted.**

**19. Novation.**

If the Contractor proposes any novation agreement, DHCS shall act upon the proposal within sixty (60) days after receipt of the written proposal. DHCS may review and consider the proposal, consult and negotiate with the Contractor, and accept or reject all or part of the proposal. Acceptance or rejection of the proposal may be made orally within the sixty (60)-day period and

confirmed in writing within five (5) days of said decision. Upon written acceptance of the proposal, DHCS will initiate an amendment to this Agreement to formally implement the approved proposal.

**20. Intentionally Omitted.**

**21. Intentionally Omitted.**

**22. Intentionally Omitted.**

**23. Intentionally Omitted.**

**24. Intentionally Omitted.**

**25. Officials Not to Benefit.**

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

**26. Intentionally Omitted.**

**27. Intentionally Omitted.**

**28. Intentionally Omitted.**

**29. Intentionally Omitted.**

**30. Intentionally Omitted.**

**31. Intentionally Omitted.**

**32. Suspension or Stop Work Notification.**

- a. AHP, only with the approval from DHCS, may, at any time, issue a notice to suspend performance or stop work under this Agreement. The initial notification may be a verbal or written directive issued by the funding Program's Contract Manager. Upon receipt of said notice, the Sponsor is to suspend and/or stop all, or any part, of the work called for by this Agreement.
- b. Written confirmation of the suspension or stop work notification with directions as to what work (if not all) is to be suspended and how to proceed will be provided within thirty (30) working days of the verbal notification. The suspension or stop work notification shall remain in effect until further written notice is received from AHP or DHCS. The resumption of work (in whole or part) will be at AHP's or DHCS' discretion and upon receipt of written confirmation.
  - (1) Upon receipt of a suspension or stop work notification, the Sponsor shall immediately comply with its terms and take all reasonable steps to minimize or halt the incurrence of costs allocable to the performance covered by the notification during the period of work suspension or stoppage.

- (2) Within ninety (90) days of the issuance of a suspension or stop work notification, AHP or DHCS shall either:
  - (a) Cancel, extend, or modify the suspension or stop work notification; or
  - (b) Terminate the Agreement as provided for in the Cancellation / Termination clause of the Agreement.
- c. If a suspension or stop work notification issued under this clause is canceled or the period of suspension or any extension thereof is modified or expires, the Sponsor may resume work only upon written concurrence of AHP or DHCS.
- d. If the suspension or stop work notification is cancelled and the Agreement resumes, changes to the services, deliverables, performance dates, and/or agreement terms resulting from the suspension or stop work notification shall require an amendment to the Agreement.
- e. If a suspension or stop work notification is not canceled and the Agreement is cancelled or terminated pursuant to the provision entitled Cancellation/ Termination, AHP or DHCS shall allow reasonable costs resulting from the suspension or stop work notification in arriving at the settlement costs.
- f. AHP and DHCS, each individually, and collectively, shall not be liable to the Sponsor for loss of profits because of any suspension or stop work notification issued under this clause.

**33. Intentionally Omitted.**

**34. Compliance with Statutes and Regulations.**

- a. The Sponsor shall comply with all California and federal law, regulations, and published guidelines, to the extent that these authorities contain requirements applicable to the Sponsor's performance under the Agreement.
- b. These authorities include, but are not limited to, Title 2, Code of Federal Regulations (CFR) Part 200, subparts D, E, and F, Appendix II; Title 42 CFR Part 431, subpart F; Title 42 CFR Part 433, subpart D; Title 42 CFR Part 434; Title 45 CFR Part 75, subpart D; and Title 45 CFR Part 95, subpart F. To the extent applicable under federal law, this Agreement shall incorporate the contractual provisions in these federal regulations and they shall supersede any conflicting provisions in this Agreement.

**35. Intentionally Omitted.**

**ATTACHMENT B**

**STATE of California  
Department of Health Care Services**

**CERTIFICATION REGARDING LOBBYING**

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding, or entering into of this Federal contract, Federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this Federal contract, grant or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants and cooperative agreements) of One Hundred Thousand Dollars (\$100,000) or more, and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by § 1352, Title 31, U.S.C., any person who fails to file the required certification shall be subject to a civil penalty of not less than Ten Thousand Dollars (\$10,000) and not more than One Hundred Thousand Dollars (\$100,000) for each such failure.

County of Fresno, a political subdivision of  
the State of California, acting through its  
Department of Behavioral Health

Ernest Mendes

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**Name of the Sponsor Printed**

BR1-25-1001

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**Contract Number**

12/15/2025

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**Date**

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**Name of Person Signing for Sponsor**



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**Signature of Person Signing for Sponsor**

Chairman of the Board of Supervisors of the  
County of Fresno

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**Title**

After execution by or on behalf of the Sponsor, please return to: California Department of Health Care Services

**CERTIFICATION REGARDING LOBBYING**

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Check this box if not applicable

<p><b>1. Type of Federal Action:</b></p> <p><input type="checkbox"/> Contract</p> <p><input type="checkbox"/> Grant</p> <p><input type="checkbox"/> Cooperative Agreement</p> <p><input type="checkbox"/> Loan</p> <p><input type="checkbox"/> Loan guarantee</p> <p><input type="checkbox"/> Loan insurance</p>	<p><b>2. Status of Federal Action:</b></p> <p><input type="checkbox"/> bid/offer/application</p> <p><input type="checkbox"/> initial award</p> <p><input type="checkbox"/> post-award</p>	<p><b>3. Report Type:</b></p> <p><input type="checkbox"/> Initial filing</p> <p><input type="checkbox"/> Material change</p> <p>For Material Change Only: Year</p> <p>Quarter</p> <p>Date of Last Report</p>
<p><b>4. Name and Address of Reporting Entity:</b></p> <p><input type="checkbox"/> Prime</p> <p><input type="checkbox"/> Subawardee</p> <p>Tier , if known</p> <p>Congressional District, if known:</p>	<p><b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b></p> <p>Congressional District, if known:</p>	
<p><b>6. Federal Department/Agency:</b></p>	<p><b>7. Federal Program Name/Description:</b></p> <p>CFDA Number, if applicable:</p>	
<p><b>8. Federal Action Number, if known:</b></p>	<p><b>9. Award Amount, if known:</b></p> <p>\$</p>	
<p><b>10a. Name and Address of Lobbying Registrant</b></p>	<p><b>10b. Individuals Performing Services (including address if different from 10a.) (last name, first name, MI):</b></p>	

<p><b>(If individual, last name, first name, MI):</b></p>	
<p><b>11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person that fails to file the required disclosure shall be subject to a fine not to exceed \$100,000 for each such failure.</b></p>	<p>Signature: <i>Ernest Mendes</i></p> <p>Print Name: <u>Ernest Mendes</u></p> <p>Title: <u>Chairman of the Board of Supervisors of the County of Fresno</u></p> <p>Telephone No. <u>(559) 600-9058</u></p> <p>Date: 12/15/2025</p>

**INSTRUCTIONS FOR COMPLETION OF SF-LLL,  
DISCLOSURE OF LOBBYING ACTIVITIES**

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to U.S.C. §1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date and of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the first tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks “Subawardee”, then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in Item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB); grant announcement number; the contract, grant or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., “RFP-DE-90-001.”

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a) Enter the full name, address, city, state and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).

11. The certifying official shall sign and date the form, print his/her name, title and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMN No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

**ATTACHMENT C**

**THE SPONSOR PUBLIC WORKS CERTIFICATION**

**The Sponsor Certification Clause  
CCC 04/2017**

**CERTIFICATION**

**I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Sponsor to the clause(s) listed below. This certification is made under the laws of the State of California.**

Sponsor/Bidder Firm Name (Printed)  County of Fresno, a political subdivision of the State of California, acting through its Department of Behavioral Health	Federal ID Number
--	-------------------

**By (Authorized Signature)**



**Ernest Mendes, Chairman of the Board of Supervisors of the County of Fresno  
Printed Name and Title of Person Signing**

Date Executed  12/15/2025	Executed in the County of
---------------------------------	---------------------------

**SPONSOR CERTIFICATION CLAUSES**

**ARTICLE 1. STATEMENT OF COMPLIANCE**

The Sponsor has, unless exempted, complied with the nondiscrimination program requirements. (Cal. Gov. Code, § 12990, subds. (a)-(f); Cal. Code Regs., tit. 2, § 11102) (Not applicable to public entities.)

**ARTICLE 2. DRUG-FREE WORKPLACE REQUIREMENTS**

The Sponsor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b) Establish a Drug-Free Awareness Program to inform employees about:
  - 1. the dangers of drug abuse in the workplace;
  - 2. the person's or organization's policy of maintaining a drug-free workplace;
  - 3. any available counseling, rehabilitation and employee assistance programs; and
  - 4. penalties that may be imposed upon employees for drug abuse violations.
- c) Every employee who works on the proposed Agreement will:
  - 1. receive a copy of the company's drug-free policy statement; and
  - 2. agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and the Sponsor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Sponsor has made false certification, or (2) violated the certification by failing to carry out the requirements as noted above. (Cal. Gov. Code, § 8350 et seq.)

**ARTICLE 3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION**

The Sponsor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against the Sponsor within the immediately preceding two-year period because of the Sponsor's failure to comply with an order of a Federal court which orders the Sponsor to comply with an order of the National Labor Relations Board. (Cal. Pub. Contract Code, § 10296) (Not applicable to public entities.)

**ARTICLE 4. INTENTIONALLY OMITTED.**

**ARTICLE 5. SWEATFREE CODE OF CONDUCT**

- a) All Sponsors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works Agreement, declare under penalty of perjury that no apparel, garments or

corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the Agreement have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The Sponsor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at [www.dir.ca.gov](http://www.dir.ca.gov) and California Public Contract Code section 6108.

- b) The Sponsor agrees to cooperate fully in providing reasonable access to the Sponsor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the Sponsor's compliance with the requirements under paragraph (a).

## **ARTICLE 6. DOING BUSINESS WITH THE STATE OF CALIFORNIA**

The following laws apply to persons or entities doing business with the State of California.

### **6.1 LABOR CODE/WORKERS' COMPENSATION:**

The Sponsor needs to be aware of the provisions which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions, and the Sponsor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Cal. Lab. Code, § 3700.)

It is hereby mutually agreed that the Sponsor shall forfeit to the State a monetary penalty as determined in California Labor Code section 1775 for each calendar day, or portion thereof, for each worker paid by him or her, or subcontractor under him or her, less than the prevailing wage so stipulated and in addition the contractor further agrees to pay to each worker the difference between the actual amount paid for each calendar day, or portion thereof, and the stipulated prevailing wage rate for the same. This provision shall not apply to properly, registered apprentices.

It is further agreed that the maximum hours a worker is to be employed is limited to eight hours a day and forty (40) hours a week and the contractor shall forfeit, as a penalty to the State, twenty-five dollars (\$25.00) for each worker employed in the execution of the contract for each calendar day during which a worker is required or permitted to labor more than eight hours in any calendar day or more than forty (40) hours in any calendar week, in violation of California Labor Code sections 1810-1815, inclusive.

Properly registered apprentices may be employed in the prosecution of the work. Every such apprentice shall be paid the standard wage paid to apprentices under the regulations of the

craft or trade at which he or she is employed, and shall be employed only at the work of the craft or trade to which he or she is registered. The contractor and each subcontractor must comply with the requirements of California Labor Code section 1777.5 and any related regulations regarding the employment of registered apprentices.

Each contractor and subcontractor shall comply with California Labor Code section 1776 regarding record keeping.

## **6.2 AMERICANS WITH DISABILITIES ACT:**

The Sponsor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. § 12101 et seq.)

## **6.3 THE SPONSOR'S NAME CHANGE:**

An amendment is required to change the Sponsor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

## **6.4 CORPORATE QUALIFICATION TO DO BUSINESS IN CALIFORNIA:**

- a) When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the Sponsor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
- b) "Doing business" is defined in California Revenue and Taxation Code section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate Sponsor performing within the state not be subject to the franchise tax.
- c) Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

## **6.5 RESOLUTION:**

A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

## **6.6 AIR OR WATER POLLUTION VIOLATION:**

Under the State laws, the Sponsor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control

district; (2) subject to cease and desist order not subject to review issued pursuant to section 13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

#### **6.7 PAYEE DATA RECORD FORM STD. 204:**

This form must be completed by all Sponsors that are not another state agency or other government entity.

#### **6.8 CALIFORNIA CIVIL RIGHTS LAWS:**

For Agreement executed or renewed after January 1, 2017, the Sponsor certifies compliance with the Unruh Civil Rights Act (section 51 of the California Civil Code) and the Fair Employment and Housing Act (section 12960 of the California Government Code).

#### **6.9 EMPLOYER DISCRIMINATION POLICIES:**

For Agreements executed or renewed after January 1, 2017, if the Sponsor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Sponsor certifies that such policies are not used in violation of the Unruh Civil Rights Act (section 51 of the California Civil Code) and the Fair Employment and Housing Act (section 12960 of the California Government Code).

#### **6.10 ANTITRUST CLAIMS:**

The Sponsor offers and agrees and will require all of its contractors and subcontractors and suppliers to agree to assign to the awarding body all rights, title, and interest in and to all causes of action they may have under section 4 of the Clayton Act (Title 15, U.S.C. § 15) or under the Cartwright Act (Chapter 2 [commencing with section 16700] of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the public works contract or subcontract. The assignment made by the contractor and all additional assignments made by the subcontractors and suppliers shall be deemed to have been made and will become effective at the time the awarding body tenders final payment to the contractor without further acknowledgment or the necessity of tendering to the awarding body any written assignments.

If an awarding body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under California Government Code sections 4550 to 4554, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, on demand, recover from the public body any portion of the recovery, including treble damages, and attributable overcharges that were paid by the assignor but were not paid by the public body as a part of the bid price, less the expenses incurred in obtaining that portion of the recovery. On demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under California Government Code sections 4550 to 4554 if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action.

**ATTACHMENT D**

**STATEMENT OF WORK (“SOW”)**

<b>A: PROJECT AND SPONSOR INFORMATION</b>		
<b>Sponsor Name:</b> County of Fresno, a political subdivision of the State of California, acting through its Department of Behavioral Health		
<b>Entity type:</b> County		
<b>Project UUID:</b> BOND_988_Olive		
<b>Project Name:</b> Olive		
<b>Project Address:</b> 5555 East Olive Avenue, Fresno, CA 93727		
<b>B: PROGRAM FUNDS</b>		
<b>Program Funds:</b> \$46,999,999.04		
<b>Acquisition with Grant Funds:</b> No		
<b>C: PROJECT NARRATIVE (as described in the RFA)</b>		
<p>The County of Fresno Department of Behavioral Health (DBH) is requesting funding for its Olive project, which will renovate a facility on the Olive Campus in the City of Fresno to become a large clinical and medical treatment facility for the expansion, co-location, and integration of DBH’s Adult and Children’s Behavioral Health Divisions. DBH is responsible for ensuring services are provided to Medi-Cal members residing in Fresno County who may be experiencing mental health or substance use disorders and additionally provides services to many persons who are indigent/uninsured. DBH has been providing direct services to children, adults and families experiencing behavioral health challenges at multiple facilities and is dedicated to ensuring an inclusive overall system of care through a commitment to equity, diversity, and affirming care. DBH services through our system of care include assessment, therapy, medication, case management, crisis intervention, treatment, and other services. This project is in the design development phase, and we anticipate completion of the project by June 2026. The addition of this facility into the DBH portfolio of treatment facilities will increase DBH’s overall capacity and create a path for future growth. This project will address the urgent needs in the care continuum for persons served with mental health or substance use conditions and mitigate barriers to access, especially for unsheltered homeless. It will also house the Adult and Youth Urgent Care Behavioral Health program, which provides urgent in-person walk-ins and same day services, including triage and linkage to mental health appropriate services.</p>		
<b>D: PROJECT EXPANSION SCOPE REQUIREMENTS</b>		
<b>Facility Type 1: Community Mental Health Clinic (outpatient)</b>	<b># New Beds:</b>	<b># New Slots: 451</b>
<b>Facility Type 2:</b>	<b># New Beds:</b>	<b># New Slots:</b>

<b>Facility Type 3:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 4:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 5:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 6:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 7:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 8:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 9:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 10:</b>	<b># New Beds:</b>	<b># New Slots:</b>
	<b>Total # New Beds: 0</b>	<b>Total # New Slots: 451</b>

## **E: PROJECT MILESTONES AND DELIVERABLES**

Milestone documentation and certifications must be submitted within sixty (60) days of meeting each milestone. Future Bond BHCIP Round 1: Launch Ready funding for this Project is dependent on successful completion of the minimum requirements and match minimum requirements at this Project Milestone and the terms and conditions of the Program Funding Agreement.

### **E.1 Minimum Requirements**

1. Executed Program Funding Agreement
2. Board Authorizing Resolutions (BAR), if applicable
3. Completed Government Agency Taxpayer ID Form (W-9)
4. Opinion Letter by Legal Counsel
5. Certificates of Insurance: Commercial General Liability, Builders' Risk, Workers' Compensation, and Property
6. Current Title Report issued within the last thirty (30) days, if applicable
7. Recorded Declaration of Restrictions (DoR)
8. Certification #5 - Declaration of Restrictions
9. Execution of Facility Access Agreement (FAA) with State of California, Department of Health Care Services

10. Certification #1 - Budget Prevailing Wage Compliance
11. Certification #2 - Related Party and Related Party Transaction Disclosure
12. Certification #3 – Execution of Program Funding Agreement
13. Certification #6 - Legal Review of CA Welfare and Institution Code §5960.31
14. Certification #19 – Execution of a Facility Access Agreement with State of California, Department of Health Care Services
15. Program Funding Projection Survey

### **E.2 Match Minimum Requirements**

1. Documentation to satisfy that Sponsor has an In-Kind Match, if applicable:
  - a. Property Value Documentation (Tax Assessor’s Value or Certified Appraisal)
  - b. Sunk Costs Value Documentation (paid receipts, invoices, payment validation)
2. Documentation to satisfy evidence of Cash Match Funds as approved by DHCS. Entire cash match must be expended prior to disbursement of the final up to twenty-five percent (25%) of Program Funds (“**Withheld Funds**”) to Sponsor.
3. Certification # 4 - Match Funds, Property Equity, or In-Kind Match

### **E.3 Acquisition**

**In addition to the deliverables listed in Minimum Requirements, all projects acquired with Bond BHCIP funds will be required to submit:**

1. Purchase and Sale Agreement (mutually executed by buyer and seller)
2. Certified Appraisal Report of Target Acquisition Property
3. Estimate of Escrow Closing Costs
4. Phase 1 Environmental Report
5. Phase 2 Environmental Report, if necessary
6. Asbestos Assessment and Lead-Based Paint Report
7. Certification #8 - Due Diligence Completed
8. Evidence of Any Additional Funds Necessary to Acquire Real Property, if necessary
9. Signed Escrow Instructions including Final Settlement Statement
10. Planning Agency Review Narrative
11. Certification #7 - Planning Agency Review

### **E.4 Pre-Construction (Planning and Permitting)**

1. Phase 1 environmental report
2. Phase 2 environmental report, if necessary
3. Asbestos assessment and lead-based paint report (only required for rehabilitations)

4. Evidence of remediation or abatement, if necessary
5. Certification # 8 - Due Diligence Completed, if not previously provided
6. Planning Agency Review Narrative, if not previously provided
7. Certification # 7 - Planning Agency Review, if not previously provided
8. Certification # 9 - Design Development Drawings Are 100% Complete
9. Certification # 10 – Construction Drawings for First Submittal To Building Department

**E.5 Start of Construction (Notice to Proceed and Executed Construction Contract)**

1. Complete set of approved/stamped construction drawings
2. Executed construction contract with Construction Contract Addendum (**Attachment I** within PFA)
3. Certification # 11 – Construction Contract with Construction Contract Addendum
4. Confirmation the project has been registered with the California Department of Industrial Relations (DIR)
5. Evidence of Payment and Performance Bond by general contractor
6. Certification # 12 – Prevailing Wage Compliance
7. Copy of building permits
8. Approvals and Written Utility Service Commitments (will serve letters) from all Local Agencies, as required
9. Copy of Notice of Exemption filed for California Environmental Quality Act
10. Certification # 13 – Utility Service Commitments, Building Permit Receipt, and Notice Of Exemption Filed
11. Updated construction contract budget & schedule prior to issuance of Notice to Proceed
12. Evidence of Builder’s Risk (new construction and rehabilitation when there is a GC contract)
13. Evidence of Property Insurance (rehabilitation) – review to ensure coverage is “equal to the full replacement costs of all improvements” per the PFA
14. Evidence of Workers’ Compensation Insurance, Automobile Insurance, and General Liability Insurance
15. Copy of Notice to Proceed with issue date
16. Certification # 14 – Required Insurance and Notice to Proceed

**E.6 Project Construction 50% Complete**

1. Certification #15 – Project Construction is 50% Complete
2. Updated construction budget and schedule from general contractor at expenditure of 50% of the costs of construction

**E.7 Construction Complete, Licensing, and Operations**

1. Temporary Certificate of Occupancy, if necessary

2. Certification #16 – Receipt of Certificate of Occupancy (CoO)
3. Certification #17 – Notice of Completion and Receipt of Conditional/Unconditional Final Release of Liens
4. Copy of Notice of Completion
5. Certification #18 – Receipt of Business License and Operational
6. Certification #20 –Project Close-Out, Retention Funds, Excess Funds, And Continued Compliance

## **F. FUNDING REQUIREMENTS**

### **Minimum Requirements for all requests:**

1. Complete Draw Request for Program Funds inclusive of signed sponsor draw request form, invoice index, all proof of payment (including preliminary lien notices, conditional lien waivers, and lien release), if applicable
2. Site inspections reports, as necessary
3. Budget reallocation request, if applicable
4. Requirements associated with project milestone (Section E), dependent on project type
5. Updated Program Funding Projection Survey
6. DHCS Forms 1203 and 1204, as needed for purchases of Furniture, Fixtures, and Equipment (FF&E), if applicable
7. Regular progress reports to AHP but in all events at least once every thirty (30) days
8. Additional documentation as required at the sole discretion of AHP or DHCS.

### **Release of Retention Funds**

9. Retention Funds, equal to ten percent (10%) of total Program Funds, are withheld as financial security until the contractor satisfactorily completes the construction work in accordance with contract requirements.
10. Retention Funds shall be released only upon the Sponsor's submission of Certification No. 17, "Notice of Completion and Receipt of Conditional/Unconditional Final Releases of Liens," in a form and substance acceptable to AHP or DHCS, and any additional supporting documentation, as may be required, subject to approval by AHP or DHCS.

**SCHEDULE 1**

<b>BOND BHCIP ROUND 1 FORM 2: LAUNCH READY BUDGET</b>	
<b>Applicant Name</b>	County of Fresno, a political subdivision of the State of California, acting through its Department of Behavioral Health
<b>Primary Applicant's legal entity type</b>	County
<b>BOND BHCIP ROUND 1 BUDGET: GRANT REQUEST</b>	
<b>FEASIBILITY/DUE DILIGENCE</b>	
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>
Owner Administration (10% autofill)	\$0.00
Legal	\$0.00
Architect (schematic drawings/fit study)	\$0.00
Consultants (specify)	\$0.00
Engineering	\$0.00
Construction Manager/Owner's Representative	\$0.00
Preliminary Title Report (submitted with application)	\$0.00
Phase 1 Environmental Report	\$0.00
Phase 2 Environmental Report, if necessary	\$0.00
Site Surveys (soils and environmental)	\$0.00
Other Feasibility / Due Diligence Costs	\$0.00
Other Feasibility / Due Diligence Costs	\$0.00
Contingency (10% autofill)	\$0.00
<b>Total Feasibility Costs</b>	<b>\$0.00</b>
<b>DEVELOPMENT PLANNING</b>	
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>
Owner Administration (10% autofill)	\$62,495.50
Legal	\$0.00
Architecture (design drawings and construction drawings)	\$60,000.00
Construction Manager/Owner's Representative	\$0.00
Civil Engineer	\$45,000.00
Mechanical, Electrical, and Plumbing (MEP) Engineer	\$325,000.00
Structural Engineer	\$79,800.00
Certified Appraisal Fee (for Property Match)	\$0.00
Consultants (specify)	\$36,460.00

Consultants (specify)	\$10,000.00
Consultants (specify)	\$2,695.00
Other Developmental Planning Costs (specify)	\$48,000.00
Other Developmental Planning Costs (specify)	\$12,000.00
Other Developmental Planning Costs (specify)	\$6,000.00
ALTA Lender's Policy (estimate 0.01% of total grant award)	\$0.00
Contingency (20% autofill)	\$137,490.10
<b>Total Development Planning Costs</b>	<b>\$824,940.60</b>
<b>LAND COSTS/ACQUISITION</b>	
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>
Owner Administration (2% autofill)	\$0.00
Land Cost or Purchase Price	\$0.00
Closing Costs	\$0.00
Legal Fees	\$0.00
Broker's Fee	\$0.00
Appraisal Fee	\$0.00
Property Insurance at Closing	\$0.00
Construction Manager	\$0.00
Demolition Involved in Acquisition	\$0.00
Other Acquisition Costs (specify)	\$0.00
Contingency (5% autofill)	\$0.00
<b>Total Land Costs</b>	<b>\$0.00</b>
Off-Site Improvements (if needed)	\$0.00
<b>Total Acquisition Costs</b>	<b>\$0.00</b>
<b>REHABILITATION OF EXISTING FACILITY</b>	
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>
Owner Administration (5% autofill)	<b>\$1,787,304.70</b>
Legal	\$0.00
Construction Manager/Owner's Representative	\$0.00
Physical Needs Assessment (PNA)	\$0.00
Asbestos and Lead Paint Survey (required for all rehabs)	\$0.00
Site Work/Grading (materials and labor)	\$161,878.00
Hard Costs (materials and labor); labor must include prevailing wages	\$26,634,663.00
Furniture/Fixtures/Equipment (FFE; 10% cap)	\$2,897,368.00
Demolition	\$874,399.00

Contractor Overhead	\$520,380.00
Contractor Profit	\$520,380.00
Prevailing Wages Administration	\$0.00
Builder's Risk Insurance	\$90,382.00
General Liability Insurance	\$273,884.00
Project Inspection	\$0.00
Urban Greening	\$0.00
Other Rehabilitation (specify)	\$3,772,760.00
Other Rehabilitation (specify)	\$0.00
Other Rehabilitation (specify)	\$0.00
Owner's Contingency (20% autofill)	\$7,506,679.74
<b>Total Rehabilitation Costs</b>	<b>\$45,040,078.44</b>
<b>GROUND-UP NEW CONSTRUCTION</b>	
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>
Owner Administration (5% autofill)	<b>\$0.00</b>
Legal	\$0.00
Construction Manager/Owner's Representative	\$0.00
Site Work (materials and labor)	\$0.00
Hard Costs (materials and labor); labor must include prevailing wages	\$0.00
Furniture/Fixtures/Equipment (FFE; 10% cap)	\$0.00
Demolition	\$0.00
General Conditions/Requirements	\$0.00
Contractor Profit	\$0.00
Prevailing Wages Administration	\$0.00
Builder's Risk Insurance	\$0.00
General Liability Insurance	\$0.00
Project Inspection	\$0.00
Urban Greening	\$0.00
Other New Construction (specify)	\$0.00
Owner's Contingency (20% autofill)	\$0.00
<b>Total New Construction Costs</b>	<b>\$0.00</b>
<b>CONSTRUCTION PERMITS AND FEES</b>	
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>
Owner Administration (10% autofill)	\$93,800.00

Payment and Performance Bonds by General Contractor	\$0.00
Building Permit Fees	\$8,000.00
Local Development Impact Fees	\$25,000.00
DIR Employment Reporting	\$0.00
Other Construction Permits and Fees (specify)	\$5,000.00
Other Construction Permits and Fees (specify)	\$400,000.00
Other Construction Permits and Fees (specify)	\$500,000.00
Owner's Contingency (10% autofill)	\$103,180.00
<b>Total Construction Permits and Fees</b>	<b>\$1,134,980.00</b>
<b>RESERVES</b>	
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>
Operating Reserves (rehabilitation)	\$0.00
Additional Cash Match (in excess of the required match percentage)	\$0.00
<b>Total Reserves Amount</b>	<b>\$0.00</b>
<b>OTHER PROJECT COSTS</b>	
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>
Post-Construction Commissioning	\$0.00
Accounting/Reimbursable	\$0.00
Other Costs (specify)	\$0.00
Owner's Contingency (10% autofill)	\$0.00
<b>Total Other Project Costs</b>	<b>\$0.00</b>
<b>DEVELOPER COSTS</b>	
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>
Developer Overhead	\$0.00
Consultants/Processing Agents	\$0.00
Project Administration	\$0.00
Other Developer Costs (specify)	\$0.00
<b>Total Developer Costs</b>	<b>\$0.00</b>
<b>TOTAL BOND BHCIP ROUND 1 FUNDING:</b>	<b>\$46,999,999.04</b>

**ATTACHMENT E**  
**PAYMENT SCHEDULE**

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**Payment Schedule**

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**Payment schedule:** The Sponsor shall submit a complete request for Program Funds monthly no later than the 15<sup>th</sup> of each month to AHP and DHCS in a form acceptable to AHP and DHCS, for a specific amount of funds confirmed by specific invoices and supporting documents for actual work completed. The Sponsor shall submit a draw request for any expenditure no later than forty-five (45) days from the date the Sponsor incurs the expense. AHP shall disburse Program Funds to the Sponsor's account upon written approval of the Sponsor's complete draw request, contingent upon the availability of Bond BHCIP Funds.

**ATTACHMENT F**

**THE SPONSOR COMPLIANCE CERTIFICATIONS**

<b>CERTIFICATION NO. 1</b>	<b>BUDGET PREVAILING WAGE COMPLIANCE</b>
<b>CERTIFICATION NO. 2</b>	<b>RELATED PARTY &amp; RELATED PARTY TRANSACTION DISCLOSURE</b>
<b>CERTIFICATION NO. 3</b>	<b>EXECUTION OF PROGRAM FUNDING AGREEMENT</b>
<b>CERTIFICATION NO. 4</b>	<b>MATCH FUNDS, PROPERTY EQUITY, OR IN-KIND MATCH</b>
<b>CERTIFICATION NO. 5</b>	<b>DECLARATION OF RESTRICTIONS</b>
<b>CERTIFICATION NO. 6</b>	<b>LEGAL REVIEW OF CA WELFARE AND INSTITUTIONS CODE §5960.31</b>
<b>CERTIFICATION NO. 7</b>	<b>PLANNING AGENCY REVIEW</b>
<b>CERTIFICATION NO. 8</b>	<b>DUE DILIGENCE COMPLETED</b>
<b>CERTIFICATION NO. 9</b>	<b>DESIGN DEVELOPMENT DRAWINGS 100% COMPLETE</b>
<b>CERTIFICATION NO. 10</b>	<b>CONSTRUCTION DRAWINGS FOR FIRST SUBMITTAL TO BUILDING DEPARTMENT</b>
<b>CERTIFICATION NO. 11</b>	<b>CONSTRUCTION CONTRACT WITH CONSTRUCTION CONTRACT ADDENDUM</b>
<b>CERTIFICATION NO. 12</b>	<b>PREVAILING WAGE COMPLIANCE</b>
<b>CERTIFICATION NO. 13</b>	<b>UTILITY SERVICE COMMITMENTS, BUILDING PERMIT RECEIPT AND NOTICE OF EXEMPTION FILED</b>
<b>CERTIFICATION NO. 14</b>	<b>REQUIRED INSURANCE AND NOTICE TO PROCEED</b>
<b>CERTIFICATION NO. 15</b>	<b>PROJECT CONSTRUCTION IS 50% COMPLETE</b>
<b>CERTIFICATION NO. 16</b>	<b>RECEIPT OF CERTIFICATE OF OCCUPANCY</b>
<b>CERTIFICATION NO. 17</b>	<b>NOTICE OF COMPLETION AND RECEIPT OF CONDITIONAL/UNCONDITIONAL FINAL RELEASES OF LIENS</b>
<b>CERTIFICATION NO. 18</b>	<b>RECEIPT OF BUSINESS LICENSE AND OPERATIONAL</b>
<b>CERTIFICATION NO. 19</b>	<b>EXECUTION OF A FACILITY ACCESS AGREEMENT WITH STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES</b>
<b>CERTIFICATION NO. 20</b>	<b>PROJECT CLOSE-OUT, RETENTION FUNDS, EXCESS FUNDS, AND CONTINUED COMPLIANCE</b>

## SPONSOR'S CERTIFICATION NO. 1

### BUDGET PREVAILING WAGE COMPLIANCE

I, Ernest Mendes, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California (the "**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. As part of the application, the Sponsor has submitted a construction budget for the Project. The construction budget was prepared with the assistance and/or consultation of a licensed contractor, architect, or experienced construction manager; the licensed contractor, architect, or construction manager was informed that the Project is a Public Works project as that term is defined in the California Labor Code section 1720 et. seq.; and was prepared using the applicable prevailing wages for all construction work to be performed as part of the Project in accordance with California Labor Code section 1720 et seq.
4. The Sponsor further certifies that the Sponsor (i) has been provided with copies of California Labor Code sections 1771, 1775, 1776, 1777.5, 1813 and 1815, attached hereto as Schedule 1; (ii) has included, or shall include, those California Labor Code provisions in the construction contract with the licensed contractor; and (iii) has notified, or shall notify, the licensed contractor that such California Labor Code provisions must be included in any subcontracts.
5. The Sponsor acknowledges and agrees to periodically review the licensed contractors' payroll records to monitor compliance with California prevailing wage requirements and to take diligent action if the Sponsor discovers any failure by the licensed contractor or any of its subcontractors to pay prevailing wages or to otherwise comply with the requirements of the California Labor Code.
6. The Sponsor agrees, in accordance with California Labor Code section 1773.3, to provide notice to the California Department of Industrial Relations ("**DIR**") of the construction contract within thirty (30) days of the award of such construction contract.
7. The Sponsor shall require the licensed contractor to keep accurate payroll records in compliance with California Labor Code section 1776 and shall require the licensed contractor to make such records available to the DIR in accordance with California Labor Code section 1771.4(a)(3).
8. The Sponsor shall comply with, and shall require its licensed contractor to comply with, any and all other requirements of the California Labor Code related to prevailing wages, all California

wage and hours laws, and any applicable federal labor and wage and hour requirements for the duration of the Project.

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 1, Budget Prevailing Wage Compliance, as a condition of receiving the Program Funds.

  
\_\_\_\_\_  
Authorized Signature

Ernest Mendes  
\_\_\_\_\_  
Typed Name of Signatory

Chairman of the Board of Supervisors  
of the County of Fresno  
\_\_\_\_\_  
Title of Signatory

12/15/2025  
\_\_\_\_\_  
Date

Schedule 1

Copies of California Labor Code Sections 1771, 1775, 1776, 1777.5, 1813, and 1815 Attached

**STATE PREVAILING WAGES STATUTES**

The provisions of California Labor Code sections 1771, 1775, 1776, 1777.5, 1813, and 1815, as set out below and as may be amended, must be incorporated into all construction contracts. All references to sections are to sections of the California Labor Code.

(i) Section 1771:

“Except for public works projects of one thousand dollars (\$1,000) or less, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in this chapter, shall be paid to all workers employed on public works.

This section is applicable only to work performed under contract, and is not applicable to work carried out by a public agency with its own forces. This section is applicable to contracts let for maintenance work.”

(ii) Section 1775:

“(a) (1) The contractor and any subcontractor under the contractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rates as determined by the director for the work or craft in which the worker is employed for any public work done under the contract by the contractor or, except as provided in subdivision (b), by any subcontractor under the contractor.

(2) (A) The amount of the penalty shall be determined by the Labor Commissioner based on consideration of both of the following:

(i) Whether the failure of the contractor or subcontractor to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or subcontractor.

(ii) Whether the contractor or subcontractor has a prior record of failing to meet its prevailing wage obligations.

(B) (i) The penalty may not be less than forty dollars (\$40) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, unless the failure of the contractor or subcontractor to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or subcontractor.

(ii) The penalty may not be less than eighty dollars (\$80) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the contractor or subcontractor has been assessed penalties within the previous three years for failing to meet its prevailing wage obligations on a separate contract, unless those penalties were subsequently withdrawn or overturned.

(iii) The penalty may not be less than one hundred twenty dollars (\$120) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the Labor Commissioner determines that the violation was willful, as defined in subdivision (c) of Section 1777.1.

(C) If the amount due under this section is collected from the contractor or subcontractor, any outstanding wage claim under Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 against that contractor or subcontractor shall be satisfied before applying that amount to the penalty imposed on that contractor or subcontractor pursuant to this section.

(D) The determination of the Labor Commissioner as to the amount of the penalty shall be reviewable only for abuse of discretion.

(E) The difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the contractor or subcontractor, and the body awarding the contract shall cause to be inserted in the contract a stipulation that this section will be complied with.

(b) If a worker employed by a subcontractor on a public works project is not paid the general prevailing rate of per diem wages by the subcontractor, the prime contractor of the project is not liable for any penalties under subdivision (a) unless the prime contractor had knowledge of that failure of the subcontractor to pay the specified prevailing rate of wages to those workers or unless the prime contractor fails to comply with all of the following requirements:

(1) The contract executed between the contractor and the subcontractor for the performance of work on the public works project shall include a copy of the provisions of this section and Sections 1771, 1776, 1777.5, 1813, and 1815.

(2) The contractor shall monitor the payment of the specified general prevailing rate of per diem wages by the subcontractor to the employees, by periodic review of the certified payroll records of the subcontractor.

(3) Upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages, the contractor shall diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due the subcontractor for work performed on the public works project.

(4) Prior to making final payment to the subcontractor for work performed on the public works project, the contractor shall obtain an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has paid the specified general prevailing rate of

per diem wages to his or her employees on the public works project and any amounts due pursuant to Section 1813.

(c) The Division of Labor Standards Enforcement shall notify the contractor on a public works project within 15 days of the receipt by the Division of Labor Standards Enforcement of a complaint of the failure of a subcontractor on that public works project to pay workers the general prevailing rate of per diem wages.”

(iii) Section 1776:

“(a) Each contractor and subcontractor shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the contractor or subcontractor in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

(1) The information contained in the payroll record is true and correct.

(2) The employer has complied with the requirements of Sections 1771, 1811, and 1815 for any work performed by that person on the public works project.

(b) The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of the contractor on the following basis:

(1) A certified copy of an employee’s payroll record shall be made available for inspection or furnished to the employee or the employee’s authorized representative on request.

(2) A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to a representative of the body awarding the contract and the Division of Labor Standards Enforcement of the Department of Industrial Relations.

(3) A certified copy of all payroll records enumerated in subdivision (a) shall be made available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through either the body awarding the contract or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the contractor, subcontractors, and the entity through which the request was made. The public may not be given access to the records at the principal office of the contractor.

(c) Unless required to be furnished directly to the Labor Commissioner in accordance with paragraph (3) of subdivision (a) of Section 1771.4, the certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division. The payroll records may consist of printouts of payroll data that are maintained as computer records, if the printouts contain

the same information as the forms provided by the division and the printouts are verified in the manner specified in subdivision (a).

(d) A contractor or subcontractor shall file a certified copy of the records enumerated in subdivision (a) with the entity that requested the records within 10 days after receipt of a written request.

(e) Except as provided in subdivision (f), any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the awarding body or the Division of Labor Standards Enforcement shall be marked or obliterated to prevent disclosure of an individual's name, address, and social security number. The name and address of the contractor awarded the contract or the subcontractor performing the contract shall not be marked or obliterated. Any copy of records made available for inspection by, or furnished to, a multiemployer Taft-Hartley trust fund (29 U.S.C. Sec. 186(c)(5)) that requests the records for the purposes of allocating contributions to participants shall be marked or obliterated only to prevent disclosure of an individual's full social security number, but shall provide the last four digits of the social security number. Any copy of records made available for inspection by, or furnished to, a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) shall be marked or obliterated only to prevent disclosure of an individual's social security number.

(f) (1) Notwithstanding any other provision of law, agencies that are included in the Joint Enforcement Strike Force on the Underground Economy established pursuant to Section 329 of the Unemployment Insurance Code and other law enforcement agencies investigating violations of law shall, upon request, be provided nonredacted copies of certified payroll records. Any copies of records or certified payroll made available for inspection and furnished upon request to the public by an agency included in the Joint Enforcement Strike Force on the Underground Economy or to a law enforcement agency investigating a violation of law shall be marked or redacted to prevent disclosure of an individual's name, address, and social security number.

(2) An employer shall not be liable for damages in a civil action for any reasonable act or omission taken in good faith in compliance with this subdivision.

(g) The contractor shall inform the body awarding the contract of the location of the records enumerated under subdivision (a), including the street address, city, and county, and shall, within five working days, provide a notice of a change of location and address.

(h) The contractor or subcontractor has 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated in subdivision (a). In the event that the contractor or subcontractor fails to comply within the 10-day period, the contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. A contractor is not subject to a penalty assessment pursuant to this section due to the failure of a subcontractor to comply with this section.

(i) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section.

(j) The director shall adopt rules consistent with the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code) and the Information Practices Act of 1977 (Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code) governing the release of these records, including the establishment of reasonable fees to be charged for reproducing copies of records required by this section.”

(iv) Section 1777.5:

“(a) (1) This chapter does not prevent the employment upon public works of properly registered apprentices who are active participants in an approved apprenticeship program.

(2) For purposes of this chapter, “apprenticeship program” means a program under the jurisdiction of the California Apprenticeship Council established pursuant to Section 3070.

(b) (1) Every apprentice employed upon public works shall be paid the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered and shall be employed only at the work of the craft or trade to which he or she is registered.

(2) Unless otherwise provided by a collective bargaining agreement, when a contractor requests the dispatch of an apprentice pursuant to this section to perform work on a public works project and requires the apprentice to fill out an application or undergo testing, training, an examination, or other preemployment process as a condition of employment, the apprentice shall be paid for the time spent on the required preemployment activity, including travel time to and from the required activity, if any, at the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered. Unless otherwise provided by a collective bargaining agreement, a contractor is not required to compensate an apprentice for the time spent on preemployment activities if the apprentice is required to take a preemployment drug or alcohol test and he or she fails to pass that test.

(c) Only apprentices, as defined in Section 3077, who are in training under apprenticeship standards that have been approved by the Chief of the Division of Apprenticeship Standards and who are parties to written apprentice agreements under Chapter 4 (commencing with Section 3070) of Division 3 are eligible to be employed at the apprentice wage rate on public works. The employment and training of each apprentice shall be in accordance with either of the following:

(1) The apprenticeship standards and apprentice agreements under which he or she is training.

(2) The rules and regulations of the California Apprenticeship Council.

(d) If the contractor to whom the contract is awarded by the state or any political subdivision, in performing any of the work under the contract, employs workers in any apprenticeable craft or trade, the contractor shall employ apprentices in at least the ratio set forth in this section and may apply to any apprenticeship program in the craft or trade that

can provide apprentices to the site of the public work for a certificate approving the contractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected. However, the decision of the apprenticeship program to approve or deny a certificate shall be subject to review by the Administrator of Apprenticeship. The apprenticeship program or programs, upon approving the contractor, shall arrange for the dispatch of apprentices to the contractor. A contractor covered by an apprenticeship program's standards shall not be required to submit any additional application in order to include additional public works contracts under that program. "Apprenticeable craft or trade," as used in this section, means a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the California Apprenticeship Council. As used in this section, "contractor" includes any subcontractor under a contractor who performs any public works not excluded by subdivision (o).

(e) Before commencing work on a contract for public works, every contractor shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the public work. The information submitted shall include an estimate of journeyman hours to be performed under the contract, the number of apprentices proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to the awarding body, if requested by the awarding body. Within 60 days after concluding work on the contract, each contractor and subcontractor shall submit to the awarding body, if requested, and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the contract. The information under this subdivision shall be public. The apprenticeship programs shall retain this information for 12 months.

(f) The apprenticeship program supplying apprentices to the area of the site of the public work shall ensure equal employment and affirmative action in apprenticeship for women and minorities.

(g) The ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates if the contractor agrees to be bound by those standards. However, except as otherwise provided in this section, in no case shall the ratio be less than one hour of apprentice work for every five hours of journeyman work.

(h) This ratio of apprentice work to journeyman work shall apply during any day or portion of a day when any journeyman is employed at the jobsite and shall be computed on the basis of the hours worked during the day by journeymen so employed. Any work performed by a journeyman in excess of eight hours per day or 40 hours per week shall not be used to calculate the ratio. The contractor shall employ apprentices for the number of hours computed as above before the end of the contract or, in the case of a subcontractor, before the end of the subcontract. However, the contractor shall endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the jobsite. When an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Administrator of Apprenticeship, upon

application of an apprenticeship program, may order a minimum ratio of not less than one apprentice for each five journeymen in a craft or trade classification.

(i) A contractor covered by this section who has agreed to be covered by an apprenticeship program's standards upon the issuance of the approval certificate, or who has been previously approved for an apprenticeship program in the craft or trade, shall employ the number of apprentices or the ratio of apprentices to journeymen stipulated in the applicable apprenticeship standards, but in no event less than the 1-to-5 ratio required by subdivision (g).

(j) Upon proper showing by a contractor that he or she employs apprentices in a particular craft or trade in the state on all of his or her contracts on an annual average of not less than one hour of apprentice work for every five hours of labor performed by journeymen, the Administrator of Apprenticeship may grant a certificate exempting the contractor from the 1-to-5 hourly ratio, as set forth in this section for that craft or trade.

(k) An apprenticeship program has the discretion to grant to a participating contractor or contractor association a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the contractor from the 1-to-5 ratio set forth in this section when it finds that any one of the following conditions is met:

(1) Unemployment for the previous three-month period in the area exceeds an average of 15 percent.

(2) The number of apprentices in training in the area exceeds a ratio of 1 to 5.

(3) There is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis.

(4) Assignment of an apprentice to any work performed under a public works contract would create a condition that would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large, or the specific task to which the apprentice is to be assigned is of a nature that training cannot be provided by a journeyman.

(l) If an exemption is granted pursuant to subdivision (k) to an organization that represents contractors in a specific trade from the 1-to-5 ratio on a local or statewide basis, the member contractors shall not be required to submit individual applications for approval to local joint apprenticeship committees, if they are already covered by the local apprenticeship standards.

(m) (1) A contractor to whom a contract is awarded, who, in performing any of the work under the contract, employs journeymen or apprentices in any apprenticeable craft or trade shall contribute to the California Apprenticeship Council the same amount that the director determines is the prevailing amount of apprenticeship training contributions in the area of the public works site. A contractor may take as a credit for payments to the council any amounts paid by the contractor to an approved apprenticeship program that can supply apprentices to the site of the public works project. The contractor may add the amount of the contributions in computing his or her bid for the contract.

(2) (A) At the conclusion of the 2002–03 fiscal year and each fiscal year thereafter, the California Apprenticeship Council shall distribute training contributions received by the council under this subdivision, less the expenses of the Department of Industrial Relations for administering this subdivision, by making grants to approved apprenticeship programs for the purpose of training apprentices. The grant funds shall be distributed as follows:

(i) If there is an approved multiemployer apprenticeship program serving the same craft or trade and geographic area for which the training contributions were made to the council, a grant to that program shall be made.

(ii) If there are two or more approved multiemployer apprenticeship programs serving the same craft or trade and county for which the training contributions were made to the council, the grant shall be divided among those programs based on the number of apprentices from that county registered in each program.

(iii) All training contributions not distributed under clauses (i) and (ii) shall be used to defray the future expenses of the Department of Industrial Relations for the administration and enforcement of apprenticeship and preapprenticeship standards and requirements under this code.

(B) An apprenticeship program shall only be eligible to receive grant funds pursuant to this subdivision if the apprenticeship program agrees, prior to the receipt of any grant funds, to keep adequate records that document the expenditure of grant funds and to make all records available to the Department of Industrial Relations so that the Department of Industrial Relations is able to verify that grant funds were used solely for training apprentices. For purposes of this subparagraph, adequate records include, but are not limited to, invoices, receipts, and canceled checks that account for the expenditure of grant funds. This subparagraph shall not be deemed to require an apprenticeship program to provide the Department of Industrial Relations with more documentation than is necessary to verify the appropriate expenditure of grant funds made pursuant to this subdivision.

(C) The Department of Industrial Relations shall verify that grants made pursuant to this subdivision are used solely to fund training apprentices. If an apprenticeship program is unable to demonstrate how grant funds are expended or if an apprenticeship program is found to be using grant funds for purposes other than training apprentices, then the apprenticeship program shall not be eligible to receive any future grant pursuant to this subdivision and the Department of Industrial Relations may initiate the process to rescind the registration of the apprenticeship program.

(3) All training contributions received pursuant to this subdivision shall be deposited in the Apprenticeship Training Contribution Fund, which is hereby created in the State Treasury. Upon appropriation by the Legislature, all moneys in the Apprenticeship Training Contribution Fund shall be used for the purpose of carrying out this subdivision and to pay the expenses of the Department of Industrial Relations.

(n) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section. The stipulations shall fix the responsibility of compliance with this section for all apprenticeable occupations with the prime contractor.

(o) This section does not apply to contracts of general contractors or to contracts of specialty contractors not bidding for work through a general or prime contractor when the contracts of general contractors or those specialty contractors involve less than thirty thousand dollars (\$30,000).

(p) An awarding body that implements an approved labor compliance program in accordance with subdivision (b) of Section 1771.5 may, with the approval of the director, assist in the enforcement of this section under the terms and conditions prescribed by the director.”

(v) Section 1813:

“The contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars (\$25) for each worker employed in the execution of the contract by the respective contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of this article. In awarding any contract for public work, the awarding body shall cause to be inserted in the contract a stipulation to this effect. The awarding body shall take cognizance of all violations of this article committed in the course of the execution of the contract, and shall report them to the Division of Labor Standards Enforcement.”

(vi) Section 1815:

“Notwithstanding the provisions of Sections 1810 to 1814, inclusive, of this code, and notwithstanding any stipulation inserted in any contract pursuant to the requirements of said sections, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 1 ½ times the basic rate of pay.”

## SPONSOR'S CERTIFICATION NO. 2

### RELATED PARTY & RELATED PARTY TRANSACTION DISCLOSURE

I, Ernest Mendes, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has disclosed to AHP and/or the State the composition of the Sponsor including any entity, member, manager, partner, or person that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or common control with the Sponsor ("**Related Party**" or "**Related Parties**").
4. The Sponsor certifies that it shall disclose to AHP and/or the State, promptly, any change in ownership or control of the Sponsor or any merger or acquisition that changes the control of the Sponsor. For purposes of this Agreement, "ownership" shall mean any entity, member, manager, partner, or person that has an ownership interest of greater than ten percent (10%) in the Sponsor, and "control" shall mean possession of the authority to direct or cause the direction of the affairs or management of the Sponsor.
5. The Sponsor certifies that it shall disclose to AHP and/or the State, promptly, upon the existence or discovery of an actual or potential transaction, agreement, or settlement with a Related Party in connection with the Project ("**Related Party Transaction**").
6. The Sponsor certifies that it shall disclose to AHP and/or the State: (1) the nature of the relationship, (2) the nature of the potential or actual transaction, agreement, or settlement, (3) the dollar amounts of any such transaction, agreement, or settlement, (4) the dollar amounts due to or from any Related Party, and (5) documents and any additional information, as may be required by AHP and/or the State in their sole discretion.

*SIGNATURE ON THE FOLLOWING PAGE*

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 2, Related Party & Related Party Transaction Disclosure, as a condition of receiving the Program Funds.

SIGNED WITH SKETCH  
*Ernest Mendes*

\_\_\_\_\_  
Authorized Signature

Ernest Mendes

\_\_\_\_\_  
Typed Name of Signatory

Chairman of the Board of Supervisors  
of the County of Fresno

\_\_\_\_\_  
Title of Signatory

12/15/2025

\_\_\_\_\_  
Date

**SPONSOR'S CERTIFICATION NO. 3**

**EXECUTION OF PROGRAM FUNDING AGREEMENT**

I, Ernest Mendes, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California (the "**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has executed a contract with AHP entitled "**Program Funding Agreement**" and that it has provided a true and correct copy of such executed AHP-Sponsor Program Funding Agreement, including all attachments, to AHP.

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 3, Execution of Program Funding Agreement, as a condition of receiving the Program Funds.

  
\_\_\_\_\_  
Authorized Signature

Ernest Mendes  
\_\_\_\_\_  
Typed Name of Signatory

Chairman of the Board of Supervisors  
of the County of Fresno  
\_\_\_\_\_  
Title of Signatory

12/15/2025  
\_\_\_\_\_  
Date

**SPONSOR'S CERTIFICATION NO. 4**

**MATCH FUNDS, PROPERTY EQUITY, OR IN-KIND MATCH**

I, \_\_\_\_\_, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.

2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing the Program Funds.

3. The Sponsor certifies that, if, and as required by the terms of the Program, the Sponsor is required to provide a match for the Program Funds, and the Sponsor's match is in the form of cash, the Sponsor has provided to AHP, as required by the terms of the Program Funding Agreement, evidence in the form of account statements or other auditable financial record to the amount of \_\_\_\_\_ (\_\_\_\_\_) ("**Match Funds**").

4. The Sponsor certifies that, if, and as required by the terms of the Program, the Sponsor is required to provide a match for the Program Funds, and the Sponsor's match is in the form of equity in real property upon which the Project is to be constructed, located at 5555 East Olive Avenue, Fresno, CA 93727 (the "**Project Property**"), the Sponsor has provided to AHP (i) the assessed value of the Project Property on the property tax assessment rolls or a written appraisal report setting forth an opinion of fair market value prepared by a certified general appraiser licensed in the State of California, and (ii) all current loan statements reflecting any outstanding loan balances secured by the Project Property, or a statement of outstanding bond debt.

5. The Sponsor certifies that, if, and as required by the terms of the Program, the Sponsor is required to provide an in-kind match for the Program Funds, and the Sponsor's match is in the form of the amount of any reasonable, actual, and documented, as determined by DHCS in their sole discretion, Project specific fees and expenses incurred by the Sponsor directly for the improvement of the Project Property no more than one (1) year prior to May 6, 2025, the date of the Notice of Conditional Award ("**Sunk Costs**"), such expenditures incurred were in the amount of not less than \_\_\_\_\_ (\_\_\_\_\_), as evidenced by Project specific documents, including, but not limited to, invoices with attached proof of payment for work completed, materials purchased, professional, design-build, or other services rendered and paid for by the Sponsor in connection with the Project.

6. The Sponsor further certifies that its match for the Program Funds, as required by the terms of the Program, is in the form of \_\_\_\_\_ described as follows:

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7. At AHP's request, the Sponsor agrees to submit to AHP, promptly, documentation that verifies the Sponsor's statements contained in Sections 3, 4, 5, or 6 of this Certification prior to disbursement of any Program Funds, including, but not limited to, bank account statements or other auditable financial record and title documents.

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 4, Match Funds, Property Equity, or In-Kind Match, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**SPONSOR'S CERTIFICATION NO. 5**

**DECLARATION OF RESTRICTIONS**

I, \_\_\_\_\_, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that the Project is subject to a Regulatory Agreement and Declaration of Restrictions, substantially in the form attached to the Program Funding Agreement as **Attachment H** (the "**Declaration of Restrictions**"), which has been recorded in the official records in the county in which the Project is located, and which, in addition to other matters, restricts the use of the Project. The Sponsor further certifies that it shall provide to AHP, concurrently with this Certification, a copy of such recorded Declaration of Restrictions, which shall evidence recordation in the official records in the county in which the Project is located.

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 5, Declaration of Restrictions, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**SPONSOR'S CERTIFICATION NO. 6**

**LEGAL REVIEW OF CA WELFARE AND INSTITUTIONS CODE §5960.31**

I, \_\_\_\_\_, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has had the opportunity to seek advice from legal counsel as to its rights and responsibilities regarding California Welfare and Institutions Code section 5960.31, set forth below:

**(a) Notwithstanding any other law, projects funded pursuant to paragraph (3) or (4) of subdivision (b) of Section 5965.04 shall be a use by right and shall be subject to the streamlined, ministerial review process and filing requirement, pursuant to subdivisions (b) and (d) of Section 50675.1.5 of the Health and Safety Code, and not subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals, if it meets the criteria of paragraph (1) or (2) and complies with subdivisions (b) and (c).**

**(1) The project is a behavioral health treatment and residential setting, including, but not limited to, children's residential crisis programs, peer respite, children's and adult substance use disorder residential programs, recovery housing, short-term residential therapeutic program, and social rehabilitation program, and shall be located in a zone where residential, office, retail, or parking are a principally permitted use.**

**(2) (A) The project is a real estate asset, as described in Section 5960.05, except for those described in paragraph (1), or in subparagraph (A) of paragraph (1) of subdivision (a) of Section 5831, that is funded pursuant to Section 5967.01, and shall be located in a zone where office, retail, or parking are a principally permitted use.**

**(B) This paragraph shall not be construed to limit the discretion of local jurisdictions to permit real estate assets in a zone not expressly provided in this paragraph.**

**(b) Projects, as applicable, pursuant to this section shall comply with the core components of Housing First, as defined under subdivision (b) of Section 8255, and may include recovery housing, as defined by the United States Department of Housing and Urban Development.**

**(c) Projects pursuant to this section shall meet the labor standards contained in Sections 65912.130 and 65912.131 of the Government Code.**

**(d) For purposes of this section, “use by right” means a development project that satisfies both of the following conditions:**

**(1) The development project does not require a conditional use permit, planned unit development permit, or other discretionary local government review.**

**(2) The development project is not a “project” for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.**

I certify under penalty of perjury that the above information is true and correct and that the Sponsor has read and understands the terms of this certification and shall comply with all requirements set forth above, in Sponsor’s Certification No. 6, Legal Review of CA Welfare and Institutions Code §5960.31, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**SPONSOR'S CERTIFICATION NO. 7**

**PLANNING AGENCY REVIEW**

I, \_\_\_\_\_, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that, if constructing a new facility or expanding an existing facility, it shall provide to AHP contemporaneously with this Certification a one-to-two-page narrative report summarizing the results of any preliminary planning meeting with the planning department, or equivalent, in the jurisdiction where the Project is located, including any written documentation and comments received.

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 7, Planning Agency Review, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

## SPONSOR'S CERTIFICATION NO. 8

### DUE DILIGENCE COMPLETED

I, \_\_\_\_\_, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. In the event that the Project involves the acquisition of real property with Program Funds, the Sponsor certifies that it has obtained a Certified Appraisal Report, setting forth an opinion of fair market value of the real property upon which the Project is to be constructed or operated, prepared by a certified appraiser licensed in the State of California, in a form acceptable to AHP; and the Sponsor has provided copies of the Certified Appraisal Report to AHP.
4. The Sponsor certifies that it has obtained a Phase I environmental site assessment of the Project in conformance with ASTM Standard Practice E-1527 and, if necessary, a Phase II environmental site assessment and that the Sponsor has or shall comply with all recommendations in those assessments as part of the Project. The Sponsor shall provide AHP with copies of all environmental reports and, to the extent applicable, evidence of completion of any recommended environmental remediation.
5. In the event that the Project involves rehabilitation or renovation of an existing structure, the Sponsor certifies that it has obtained an asbestos assessment and lead-based paint report for the Project and has complied or shall comply with all abatement requirements identified therein. The Sponsor certifies that it has provided AHP with copies of all asbestos and lead-based paint reports and, to the extent applicable, evidence of completion of any recommended asbestos or lead-based paint abatement.
6. The Sponsor certifies that it has complied with all applicable federal, state, and local relocation requirements related to the Project, including under the California Relocation Assistance Law (California Government Code section 7260 et seq.); and that the Sponsor has complied with all applicable state laws and corresponding regulations for the safe transfer and relocation of residents in residential care facilities licensed by the State and agrees to obtain a State-approved relocation plan for each resident in care.

7. The Sponsor's above certifications are solely for the purpose of confirming that the Sponsor has properly discharged their obligations under the Program Funding Agreement, and AHP's receipt of these certifications should not be relied upon by the Sponsor or any third parties as a warranty or representation by AHP or DHCS as to the quality of the design or construction of the Project.

8. The Sponsor agrees that it is solely responsible and liable for compliance with requirements and recommendations pertaining to asbestos, lead, environmental assessment, local planning, and relocation requirements for the Project and shall indemnify AHP and the State consistent with the terms of the Sponsor's Agreement with AHP and the State.

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 8, Due Diligence Completed, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**SPONSOR'S CERTIFICATION NO. 9**

**DESIGN DEVELOPMENT DRAWINGS 100% COMPLETE**  
**(to be completed by the Sponsor's Architect)**

I, \_\_\_\_\_, as an authorized representative of \_\_\_\_\_ (the "**Architect**"), on behalf of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Architect, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with the Sponsor's application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. I am the lead architect on behalf of the Sponsor for the Project, duly licensed to practice architecture in the State of California pursuant to Chapter 3 of Division 3 of the Business and Professions Code, and have been hired by the Sponsor to provide architectural services for the Project.
4. I hereby certify that design development drawings, including architectural and mechanical, electrical, and plumbing (MEP) drawings for the Project, are one hundred percent (100%) complete.
5. I hereby certify that the Sponsor is ready to commence preparation of construction drawings for the purpose of submittal to the building department, or equivalent, in the jurisdiction where the Project is located.

***SIGNATURE ON THE FOLLOWING PAGE***

I certify under penalty of perjury that the above information is true and correct in Sponsor's Certification No. 9, Design Development Drawings 100% Complete, as a condition of the Sponsor receiving the Program Funds.

---

Authorized Signature  
*(Licensed Architect on plan set)*

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Typed Name of Signatory

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Title of Signatory  
*(Licensed Architect on plan set)*

---

Date

**SPONSOR'S AND ARCHITECT'S CERTIFICATION NO. 10**

**CONSTRUCTION DRAWINGS FOR  
FIRST SUBMITTAL TO BUILDING DEPARTMENT**

**(to be completed by the Sponsor and the Sponsor's Architect)**

I, \_\_\_\_\_, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), and I, \_\_\_\_\_, as an authorized representative of \_\_\_\_\_ (the "**Architect**"), each hereby certify that:

1. The Sponsor and Architect each certify that they possess the legal authority to submit this certification on behalf of the Sponsor and the Architect, respectively, and the information and statements set forth below are, to the best of their knowledge and belief, true and correct.
2. The Sponsor and Architect each certify that they are providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has obtained updated estimates of all applicable fees and charges due to the local jurisdiction with permitting authority over the Project, including, but not limited to, fees for plan checks, building permits, schools, special assessments, impact fees, and fire permits, among others, as may be applicable to the Project, depending on the jurisdiction, and the Sponsor has sent copies of all such fee estimates to AHP.
4. The Sponsor and Architect each certify that they have construction drawings for the Project that are ready for first submittal to the building department, or its equivalent, in the jurisdiction where the Project is located. The Sponsor shall provide AHP with copies of all such drawings upon request.
5. The Sponsor certifies that it is prepared to submit complete applications and pay required fees to the applicable government authorities for building permits and approvals necessary to construct the Project.
6. The Sponsor and Architect shall attest by their signatures below that the construction drawings for the Project are ready for first submittal to the building department, or its equivalent, in the jurisdiction where the Project is located, within thirty (30) days of the date of execution of this Certification No. 10.

***SIGNATURES ON THE FOLLOWING PAGE***

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's and Architect's Certification No. 10, Construction Drawings for First Submittal to Building Department, as a condition of receiving the Program Funds.

---

Authorized Signature

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Typed Name of Signatory

---

Title of Signatory

---

Date

---

---

Authorized Signature  
*(Licensed Architect on plan set)*

---

Typed Name of Signatory

---

Title of Signatory  
*(Licensed Architect on plan set)*

---

Date

**SPONSOR'S CERTIFICATION NO. 11**

**CONSTRUCTION CONTRACT WITH  
CONSTRUCTION CONTRACT ADDENDUM**

I, \_\_\_\_\_, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has negotiated and attached to this Certification a construction contract for the Project as mutually agreed upon by the Sponsor and the general contractor ("**Construction Contract**") which includes a total cost of construction that does not exceed the amount set forth in the application for Program Funds for construction costs of the Project, unless otherwise approved by AHP or the State, in their sole discretion.
4. The Sponsor further certifies that the Construction Contract includes an attachment thereto, in the form attached to the Program Funding Agreement as **Attachment I** (the "**Construction Contract Addendum**"), which shall contain certain required additional details, conditions, or terms to be agreed upon by and between the Sponsor and the general contractor.
5. Upon full execution of the Construction Contract or any amendment thereof, the Sponsor promptly shall provide AHP a copy of the fully executed Construction Contract, with the Construction Contract Addendum attached thereto and incorporated by reference.
6. The Sponsor certifies that the Construction Contract Addendum, as incorporated into the Construction Contract, shall not be amended or modified in any manner, at any time, without prior approval by AHP or the State, in their sole discretion.
7. The Sponsor certifies that the final Construction Contract for the full course of construction of the Project is based on the fully permitted set of construction drawings, which constitute the full scope of the construction for the Project.
8. The Sponsor certifies that the General Contractor is registered with the California Department of Industrial Relations ("**DIR**") as required by California Labor Code section 1725.5. The Sponsor further certifies that the Construction Contract and any subcontracts entered into by the general contractor shall require the general contractor and all subcontractors to comply with California

Labor Code section 1720 et seq. for all work performed for the Project, including, but not limited to, the payment of prevailing wages for all work performed on the Project.

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 11, Construction Contract with Construction Contract Addendum, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**GENERAL CONTRACTOR'S CERTIFICATION NO. 12**

**PREVAILING WAGE COMPLIANCE**  
**(to be completed by the Sponsor's General Contractor)**

I, \_\_\_\_\_, as an authorized representative of [insert name of General Contractor] ("General Contractor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the General Contractor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("Project") submitted by **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "Sponsor") and acknowledge that the State, and its contract manager, Advocates for Human Potential, Inc. ("AHP"), and the Sponsor are relying on this information in awarding and disbursing Program Funds to the Sponsor.
3. General Contractor certifies that all construction work performed on the Project shall comply with California Labor Code section 1720 et seq. and require the payment of prevailing wages.
4. General Contractor certifies that the Sponsor has provided General Contractor with copies of California Labor Code sections 1771, 1775, 1776, 1777.5, 1813, and 1815; that the construction contract includes those California Labor Code provisions; and that such California Labor Code provisions shall be included in all subcontracts entered into by General Contractor for the Project.
5. General Contractor agrees to periodically review its subcontractors' payroll records to monitor compliance with California prevailing wage requirements and to take diligent action if General Contractor discovers any failure by a subcontractor to pay prevailing wages and to otherwise comply with the requirements of the California Labor Code.
6. General Contractor shall not release final payment to any subcontractors for work performed on the Project until General Contractor has obtained an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has paid the specified general prevailing wage for all work performed on the Project as well as any other amounts due under the California Labor Code.
7. General Contractor agrees to keep accurate payroll records in compliance with California Labor Code section 1776 and shall require all of its subcontractors to keep such records and to make such records available to the California Department of Industrial Relations ("DIR") in accordance with California Labor Code section 1771.4(a)(3).
8. General Contractor agrees to comply with any and all other requirements of the California Labor Code related to prevailing wages, all California wage and hours laws, and any applicable federal labor and wage and hours requirements for the duration of the Project.

9. General Contractor acknowledges that neither the State nor AHP shall be liable for any penalties or damages resulting from General Contractor's failure to comply with all requirements related to public works projects applicable to the Project.

I certify that the above information is true and correct and that General Contractor shall comply with all requirements set forth above, in General Contractor's Certification No. 12, Prevailing Wage Compliance, as a condition of the Sponsor receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature  
(General Contractor)

\_\_\_\_\_  
Typed Name of Signatory  
(General Contractor)

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**SPONSOR'S CERTIFICATION NO. 13**

**UTILITY SERVICE COMMITMENTS, BUILDING PERMIT RECEIPT AND NOTICE  
OF EXEMPTION FILED**

I, \_\_\_\_\_, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has obtained and provided to AHP copies of any written utility service commitments (commonly referred to as "will serve letters"), as may be required by the local jurisdiction with permitting authority over the Project.
4. The Sponsor certifies that it has obtained and provided to AHP copies of the building permits required to commence construction on the Project issued by the local jurisdiction with permitting authority over the Project. The building permits approve a total building area for the Project of **[insert number in words (Number) and delete this note]** square feet.
5. The Sponsor certifies that, upon receipt of the building permits from the jurisdiction where the Project is located, a Notice of Exemption for the Project has been filed with the county clerk of each county in which the Project is located pursuant to the California Environmental Quality Act ("**CEQA**") Guidelines section 15062.
6. The Sponsor further certifies that it has provided to DHCS a copy of the Notice of Exemption for the Project filed with the county clerk of each county in which the Project is located pursuant to the CEQA Guidelines section 15062.

***SIGNATURE ON THE FOLLOWING PAGE***

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 13, Building Permit Receipt and Notice of Exemption Filed, as a condition of receiving the Program Funds.

---

Authorized Signature

---

Typed Name of Signatory

---

Title of Signatory

---

Date

**SPONSOR'S CERTIFICATION NO. 14**

**REQUIRED INSURANCE AND NOTICE TO PROCEED**

I, \_\_\_\_\_, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has acquired all general liability and any applicable builder's risk and property insurance pursuant to the requirements of Article 11 of the Program Funding Agreement.
4. The Sponsor certifies that it has provided to AHP copies of its certificates of insurance in accordance with the requirements of Article 11 of the Program Funding Agreement.
5. The Sponsor certifies that it has provided to AHP an updated budget and schedule for the Project prior to the Sponsor's issuance of a notice to proceed to its general contractor.
6. The Sponsor certifies that on or about \_\_\_\_\_, 202\_\_, [**insert date and delete this note**] a notice to proceed was issued to its general contractor to commence construction on the Project.

***SIGNATURE ON THE FOLLOWING PAGE***

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 14, Required Insurance and Notice to Proceed, as a condition of receiving the Program Funds.

---

Authorized Signature

---

Typed Name of Signatory

---

Title of Signatory

---

Date

**SPONSOR'S CERTIFICATION NO. 15**

**PROJECT CONSTRUCTION IS 50% COMPLETE**

I, \_\_\_\_\_, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that on or about \_\_\_\_\_, 202\_\_, [**insert date and delete this note**] Project construction is fifty percent (50%) complete; and further certifies that it has provided to AHP an updated budget and schedule for the completion of the Project.
4. The Sponsor further certifies that it has the additional funds or funding necessary to complete the Project in the event that the remaining Program Funds are insufficient to satisfy the remaining fifty percent (50%) of construction costs.

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 15, Project Construction Is 50% Complete, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**SPONSOR'S CERTIFICATION NO. 16**

**RECEIPT OF CERTIFICATE OF OCCUPANCY**

I, \_\_\_\_\_, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that the Project has received its Certificate of Occupancy or equivalent from the jurisdiction where the Project is located.
4. The Sponsor further certifies that it has provided to AHP a copy of the Certificate of Occupancy.

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 16, Receipt of Certificate of Occupancy, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**SPONSOR'S CERTIFICATION NO. 17**

**NOTICE OF COMPLETION AND  
RECEIPT OF CONDITIONAL/UNCONDITIONAL FINAL RELEASES OF LIENS**

I, \_\_\_\_\_, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that, pursuant to California Civil Code section 8182 et seq., it has recorded with the county clerk in the jurisdiction where the Property is located a Notice of Completion; and that the Sponsor has provided to AHP a copy of the Notice of Completion.
4. The Sponsor certifies that it has obtained from its general contractor conditional/unconditional final releases of all liens for all labor or services provided, or equipment and material delivered, to or on behalf of the Sponsor, for construction or rehabilitation at the Project.
5. The Sponsor further certifies that it has provided to AHP copies of all conditional/unconditional final releases of all liens, which the Sponsor received from its general contractor, and that the Sponsor shall provide to AHP any additional release of lien documentation or information, as may be required by AHP and/or the State in their sole discretion.

***SIGNATURE ON THE FOLLOWING PAGE***

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 17, Notice of Completion and Receipt of Conditional/Unconditional Final Releases of Liens, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**SPONSOR'S CERTIFICATION NO. 18**

**RECEIPT OF BUSINESS LICENSE AND OPERATIONAL**

I, \_\_\_\_\_, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that the Sponsor and the Project, each, as may be required, individually and collectively, has received, renewed, or maintained all licenses, designations, and certifications, including a business license, as may be required, by the jurisdiction where the Project is located and by the State, to operate the Project pursuant to the requirements of the Program Funding Agreement.

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 18, Receipt of Business License and Operational, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**SPONSOR'S CERTIFICATION NO. 19**

**EXECUTION OF A FACILITY ACCESS AGREEMENT WITH STATE OF CALIFORNIA,**  
**DEPARTMENT OF HEALTH CARE SERVICES**

I, Ernest Mendes, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has executed a contract with the State Department of Health Care Services ("**DHCS**") entitled Facility Access Agreement ("**Facility Access Agreement**").
4. The Sponsor certifies that it has provided a true and correct copy of the executed Facility Access Agreement, including all attachments, to AHP.

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Facility Certification No. 19, Execution of a Facility Access Agreement with State of California, Department of Health Care Services, as a condition of receiving the Program Funds.



Authorized Signature

Ernest Mendes

Typed Name of Signatory

Chairman of the Board of Supervisors  
of the County of Fresno

Title of Signatory

12/15/2025

Date

**SPONSOR'S CERTIFICATION NO. 20**

**PROJECT CLOSE-OUT, RETENTION FUNDS, EXCESS FUNDS, AND CONTINUED COMPLIANCE**

I, \_\_\_\_\_, as an authorized representative of **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the "**Sponsor**"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("**State**") pursuant to the Behavioral Health Continuum Infrastructure Program ("**BHCIP**") for the Olive ("**Project**") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("**AHP**") are relying on this information in connection with the management of BHCIP and Program Funds.
3. The Sponsor certifies that it received an award of Program Funds pursuant to that certain Notice of Conditional Award Letter issued by DHCS to the Sponsor, attached as **Attachment K** to that certain Program Funding Agreement, dated 12/15/2025 (the "**Program Funding Agreement**") by and between AHP and the Sponsor.
4. The Sponsor certifies that AHP has released and the Sponsor has received Retention Funds pursuant to Section 4.3.7.1 of the Program Funding Agreement.
5. The Sponsor certifies that the Project is complete, operational, and serving patients/persons in compliance with all applicable state, federal, and local health and safety laws and ordinances.
6. The Sponsor certifies that it will not request, declines to use, and releases a portion of its awarded Program Funds in the amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) ("**Excess Funds**"). The Sponsor further certifies that the Excess Funds are not required for Project completion or reimbursement for its Project expenses.
7. The Sponsor acknowledges that pursuant to Article 2 of the Program Funding Agreement, the terms of the Program Funding Agreement are in full force and effect.
8. The Sponsor further certifies that it has satisfied all applicable requirements of the Program Funding Agreement, is not in default, and shall continue to comply with the requirements of the Program Funding Agreement, the Facility Access Agreement, and the Declaration of Restrictions, each as defined in the Program Funding Agreement.

***SIGNATURES ON THE FOLLOWING PAGE***

I certify under penalty of perjury that the above information is true and correct and that Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 20, Project Close-Out, Retention Funds, Excess Funds, and Continued Compliance.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**ACKNOWLEDGED:**

**DHCS:**

**DEPARTMENT OF HEALTH CARE SERVICES,**  
a public agency of the State of California

By: \_\_\_\_\_  
Laurice Artap, Section Chief  
Community Services Division / Behavioral Health Continuum  
Infrastructure Program Section

Date: \_\_\_\_\_

**ATTACHMENT G**  
**PERFORMANCE MILESTONES**

**BOND BHCIP Round 1: Launch Ready**

**ATTACHMENT G - PERFORMANCE MILESTONES**

*These Performance Milestones are the basis for your Project's Payment Schedule so that in all events, all Program Funds must be obligated and expended by June 30, 2030.*

**ESTIMATED MILESTONES**

**Preconstruction/Acquisition, Construction, Move-in**

PHASE	MILESTONE	Milestone Certification or Documents	COMPLETION DATE: Not To Exceed
E.1 Minimum Requirements	BUDGET PREVAILING WAGE COMPLIANCE	Certification # 1	Project specific, N/A
	RELATED PARTY AND RELATED PARTY TRANSACTION DISCLOSURE	Certification # 2	
	EXECUTION OF PROGRAM FUNDING AGREEMENT	Certification # 3	
	RECORDED DECLARATION OF RESTRICTIONS	Certification # 5	
	LEGAL REVIEW OF CA WELFARE AND INSTITUTIONS CODE §5960.3(a)	Certification # 6	
	EXECUTION OF A FACILITY ACCESS AGREEMENT WITH STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES	Certification #19	
E.2 Match Minimum Requirements	MATCH FUNDS, PROPERTY EQUITY, OR IN-KIND MATCH	Certification # 4	
E.3 Acquisition	CLOSE OF ESCROW/RECORDED DECLARATION OF RESTRICTIONS & PERFORMANCE DEED OF TRUST	Recorded Deed	
	PLANNING AGENCY REVIEW	Certification # 7	
	DUE DILIGENCE COMPLETED FOR ACQUISITION	Certification # 8	
E.4 Preconstruction (Planning and Permitting)	PLANNING AGENCY REVIEW, <b>if not previously provided</b>	Certification # 7	
	DUE DILIGENCE COMPLETED, <b>if not previously provided</b>	Certification # 8	
	DESIGN DEVELOPMENT DRAWINGS 100% COMPLETE	Certification # 9	
	CONSTRUCTION DRAWINGS FOR FIRST SUBMITTAL TO BUILDING	Certification # 10	
E.5 Start of Construction (Notice to Proceed and Executed Construction Contract)	CONSTRUCTION CONTRACT WITH CONSTRUCTION CONTRACT RISK	Certification # 11	
	PREVAILING WAGE COMPLIANCE (GC)	Certification # 12	
	UTILITY SERVICE COMMITMENTS, BUILDING PERMIT RECEIPT, AND NOTICE OF EXEMPTION FILED	Certification # 13	
	REQUIRED INSURANCE AND NOTICE TO PROCEED	Certification # 14	
E.6 Project Construction 50% Complete	PROJECT CONSTRUCTION IS 50% COMPLETE	Certification # 15	6/30/2030
E.7 Construction Complete, Licensing, and Operation	RECEIPT OF CERTIFICATE OF OCCUPANCY	Certification # 16	6/30/2030
	NOTICE OF COMPLETION AND RECEIPT OF UNCONDITIONAL FINAL RELEASES OF LIENS	Certification # 17	
	RECEIPT OF BUSINESS LICENSE AND OPERATIONAL	Certification # 18	Project specific, N/A
	PROJECT CLOSE-OUT, RETENTION FUNDS, EXCESS FUNDS, AND CONTINUED COMPLIANCE	Certification # 20	6/30/2030
	ANTICIPATED EXPIRATION DATE OF THE AGREEMENT & TRANSFER TO STATE OVERSIGHT		

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

Advocates for Human Potential, Inc.  
490-B Boston Post Road  
Sudbury, MA 01776-3365

Attention: Legal Department

NO FEE FOR RECORDING PURSUANT TO  
GOVERNMENT CODE SECTION 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## ATTACHMENT H

### REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIONS

This Regulatory Agreement and Declaration of Restrictions (the “**Declaration**”), dated \_\_\_\_\_ for reference purposes, is by and between **COUNTY OF FRESNO**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the “**Owner**”) and the State of California (the “**State**”), represented by the **DEPARTMENT OF HEALTH CARE SERVICES**, a public agency of the State of California (“**DHCS**”).

### RECITALS

A. DHCS oversees the Behavioral Health Continuum Infrastructure Program (“**BHCIP**” or “**Program**”), which was established by California Assembly Bill No. 133 (Chapter 143, Statutes of 2021), and which is governed by California Welfare and Institutions Code sections 5960-5960.4, as amended by the State Behavioral Health Infrastructure Bond Act of 2024 (section 4, Chapter 4 of California Assembly Bill 531 (“**AB 531**”)) which provided, in part, for the: (a) addition of section 5965.04 to the California Welfare and Institutions Code allocating additional funding to the Program; and (b) repealed section 5960.45 from the California Welfare and Institutions Code.

B. Under BHCIP, DHCS awards State Behavioral Health Infrastructure Bond Act of 2024 funds (“**Bond BHCIP Funds**”) to qualified entities, through competitive grants, to construct, acquire, and rehabilitate real estate assets to build new capacity or expand existing capacity for facilities that will operate for a minimum of thirty (30) years to provide short-term crisis stabilization, acute and subacute care, crisis residential, community-based mental health residential, substance use disorder residential, peer respite, community and outpatient behavioral health services, and other clinically enriched longer term treatment and rehabilitation options for persons with behavioral health disorders in the least restrictive and least costly settings;

C. On July 17, 2024, DHCS issued a Request for Applications (“**RFA**”) for Bond BHCIP Funds and selected Owner’s Project (as defined below) as a recipient of Bond BHCIP Funds. Advocates for Human Potential, Inc., a Massachusetts corporation (“**AHP**”), acting as the initial program administrator for the initial five (5) year building phase of BHCIP, entered into a Program Funding Agreement with an Effective Date of 12/15/2025 (the “**Program Funding**”).

**Agreement**”), with Owner for the distribution of Bond BHCIP Funds in an amount not to exceed Forty-six Million, Nine Hundred Ninety-nine Thousand, Nine Hundred Ninety-nine Dollars and Four Cents (\$46,999,999.04) (the “**Program Funds**”) over the above-mentioned five (5) year building phase for Owner to acquire, expand, or construct certain improvements more particularly described in the RFA (“**Owner’s Project**”) on that certain real property commonly known as 5555 East Olive Avenue, located in the City of Fresno (“**City**”), County of Fresno (“**County**”), State of California, and the improvements thereon (the “**Property**”), as more particularly described and shown on **Exhibit A**, attached hereto and incorporated herein by this reference;

D. As an award recipient, in consideration for the Program Funds, and in order to comply with the policies, programs, and applicable legislation, including the RFA, the Program Funding Agreement, the Facility Access Agreement between DHCS and the Owner, and BHCIP, the Property and the owner thereof are subject to certain requirements and restrictions, including, without limitation, the obligation to ensure that the Property shall be used for outpatient services in the portion of the Property depicted in the Site Plan, as set forth in **Schedule 1(a)**, attached hereto and incorporated herein by this reference, and the Floor Plan, as set forth in **Schedule 1(b)**, attached hereto and incorporated herein by this reference (the “**Permitted Use**”) for the Restriction Period (defined below), subject to change or modification to another use set forth in **Exhibit B**, attached hereto, and incorporated herein by this reference, with DHCS approval, which must accept and provide services to Medi-Cal beneficiaries as patients;

E. The Property shall be owned, held, used, maintained, and transferred pursuant to the covenants, conditions, restrictions, and limitations as further described herein; and

F. Owner and DHCS have agreed to enter into this Declaration to memorialize some of the aforementioned requirements and restrictions in the public record that will survive the expiration of the Program Funding Agreement to ensure compliance with the same.

**NOW, THEREFORE**, in consideration of the Program Funds paid to the Owner under the Program Funding Agreement and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner hereby enters into this Declaration and hereby covenants, agrees, and declares the following:

## **AGREEMENT**

1. **Use of Property.** Owner, for itself and for its successors and assigns, hereby declares and covenants that, for the Restriction Period, the use of the Property, or in the event only a portion thereof has been improved with the use of Program Funds, then only that portion that has been so improved shall be restricted to the Permitted Use. Any change to another use described in Exhibit B, attached hereto and incorporated herein by this reference, shall require the express prior written approval of DHCS in its sole and absolute discretion, which modification and consent may be recorded in the official records of the County.

2. **Use, Maintenance, Repair, and Improvement of the Property.** Owner agrees:

2.1 To use the Property, or that portion of the Property constructed or improved with Program Funds, continuously for the Permitted Use;

2.2 To maintain the Property in conformity with the habitability and fire codes of the City or County where the Property is located in decent, safe, and sanitary condition and repair, and to permit no waste thereof;

2.3 Not to commit or suffer to be done or exist on or about the Property any condition causing the Property to become less valuable, except in accordance with this Declaration;

2.4 Not to apply for any permits or construct any buildings or improvements on the Property, other than the permits, buildings, and improvements contemplated as part of this Declaration, that would detrimentally affect the Property, including, without limitation, the value of the Property, the structural integrity of the Property, or the contemplated uses of the Property set forth in Exhibit B; or add to, remove, demolish, or structurally alter any buildings or improvements included as part of the Property purchased or improved with Program Funds, without DHCS's consent;

2.5 To comply with all applicable laws affecting the Property, including, but not limited to, Behavioral Health Continuum Infrastructure Program, authorized by California Welfare and Institutions Code sections 5960-5960.4, and not to suffer or permit any violations of any such applicable law, nor of any covenant, condition, or restriction affecting the Property. To the extent an amendment to the foregoing imposes requirements upon the ownership or operation of the Project more restrictive than those imposed by this Declaration, this Declaration shall be deemed automatically amended, without consent or approval of any other person, to impose such additional or more restrictive requirements; however, Owner hereby agrees to execute such amendment upon request by DHCS;

2.6 To construct and maintain the deliverables developed and produced pursuant to the Program Funding Agreement in compliance with the accessibility requirements of sections 7405 and 11135 of the California Government Code, section 508 of the Rehabilitation Act of 1973 as amended (29 U.S.C. § 794d), regulations implementing the Rehabilitation Act of 1973 as set forth in Part 1194 of Title 36 of the Code of Federal Regulations, and the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.);

2.7 Not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without DHCS's prior written consent, which may be granted or withheld at DHCS's sole discretion;

2.8 Not to alter the use of all or any part of the Property constructed or improved with Program Funds without DHCS's prior written consent;

2.9 To maintain all licenses, certifications, or designations required to continue operating for the use specified in the Program Funding Agreement, or other use approved in writing by DHCS;

2.10 To pay to DHCS its then-current fees in connection with any consent, approval, transfer, amendment, or waiver requested by Owner, together with any expenses incurred by DHCS in connection therewith;

2.11 To submit to DHCS such periodic reports, updates, and information deemed necessary by DHCS to monitor compliance and/or perform program evaluation. Any requested data or information shall be submitted in electronic format in a manner specified by DHCS;

2.12 To pay all taxes, assessments, and other charges, liens, fines, and impositions attributable to or encumbering the Property, by making payment, prior to delinquency, directly to the payee thereof. Owner shall, upon request by DHCS or its agent, promptly furnish to DHCS or its agent all notices of amounts due under this subsection and receipts evidencing such payments. Owner shall have the right to contest in good faith any claim or lien, or payment due thereunder, so long as Owner does so diligently, without prejudice to DHCS, and provided that Owner has established on Owner's books adequate reserves with respect to such contested assessment, tax, charge, lien, or claim; and

2.13 To defend (with counsel satisfactory to DHCS, in DHCS's sole discretion), indemnify, and hold harmless DHCS and its respective officers, members, supervisors, directors, officials, and employees, counsel, attorneys, and agents, past, present, and future of each of them (collectively, the "**Indemnified Parties**") against all loss, costs, damages, expenses, suits, judgments, actions, and liabilities of whatever nature (including, without limitation, reasonable attorneys' fees, litigation and court costs, and amounts paid in settlement) directly or indirectly resulting from or arising out of or related to (a) the operation, use, occupancy, maintenance, financing or ownership of the Owner's Project, and (b) any breach of the foregoing obligations. Owner shall pay, upon demand, all of the reasonable fees and expenses paid or incurred by DHCS in enforcing the provisions of this Declaration against Owner.

### **3. Restrictions On Sale, Encumbrance, And Other Acts.**

3.1 Owner shall not voluntarily (which term shall not be interpreted to include a foreclosure of any security for a loan or deed-in lieu) sell, encumber (including recordation of deeds of trust), hypothecate, assign, pledge, convey, or transfer the Property, or any portion thereof, or any of its interests therein, equity interest in Owner, or any general partner interest in the Owner without obtaining DHCS's prior written consent, which shall not be unreasonably withheld by DHCS, in DHCS's sole discretion, if (a) the Owner is not in default hereunder or under the Program Funding Agreement and delivers a certificate to DHCS certifying to the same; (b) the purchaser or assignee is not in default under any obligations it may have to DHCS and is not the subject of any legal or enforcement actions by DHCS; (c) evidence reasonably satisfactory to DHCS is presented to establish that the purchaser or assignee has prior experience in the successful development, ownership, and/or operation of a facility described in Exhibit B for individuals who qualify as members of the target population, or has a partner with said relevant experience; (d) DHCS shall have received reasonable evidence satisfactory to DHCS that the Owner's purchaser or transferee has assumed, in writing, the restrictions on the Property and Owner's duties and obligations under this Declaration and the Program Funding Agreement; (e) evidence satisfactory to DHCS that the purchaser or assignee does not have pending against it, nor does it have a history of, building or fire code violations as identified by any department of DHCS; and (f) such other conditions as the State may reasonably impose to ensure compliance by the assignee or purchaser and Property with the requirements of this Declaration and Program Funding Agreement. It is expressly stipulated and agreed that, except for any such sale, transfer or disposition agreed to by DHCS in a separate writing, any sale, transfer, or other disposition of the

Property in violation of this Section 3 shall be null and void, and shall not relieve the Owner of its obligations under this Declaration. Upon any sale or transfer which complies with this Declaration, the Owner shall be fully released from any obligations arising after said sale or transfer, but only to the extent such obligations have been assumed by the transferee of the Property. Any transfer of the Property to any entity, whether or not affiliated with the Owner, shall be subject to the provisions of this Section 3.

3.2 If DHCS determines, in its reasonable discretion, to grant its prior written consent for a sale, assignment, transfer, or conveyance of the Property, such consent may impose additional terms and conditions, as necessary, to preserve or establish the fiscal integrity of the Property or to ensure compliance with this Declaration.

3.3 If a trustee under a loan acquires title to the Property by foreclosure or deed in lieu of foreclosure, no consent of the State shall be required to such transfer under this Declaration; however, the consent of DHCS and delivery of items (a) through (f) in Section 3.1 above shall be required for any transfer of the Property subsequent to the trustee's acquisition of the Property by foreclosure or deed in lieu of foreclosure.

#### **4. Insurance, Casualty, and Condemnation.**

4.1 During the Restriction Period, Owner shall obtain and maintain (i) property insurance insuring against, among other things, loss of the Property, or any portion thereof, and Owner's personal property and fixtures by fire and such other hazards and casualties; (ii) commercial liability insurance insuring against liabilities arising out of the ownership, use, occupancy, condition, or maintenance of or the operations, use, and activities in, on, or about the Property; and (iii) other such insurance required by DHCS, and in such amounts as required by DHCS, which policies shall include DHCS as an additional insured upon request by DHCS. All insurance policies and renewals thereof shall be issued by a carrier and in a form acceptable to DHCS. Owner may choose to self-insure to comply with these requirements and agrees to provide written evidence of such insurance coverage within five (5) days of such request by DHCS or AHP.

4.2 In the event of any fire or other casualty to the Property or any part thereof, Owner shall immediately notify DHCS and seek direction from DHCS on how to proceed. DHCS, in its sole and absolute discretion, shall determine whether to instruct the Owner to apply the insurance proceeds to repayment to DHCS of the unamortized Program Funds. DHCS has the right but not the obligation to approve the plans and specifications for any repair and restoration, as well as the right but not the obligation to approve disbursements of insurance proceeds for repair and restoration under a construction escrow or similar arrangement.

**5. Covenants Run with the Land.** The Property is held and hereafter shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and occupied subject to this Declaration. Notwithstanding section 1460, et seq., of the California Civil Code, the provisions hereof shall run with the land and may be enforced either in law or equity by any State agency. DHCS and Owner hereby declare their express intent that the covenants, reservations, and restrictions contained herein shall be deemed both equitable servitudes and covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Property;

provided, however, that upon the expiration of the Restriction Period said covenants, reservations, and restrictions shall expire. Owner expressly acknowledges and agrees that the Declaration is a reasonable restraint on Owner's right to own, use, maintain, and transfer the Property and any estate or interest therein and is not and shall not be construed to be an unreasonable restraint on alienation. Each and every contract, deed, or other instrument hereafter executed covering or conveying the Property, or any portion thereof, shall be held conclusively to have been executed, delivered, and accepted subject to this Declaration, regardless of whether this Declaration is set forth in such contract, deed, or other instrument.

6. **Term of Declaration.** The covenants in this Declaration shall be binding, effective, and enforceable commencing upon the recordation of this Declaration on the fee estate in land in the official records of the County, and they shall continue in full force and effect for a period of at least thirty (30) years after the date of either of the following: (i) the date of issuance of a Certificate of Occupancy, if the Owner's Project is for construction of a new facility, or (ii) the date of recordation of a Notice of Completion, in the official records of the County, if the Project is for the rehabilitation or expansion of an existing facility on the Property (the "**Restriction Period**"), regardless of any sale, assignment, transfer, or conveyance (including, without limitation, by foreclosure sale) of the Property or any portion thereof to any other person or entity.

7. **Default, Remedies.** If Owner defaults in the performance or observance of any covenant, agreement, restriction, or obligation of Owner set forth in this Declaration, and if such default remains uncured for a period of thirty (30) days after notice therefore shall have been given by DHCS to the Owner, then DHCS shall declare an "**Event of Default**" to have occurred hereunder. An Event of Default under this Declaration shall entitle DHCS to any rights, remedies, or damages available in law or equity, including, but not limited to, those that are specified in Section 7.1-7.4 below. DHCS's failure to exercise any specific right or remedy shall not be construed as a waiver of that or any other right or remedy. An Event of Default under this Declaration shall also constitute a default under the Program Funding Agreement, in the event the same has not expired by its terms.

7.1 **Specific Performance.** The use, repair, and maintenance of the Property is of a special and unique kind and character, so that a breach of any material provision of this Declaration by Owner would not have an adequate remedy in law. Therefore, DHCS's rights may be enforced by an action for specific performance and such other equitable relief as is provided by the laws of the State of California.

7.2 **Injunctive Relief.** In pursuing specific performance of the Declaration, DHCS shall be entitled to petition the court for injunctive relief to enjoin any acts or things which may be in violation of this Declaration or the Program Funding Agreement. Such injunctive relief may include a court order restraining any development of the Property that is inconsistent with the foregoing Declaration.

7.3 **Appointment of Receiver.** In addition to or in conjunction with any other remedy available in law or equity, DHCS may apply to a court of competent jurisdiction for the appointment of a receiver to take over and operate the Property in accordance with the requirements of the Program Funding Agreement and this Declaration. The receiver shall have all

powers which shall be necessary or are usual in such cases for the protection, possession, control, management, and operation of the Property.

7.4 Right to Cure Defaults. Upon the occurrence and during the continuance of any Event of Default, the State may, but without any obligation to do so and without notice to or demand on Owner and without releasing Owner from any obligation hereunder, take such actions to cure the Event of Default in such manner and to such extent as the State may deem necessary to protect the security hereof. The cost and expense of any cure hereunder (including reasonable attorneys' fees to the extent permitted by law) shall be due and payable to the State upon demand, plus an administration fee of ten percent (10%).

7.5 Intentionally omitted.

## **8. DHCS Review and Inspection.**

8.1 At any time during the term of this Declaration and upon reasonable notice, DHCS or its designee may, but is not obligated to, enter and inspect the Property and inspect all records pertaining to the operation, repair, and maintenance of the Property. Upon request by DHCS, Owner shall notify occupants of upcoming inspections in accordance with state law.

8.2 DHCS or its designee may, but is not obligated to, request any other information that it deems necessary to confirm compliance with this Declaration. Owner shall provide such requested information within fourteen (14) calendar days of DHCS's or its designee's written request for the information.

8.3 DHCS or its designee shall not, by the fact of making or not making any entries or inspections, or by taking or failing to take any action in response thereto: (i) incur or undertake, or be deemed to incur or undertake, any obligation, duty, or liability whatsoever, whether to Owner or to any other person or entity; (ii) be deemed as approving or disapproving any matter, action, incident, or condition related to the Property; or (iii) be deemed as approving or disapproving any matter related to the compliance of the Property with this Declaration or other applicable laws. In no event or circumstance shall DHCS's or its designee's exercise or non-exercise of its discretion under this subsection constitute, or be deemed or interpreted as constituting, any termination, limitation, alteration, or waiver by DHCS or its designee of any right, benefit, or remedies under or with respect to this Declaration.

**9. Owner Representations.** Owner represents and warrants to DHCS that: (1) Owner has sufficient interest in the Property to support the operation of the Property in accordance with this Declaration; (2) to Owner's actual knowledge and belief, there are no agreements, contracts, covenants, conditions, or exclusions to which Owner (or its predecessor in interest) is a party which would, if enforced, prohibit or restrict the use of the Property in accordance with the terms of this Declaration; (3) Owner has the full right and authority to enter into this Declaration; (4) this Declaration constitutes a valid and legally binding obligation on Owner, enforceable in accordance with its terms; and (5) Owner is duly organized, validly existing, and authorized to do business in the State of California.

10. **Amendment, Modification.** This Declaration shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the official records of the County.

11. **Severability.** Every provision of this Declaration is intended to be severable. If any provision of this Declaration is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

12. **Governing Law.** This Declaration shall be governed by and interpreted under the laws of the State of California and applicable federal laws.

13. **Recordation of Agreement.** This Declaration shall be recorded on the fee estate in land in the official records of the County no later than December 31, 2025. The Declaration shall be recorded, and shall remain, as a lien against the Property for the Restriction Period. After the expiration of the Restriction Period, and, after the State's receipt of a written request from Owner, the State shall execute a termination of this Declaration.

***SIGNATURES ON THE FOLLOWING PAGES***

**IN WITNESS WHEREOF**, Owner and State have caused this Declaration to be signed by their duly authorized representatives, as of the day and year first written above.

**OWNER:**

**COUNTY OF FRESNO**,  
a political subdivision of the State of California,  
acting through its Department of Behavioral Health

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ALL SIGNATURES MUST BE ACKNOWLEDGED**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public: \_\_\_\_\_

**IN WITNESS WHEREOF**, Owner and State have caused this Declaration to be signed by their duly authorized representatives, as of the day and year first written above.

**DHCS:**

**DEPARTMENT OF HEALTH CARE SERVICES,**  
a public agency of the State of California

By: \_\_\_\_\_  
Laurice Artap, Section Chief  
Community Services Division / Behavioral Health  
Continuum Infrastructure Program Section

Date: \_\_\_\_\_

**ALL SIGNATURES MUST BE ACKNOWLEDGED**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_,  
Notary Public: \_\_\_\_\_

## EXHIBIT A

### LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Fresno, County of Fresno, State of California, described as follows:

Parcel A of PARCEL MAP NO. 89-26 recorded in Book 50, Page 62 of Parcel Maps, Fresno County Records.

Excepting therefrom undivided one-half interest in all minerals, gas, oils, petroleum, naphtha and other hydrocarbon substances in, on or under said land, as reserved in the deed from Security - First National Bank of Los Angeles, a national banking association, to Ernest M. Lauck and Estelle N. Lauck, his wife, as joint tenants, dated September 5, 1941, recorded December 29, 1941 in Book 1996 Page 381 of Official Records, Document No. 43953, but without, however the right of entry upon, or to a depth of 500 feet below the surface of said land, as quitclaimed by Security Pacific National Bank by instrument entitled Quitclaim and Waiver of Right of Entry, recorded August 5, 1974 in Book 6331 Page 441 of Official Records, Document No. 58592.

APN: 455-223-12SU

## EXHIBIT B

### PROPERTY AND OPERATIONS

The portion of the Property as shown in the Site Plan, as set forth in **Schedule 1(a)**, attached to the Declaration, and the Floor Plan, as set forth in **Schedule 1(b)**, attached to the Declaration (Schedule 1(a) and Schedule 1(b) are hereinafter, collectively, the “**Schedules**”), that provides one or more of the following behavioral health (mental health and substance use disorder) services to address significant crisis care and behavioral health gaps in California’s infrastructure, including: outpatient clinical support services, including urgent care, short-term crisis, crisis stabilization, substance use disorder, partial hospitalization; or residential clinical services that provide shelter and support, including psychiatric acute care, psychiatric health, psychiatric treatment, substance use disorder, community treatment, general acute care, acute care, mental health rehabilitation, peer respite, short-term therapeutic, skilled nursing with special treatment, or social rehabilitation. The portion of the Property as shown in Schedules shall accept and provide services to Medi-Cal beneficiaries as patients.

**SCHEDULE 1(a)**

**SITE PLAN**

**(ATTACHED)**

**SCHEDULE 1(b)**

**FLOOR PLAN**

**(ATTACHED)**

## ATTACHMENT I

### CONSTRUCTION CONTRACT ADDENDUM

This Construction Contract Addendum (this “**Addendum**”) is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between **County of Fresno**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the “**Owner**”), and \_\_\_\_\_ (the “**Contractor**”).

#### RECITALS

A. The Owner and Advocates for Human Potential, Inc., a Massachusetts corporation (“**AHP**”), acting as program administrator for the State of California (“**State**”) Department of Health Care Services, a public agency of the State of California (“**DHCS**”), have entered into that certain Program Funding Agreement dated 12/15/2025 (the “**Agreement**”), pursuant to which Owner was allocated funds (“**Program Funds**”) pursuant to the Behavioral Health Continuum Infrastructure Program (“**BHCIP**”) for the purposes of developing the project located at 5555 East Olive Avenue, Fresno, CA 93727 (the “**Project**”).

B. Owner and Contractor have entered into a construction agreement dated \_\_\_\_\_, under which Contractor has agreed to undertake construction work on the Project (the “**Contract**”).

C. Owner and Contractor wish to modify and add to the terms of the Contract as set forth in this Addendum, and Contractor agrees to be bound by the following provisions in the construction of said Project, in order to provide for certain terms required by AHP as a condition of providing the Program Funds for the Project. It is a condition to AHP providing the Program Funds that the Contractor agrees to be bound by the terms hereof.

NOW, THEREFORE, Owner and Contractor hereby agree as follows:

**1. OWNER’S OBLIGATIONS.** Owner agrees that any obligation imposed on Contractor by this Addendum does not waive, diminish, or alter any of Owner’s obligations to AHP under the Agreement, and that the obligations of Contractor to AHP contained herein are in addition to those obligations of Owner to AHP or DHCS contained in the Agreement. Owner shall be solely responsible for satisfying its obligations to Contractor under the Contract.

**2. CONSENT TO ASSIGNMENT OF DEVELOPMENT RIGHTS.** Contractor consents to the assignment of its Contract with Owner to AHP, upon demand by AHP and written approval from DHCS, and to any subsequent assignment of the Contract by AHP at the election of AHP. Contractor agrees that if there is a breach of the Agreement or any other Event of Default (as the term may be defined in the Agreement), AHP may elect to enforce the assignment and take over the Contract. Contractor agrees to continue to perform its obligations under the Contract and this Addendum for the benefit and account of AHP in the same manner as if performed for the benefit and account of Owner in the absence of the assignment at no additional cost to AHP, as long as Contractor has received and continues to receive the compensation called for under the Contract. Contractor agrees that AHP shall not have any obligation under the Contract until AHP notifies it in writing of AHP’s election to accept the assignment. DHCS shall not provide its written approval to AHP without first consulting with the Sponsor about AHP’s request.

**3. ASSIGNMENT OF SUBCONTRACTS.** Contractor hereby consents to the assignment to AHP of all its interest in all subcontracts and agreements now or hereafter entered into by Contractor for performance of any part of the construction work required to be performed under the Contract. The assignment will be effective upon acceptance by AHP in writing and only as to those subcontracts and agreements which AHP designates in writing. After obtaining DHCS written approval, AHP may accept said assignment at any time during the course of the construction work required to be performed under the Contract and prior to final completion of construction work required to be performed under the Contract in the event of a suspension or termination of Contractor's rights under the Contract. Such assignment is part of the consideration to Owner for entering into the Contract with Contractor and may not be withdrawn prior to final completion of construction work required to be performed under the Contract. Contractor agrees that any subcontract entered by and between Contractor and a subcontractor in connection with the Contract or performance of the construction work required to be performed under the Contract shall expressly provide that such subcontract shall be assignable to AHP and that AHP subsequently may assign such subcontract. DHCS shall not provide its written approval to AHP without first consulting with the Sponsor about AHP's request.

**4. COMMENCEMENT AND COMPLETION OF CONSTRUCTION.** Contractor must begin construction of the Project by the date set for the commencement of construction in the Contract. Contractor must diligently prosecute construction of the Project to completion and must complete construction of the Project by the completion date set forth in the Contract. Incorporated herein are the Scope of Work, Performance Milestones, and Payment Schedule from the Agreement.

**5. CONSTRUCTION BONDS.** Upon execution of the Contract and prior to commencement of construction, unless otherwise approved by AHP or DHCS each in their sole discretion, Contractor must obtain a labor and material (payment) bond and a performance bond, or a dual bond which covers both payment and performance obligations, with respect to the construction of the Project in a penal sum each of not less than one hundred percent (100%) of the scheduled cost of construction. Such bonds must be issued by a company which is authorized to transact surety insurance in California and which has assets exceeding its liabilities in an amount equal to or in excess of the bond amount. The bonds must name AHP and DHCS as co-obligees. Owner shall provide to AHP a copy of any and all such payment and performance bonds prior to commencement of the construction work required to be performed under the Contract.

**6. CONTRACT WORK.** Contractor warrants and represents that it is licensed or otherwise authorized to perform the construction work specified in the Contract in the State of California. All construction work must be performed by persons or entities licensed or otherwise authorized to perform the applicable construction work in the State of California. Contractor shall insert similar provisions in all subcontracts for work for the Project.

**7. QUALITY OF WORK.** Contractor must construct the Project in conformance with the plans and specifications and any modifications thereto approved by AHP. Contractor must construct the Project according to general industry standards and shall employ building materials of a quality suitable for the requirements of the Project and conforming to general industry standards. Contractor must construct the Project in full conformance with applicable local, state, and federal statutes, regulations, and building and housing codes.

The parties acknowledge that AHP and DHCS are under no duty to review the Plans and Specifications or to inspect construction of the Project. Any review or inspection undertaken by AHP or

DHCS of the Project is solely for the purpose of determining whether Owner and Contractor are properly discharging their obligations, and should not be relied upon by Owner, Contractor, or any third parties as a warranty or representation by AHP or DHCS as to the quality of the design or construction of the Project.

**8. ADDITIONS OR CHANGES IN WORK.** AHP must be notified, no later than thirty (30) days after the execution of a change order by and between Owner and Contractor, of any changes in the work required to be performed under the Contract or this Addendum, including any substantial additions, changes, or deletions to the approved plans and specifications, which exceeds One Hundred Thousand Dollars (\$100,000). Contractor shall not allow subcontractors to mark-up any change order by more than fifteen percent (15%). Contractor shall provide AHP and Owner with an updated budget and schedule prior to the commencement of construction at the Project and at fifty percent (50%) completion of the Project showing all changes from the budget and schedule prepared prior to the issuance of the notice to proceed to Contractor.

**9. SITE INSPECTIONS.** Contractor shall permit and facilitate in person and remote observation and inspection of work at the job site by AHP and DHCS and their agents and by public authorities during reasonable business hours.

**10. AUDITS.** Contractor must make available for examination at reasonable intervals and during normal business hours to AHP and DHCS's representatives all books, accounts, reports, files, and other papers or property with respect to all matters covered by the Contract and this Addendum, and must permit these representatives to audit, examine, and make copies, excerpts, or transcripts from such records.

**11. NONDISCRIMINATION.** Contractor may not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, sexual preference, national origin, AIDS or AIDS-related conditions, or disability in any phase of employment during construction. Contractor agrees to post in conspicuous places, available to all employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

**12. PREVAILING WAGES.** All workers performing construction work for the Project employed by Contractor and by any of its subcontractors must be compensated in an amount no less than the general prevailing rate of per diem wages as determined by the California Department of Industrial Relations under California Labor Code section 1770 et seq. and implementing rules and regulations. Contractor must comply with, and must ensure that its subcontractors comply with, all reporting and recordkeeping requirements of the applicable prevailing wage statutes and regulations.

In the event of underpayment of wages by Contractor or by any subcontractor employed on the Project, AHP, in addition to other rights and remedies afforded by this Agreement, may: (1) demand that any underpaying employer comply with these requirements; (2) demand that the underpaying employer pay the difference between the prevailing wage rate and the amount actually paid to workers; (3) withhold and/or pay any Program Funds as necessary to compensate workers the full wages required under this Agreement; and/or (4) pursue any lawful administrative or court remedy to enforce these requirements against the underpaying employer. Any underpaying employer shall comply with a demand to pay any amounts due under this section within ten (10) calendar days of the demand.

Contractor must include the prevailing wage requirement in all subcontracts for work on this Project and must specify that AHP and DHCS are intended third-party beneficiaries of such provisions. Contractor must take reasonable measures to monitor and enforce the prevailing wage requirements

imposed on its subcontractors, including withholding payments to those subcontractors who violate these requirements. In the event that Contractor fails to take the above measures, Contractor shall be liable for the full amount of any underpayment of wages, plus costs and attorneys' fees, as if Contractor was the actual employer.

**13. INSURANCE COVERAGE.** Contractor must have in full force and effect during the complete course of construction of the Project, insurance, providing coverage in the types and amounts set forth below:

**13.1** Workers' compensation insurance as required by the State of California.

**13.2** Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including on-site and off-site operations, and owned, non-owned, or hired vehicles, with One Million Dollars (\$1,000,000) combined single limits.

**13.3** Commercial general liability insurance of not less than One Million Dollars (\$1,000,000) per occurrence with an annual aggregate limit of Five Million Dollars (\$5,000,000) for bodily injury and property damage liability combined. Such insurance can be provided pursuant to a combination of a commercial general liability insurance policy and an umbrella policy. The commercial general liability insurance policy shall cover liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. The commercial general liability insurance shall apply to each insured against whom claim is made or suit is brought subject to the Sponsor's limit of liability.

**14. NON-LIABILITY OF OFFICIALS, EMPLOYEES, AND AGENTS.** No director, officer, official, employee, consultant, or agent of AHP or DHCS shall be personally liable to Contractor for any obligation created under the terms of the Contract or this Addendum except in the case of actual fraud or willful misconduct by such person.

**15. INDEMNITY.** Notwithstanding the insurance requirements herein, Contractor hereby indemnifies, defends, and holds AHP, DHCS, and their respective directors, officers, officials, employees, consultants, and agents (collectively, the "**Indemnified Parties**"), harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including reasonable attorneys' fees) which an Indemnified Party may incur as consequence of Contractor's failure to perform any obligations as and when required by the Contract or this Addendum, any act or omission by Contractor or its subcontractors with respect to the Project, or any failure of any of Contractor's representations or warranties to be true and complete, except to the extent such losses are caused by the negligence or willful misconduct of the Indemnified Party. Contractor shall pay immediately upon the Indemnified Party's demand any amounts owing under this indemnity. The duty of Contractor to indemnify includes the duty to defend the Indemnified Party in any court action, administrative action, or other proceeding brought by any third party arising from the Project or the Contract or this Addendum. Contractor's duty to indemnify the Indemnified Party shall survive the term of the Contract.

**16. HAZARDOUS MATERIALS.** Neither Contractor nor any of its subcontractors may use the real property upon which the Project is to be constructed (the "**Project Property**") or allow the Project Property to be used for the generation, manufacture, storage, disposal, or release of Hazardous Materials.

Contractor shall immediately notify AHP and Owner in writing of: (a) the discovery of any concentration or amount of Hazardous Materials on or under the Project Property requiring notice to be given to any governmental agency under Hazardous Materials Laws; (b) any knowledge by Contractor that the Project Property does not comply with any Hazardous Materials Laws; (c) the receipt by Contractor of written notice of any Hazardous Materials claims; and (d) the discovery by Contractor of any occurrence or condition on the Project Property or on any real property located within 2,000 feet of the Project Property that could cause the Project Property to be designated as a “hazardous waste property.”

**17. NOTICES; NOTICE OF DEFAULT TO AHP.** If at any time after the execution of the Contract it shall become necessary or convenient for Contractor to serve any notice, demand, or communication upon AHP, such notice, demand or communication shall be in writing provided in accordance with the notice requirements of the Agreement. Contractor shall give AHP prior or concurrent written notice of any default or breach claimed by Contractor against Owner or any other party under the Contract. The notice shall describe the default and give AHP the option to cure said default within thirty (30) calendar days. No termination of the Contract by Contractor shall be binding unless AHP has been given the required notice and has not cured the default within thirty (30) calendar days.

**18. REMEDIES.** The parties hereto agree that AHP, while not a party to the Contract, is an intended third-party beneficiary of the obligations imposed on Contractor in this Addendum. In the event of any breach or violation of any agreement or obligation of Contractor under the Contract or this Addendum, AHP may proceed with any of the following remedies:

**18.1** Bring an action in equitable relief seeking the specific performance by Contractor of the terms and conditions of the Contract or this Addendum and/or enjoining, abating, or preventing any violation of said terms and conditions;

**18.2** Order immediate stoppage of construction and demand that any condition leading to the default be corrected before construction may continue;

**18.3** Enter the Project Property and take any actions necessary in its judgment to complete construction of the Project as permitted under the assignment of development rights;

**18.4** Suspend disbursement of Program Funds for the Project until the breach or violation is corrected, or, if Owner had any concurrent obligation to perform on or ensure performance on the breached obligation, cancel the Program Funds commitment made to Owner and terminate AHP’s obligation to disburse Program Funds to Owner;

**18.5** Terminate the Contract; or

**18.6** Pursue any other remedy allowed in law or equity.

**19. GOVERNING LAW.** This Addendum shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

**20. DEFINITIONS.** Capitalized terms not defined in this Addendum shall have the same meaning as defined in the Agreement.

**21. ATTORNEYS' FEES AND COSTS.** In the event any legal action is commenced to interpret or to enforce the terms of this Addendum, the prevailing party in any such action shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

**22. TIME.** Time is of the essence in the performance of this Addendum by Contractor.

**23. CONSENTS AND APPROVALS.** Any consent or approval required under this Addendum shall not be unreasonably withheld, delayed, or conditioned.

**24. BINDING UPON SUCCESSORS.** All provisions of this Addendum shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of each of the parties; provided, however, that this section does not waive the prohibition on assignment of this Addendum by Contractor without AHP's consent.

**25. RELATIONSHIP OF CONTRACTOR AND AHP.** Contractor understands that neither AHP nor DHCS undertakes or assumes any responsibility or duty to Contractor or to any third party. The relationship of Contractor and AHP and DHCS for this Project shall not be construed as a joint venture, equity venture, or partnership. AHP shall have no obligation to any party under the Contract but is an intended third-party beneficiary of the obligations under this Addendum. Contractor shall have no authority to act as an agent of AHP or DHCS or to bind AHP or DHCS to any obligation.

**26. ASSIGNMENT.** Contractor may not assign any of its interests under the Contract or the Addendum to any other party, except with the prior written consent of AHP. Any unauthorized assignment shall be void.

**27. AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this Addendum must be in writing and shall be made only if executed by Owner and Contractor and consented to in writing by AHP.

**28. SEVERABILITY.** Every provision of this Addendum is intended to be severable. If any provision of this Addendum is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

**29. ADDENDUM CONTROLS.** In the event that any provisions of this Addendum and the Contract conflict, the terms of this Addendum shall control.

***SIGNATURES ON THE FOLLOWING PAGE***

**IN WITNESS WHEREOF**, Owner and Contractor have executed this Construction Contract Addendum as of the date first written above.

**OWNER:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CONTRACTOR:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTACHMENT J**

**RFA**



**California Department of Health Care Services  
Proposition 1:  
Behavioral Health Infrastructure  
Bond Act of 2024:**

**Behavioral Health Continuum  
Infrastructure Program  
Round 1 (2024): Launch Ready  
Request for Applications**

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## Part One: Overview

### 1.1. Introduction to the Grant Opportunity and State Priorities

The California Department of Health Care Services (DHCS) launched the [Behavioral Health Continuum Infrastructure Program](#) (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. This Request for Applications (RFA) reflects the addition of the Behavioral Health Infrastructure Bond Act of 2024 (BHIBA).

The State priorities for BHCIP are:

- Address urgent needs in the care continuum for people with mental health or substance use conditions, including unhoused people, veterans, older adults, adults with disabilities, and children and youth.
- Invest in behavioral health and community care options that advance health equity of behavioral health care and community options.
- Increase options across the life span that serve as an alternative to incarceration, hospitalization, homelessness, and institutionalization.
- Meet the needs of vulnerable populations with the greatest barriers to access, including people experiencing unsheltered homelessness and justice involvement.
- Ensure care can be provided in the least restrictive settings to support community integration, choice, and autonomy.
- Leverage county and Medi-Cal investments to support ongoing sustainability.
- Leverage the historic state investments in housing and homelessness.

In addition, DHCS is prioritizing regional models or collaborative partnerships, including public-private partnerships, aimed at constructing, renovating, and/or expanding community-based services, as well as projects using a campus-type model that collocate multiple levels of care on the continuum, with a focus on residential treatment facilities.

### 1.2. Purpose

In March 2024, California voters passed Proposition 1, which includes the Behavioral Health Services Act (Senate Bill 326) and the Behavioral Health Infrastructure Bond Act (BHIBA) of 2024 (Assembly Bill 531), authorizing DHCS to make additional BHCIP grant funding available to eligible entities. The BHIBA is a \$6.38 billion general obligation bond to develop a wide range of behavioral health treatment, residential care settings, and supportive housing to help provide appropriate care facilities for Californians experiencing mental health conditions and substance use disorders. Of the total bond amount, DHCS is authorized to award up to \$4.4 billion “to construct, acquire, and rehabilitate real estate assets or to invest in needed infrastructure to expand the continuum of behavioral health treatment resources to build new capacity or expand existing capacity for short-term crisis stabilization, acute and subacute care, crisis residential, community-based mental

health residential, substance use disorder residential, peer respite, community and outpatient behavioral health services, and other clinically enriched longer term treatment and rehabilitation options for persons with behavioral health disorders in the least restrictive and least costly setting.”<sup>1</sup> Of these funds, \$1.5 billion of competitive grant funding will be exclusively available to cities, counties, city and counties, and tribal entities and \$30 million will be specifically designated to tribal entities. The balance of the funds, up to \$2.893 billion, is available to cities, counties, tribal entities, and nonprofit and for-profit organizations. The BHCIP portion of the bond is estimated to fund 6,800 residential treatment beds and provide behavioral health outpatient treatment for 26,700 slots and will build on other major behavioral health initiatives in California. The Department of Housing and Community Development (HCD) will oversee the remaining BHIBA available funding—up to \$2 billion in total. There will be a separate Notice of Funding Availability for that portion of the BHIBA.

### 1.3. BHCIP to Date

DHCS was authorized through 2021 [legislation](#) to establish BHCIP and award grant funding to construct, acquire, and expand properties and invest in mobile crisis infrastructure related to behavioral health. DHCS has been releasing these funds through multiple grant rounds targeting various gaps in the state’s behavioral health facility infrastructure. Forty-nine counties have been [awarded BHCIP](#) funding through Round 1 to Round 5.

BHCIP funding rounds:

- Round 1: Crisis Care Mobile Units, \$205 million (\$55 million Substance Abuse and Mental Health Services Administration grant funding)
- Round 2: County and Tribal Planning Grants, \$16 million
- Round 3: Launch Ready, \$518.5 million
- Round 4: Children and Youth, \$480.5 million
- Round 5: Crisis and Behavioral Health Continuum, \$430 million

BHCIP funding has allowed eligible entities in all regions of the state to develop an unparalleled array of new and expanded behavioral health treatment facilities for residential/inpatient and outpatient care. However, inequities across the health care system remain seen in California. Statewide, a 6,000-plus behavioral health bed shortfall is contributing to the unmet need among people experiencing homelessness who have mental illness and/or substance use disorders.<sup>2</sup>

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<sup>1</sup> [AB-531. The Behavioral Health Infrastructure Bond Act of 2023.](#)

<sup>2</sup> [BHSA Fact Sheet \(ca.gov\).](#)

## 1.4. Timeline

Table 1. Timeline for Bond BHCIP Round 1: Launch Ready

Request for Applications (RFA) release	July 17, 2024
Pre-recorded enhanced technical assistance presentations	Available beginning May 2024 <a href="#">BHCIP website</a>
Application portal opens	August 9, 2024
Informational webinar— <a href="#">please register here</a>	August 7, 2024; 1–2 p.m. Pacific Time (PT)
Tribal informational webinar— <a href="#">please register here</a>	August 8, 2024; 2–3 p.m. PT
Pre-Application Consultation (PAC) registration opens (accessible <a href="#">here</a> ) <b>Deadline to <u>schedule</u> a required PAC</b> PAC window period	<b>October 15, 2024</b> August 9, 2024, through November 14, 2024
Office Hours (Recommend PAC to be completed)	Wednesdays and Thursdays, 10-11 a.m. PT (ends December 13, 2024)
<b>Application due date</b>	<b>December 13, 2024</b> , at 5 p.m. PT (no exceptions)
Award announcements	May 2025 (anticipated)

## 1.5. Total Grant Amounts

**Bond BHCIP Round 1: Launch Ready:** Up to of \$3.3 billion will be available to construct, acquire, and rehabilitate real estate assets to expand the continuum of behavioral health treatment and service resources for Californians (see section 2.4) in this round of Bond BHCIP funding. Of that amount, \$1.47 billion is designated for cities and counties; another \$30 million is designated for tribal entities. The remaining \$1.8 billion is available to all eligible entities, including cities, counties, and tribal entities. Bond BHCIP Round 1: Launch Ready funds are not intended to preserve existing service capacity. Bond BHCIP Round 1: Launch Ready grantees must commit to serving Medi-Cal beneficiaries.

For purposes of Bond BHCIP Round 1: Launch Ready funding, a project is defined as “launch ready” when some essential predevelopment design, planning, site control, and budgeting details have been professionally formalized; the project meets the minimum threshold requirements as listed in section 2.1 (“Project Readiness”); and construction for the requested project is not currently underway.

## Part Two: Project Requirements

### 2.1. Eligibility Requirements

1. [Pre-Application Consultation](#)
2. [Eligible Applicants](#)
3. [Medi-Cal Services](#)
4. [Licensing, Certification, and Accreditation](#)
5. [Project Readiness](#)

6. [Building Use Restriction](#)
7. [Community Needs and Support](#)

## Pre-Application Consultation

All prospective applicants will be required to engage in a pre-application consultation (PAC) with Advocates for Human Potential, Inc. (AHP), the BHCIP administrative entity, to discuss their potential project and application (see section 3.2).

## Eligible Applicants

Counties, cities, tribal entities (“tribal entity” shall mean a federally recognized Indian tribe, tribal organization, or urban Indian organization, as defined in [Section 1603](#) of Title 25 of the United States Code), nonprofit organizations, and for-profit organizations whose projects reflect the State priorities and align with facility types listed in Table 2 are eligible to apply for this funding, noting the following stipulations:

- Projects must make a commitment to serve Medi-Cal beneficiaries.
- Recipients of BHCIP awards in prior rounds are eligible to apply. Any additional Bond BHCIP funding awarded must be used to further expand or create new facility capacity. To be considered, applications must clearly explain the funding request for additional behavioral health project expansion and how it meets the statewide continuum of care. Bond BHCIP funding will not fund budget shortfalls or cost overruns for any previously awarded BHCIP projects.
- For joint applications, all co-applicants must be named in the grant application and must submit letters of commitment that are included with the application.
- For-profit organizations with no prior behavioral health experience must apply with a partner, such as a nonprofit organization, tribal entity, city, or county, with the requirement that the partner organization have relevant experience with the target population reflected in the successful development, ownership, or operation of a comparable project. A memorandum of understanding (MOU) or other agreement with the nonprofit organization, tribal entity, city, or county to confirm the organization’s role in the project, including that they are working on behalf of the service provider, is also required.

## Medi-Cal Services

Applicants must describe the payor mix that will pay for and sustain behavioral health services once project construction is complete. Examples of payors include private health insurance, Medi-Cal, private pay, grants, and county funds. Applicants must provide a description of their contingency plan for funding any potential cost coverage beyond the grant award.

Awarded applicants that offer Medi-Cal behavioral health services will be expected to have a contract in place with their county to ensure the provision of Medi-Cal services once the funded facility’s expansion or construction is complete. Community wellness centers and youth behavioral

health prevention centers, which are only eligible facility types for tribal entities, do not provide Medi-Cal reimbursable behavioral health treatment services and thus are not required to have a contract to provide Medi-Cal behavioral health services; however, they must provide services to Medi-Cal beneficiaries and describe how their services will be sustainably funded.

## Licensing, Certification, and Accreditation

Applicants must also indicate the applicable behavioral health licensing, certifications, and accreditations required to operate their Bond BHCIP-funded program by the State and/or at the local level. Applicants with facilities that do not require licenses or certifications, such as community wellness centers, need to indicate this in their application. Tribal entities that are exempt from state licensing and/or requirements must describe the basis for their exemption and their plan for meeting programmatic requirements. As part of the technical assistance (TA) that will be made available, applicants may receive information and guidance about the licensure and certification process and timelines for application submission.

## Project Readiness

To be eligible for Bond BHCIP Round 1: Launch Ready funding, a project must demonstrate “project readiness.” At a minimum, the fundamental threshold requirements for “project readiness” are as follows (items noted with an asterisk must be submitted with the application):

- **Site control.\*** Any one of the following must be used to prove site control (other documentation demonstrating site control may be submitted for DHCS consideration):
  - Title vested to applicant demonstrated with current title report (ownership).
  - Executed purchase and sale agreement (PSA).
  - Mutually executed Letter of Intent (LOI).
  - Preexisting long-term lease (acceptance of a Bond BHCIP award will require a lease extension of no fewer than 30 years).
  - Executed exclusive negotiation agreement (ENA).
  - *Note:* An MOU does *not* constitute site control. Please be sure to discuss any other proposed site control documentation during your required pre-application consultation (PAC).
- **A preliminary title report.\***
- **A sustainable business plan\*** (pro forma) with five-year projections (Form 9) within existing available funding (income and expenses) of future objectives and strategies for achieving them.
- **A conceptual/schematic site plan\*** with a forecast of the developmental potential of the property. The closer the construction drawings are toward “permit ready,” the higher the application will be scored, all other items being equal.

- **Stakeholder support\*** as demonstrated by letters of support from internal boards of directors, tribal councils or advisory boards, and professional/community partners, as relevant. City, nonprofit, or for-profit applicants must also include a letter of support from their county behavioral health agency.
- **Demonstration of county and Medi-Cal investments** to support ongoing sustainability.
- **Match** amount and source identified in Budget (Form 2).
- **Board Authorizing Resolution (BAR)\*** to confirm signing authority for the contract. Eligible entities may use the BAR template provided (Form 10). Local government entities can use their specific authorizing resolution document.

## Building Use Restriction

A commitment to the provision of behavioral health services and building use restriction for a 30-year period through a deed restriction placed on the property title is required (see section 2.6). After a conditional award is issued to an applicant, the 30-year encumbrance period must officially be approved by the applicant's board (and property owner, if applicant is a lessee), as indicated through the submission of an official BAR.

## Community Needs and Support

All applicants must describe the local needs based on the "[Assessing the Continuum of Care for Behavioral Health Services in California](#)" report and any local needs assessments used to justify the proposed expansion. All applicants will be required to demonstrate how the proposed project will advance equity. Projects will be required to certify that they will not exclude certain populations outside their mission or scope, such as those who are justice-involved or children and youth in foster care.

Organizational support and community engagement, including the active involvement of applicable stakeholders in the project design, are required. Insights from the community must be included in project planning, design, implementation, and evaluation. All applicants must complete application Form 7: Community Engagement and provide any relevant letters of support for the project. All letters must be signed and dated no more than six months before the date of application submission.

At the time of application, city, nonprofit, or for-profit applicants must also include a letter of support from their county behavioral health agency or, if a tribal entity, the tribal board. The letter must indicate that applicants providing Medi-Cal behavioral health services will have in place a contract with their county to ensure the provision of Medi-Cal services once the financed facility's expansion or construction is complete. Bond BHCIP grant awards do not guarantee county contracts.

All applicants governed by a CEO or board must submit a letter of support from the CEO or board.

## 2.2. Eligibility Considerations

All applicants must demonstrate how their infrastructure project will expand community-based facility capacity exclusively for behavioral health services in the continuum of care. Regional models or collaborative partnerships aimed at construction, renovation, and/or expansion of community-based services are eligible, as are projects using a campus-type model that collocates multiple levels of care on the continuum are strongly encouraged. Regional model is defined as two or more entities partnering to create established networks of organized systems of care. In addition, scoring will take into consideration a focus on the State's priorities, including efforts to advance equity and to expand services in regions and counties that currently do not have an adequate number of treatment options for behavioral health facilities. In an effort to be consistent with the bond proposal to expand 6,800 residential treatment beds, applicants proposing residential facilities will be prioritized for funding award. Expanded residential treatment beds will also assist counties with the implementation of the Community Assistance, Recovery and Empowerment (CARE) Act.

All applicants must describe the local needs based on the statewide needs assessment report and any local needs assessment used to justify the proposed expansion. All applicants will be required to demonstrate how the proposed project will advance equity. Projects will be required to certify that they will not exclude certain populations outside their mission or scope, such as those who are justice-involved or children and youth in foster care. Grantees with behavioral health facilities that offer Medi-Cal behavioral health services will be required to have a contract in place with their county to ensure the provision of Medi-Cal services once the funded facility's expansion or construction is complete.

In addition, inclusion of a professionally bid development budget, including all local prevailing wage rates, one for each phase, and a total budget for acquisition and construction, will increase an applicant's score. However, it will not guarantee an award.

Three phases of project development will be considered during the evaluation of each application. Applicants must be in one of the three phases; applicants in later phases will be scored higher. All projects must meet the minimum threshold of project readiness to be awarded grant funds. Applicant projects are considered to be in a given phase of development only after they have met all of the requirements in the previous phase. Required documentation will be reviewed with each applicant during the PAC process and must be submitted as part of the application.

Funding is intended for planning, preconstruction, permitting, and construction; allowable costs include those activities identified in the development phases below.

- *Phase 1: Planning and predevelopment*
  - Development team established; includes attorney, architect, and/or design-build team.

- Site control, defined as ownership, an executed PSA, an executed LOI, a long-term lease, or an executed ENA (see section 2.1).
- Basic schematic design site plan, with basis of design; includes architectural and engineering narratives.
- Property-specific site investigation report and due diligence.
- Budget with cost estimates based on site plan/drawings.
- *Phase 2: Design development*
  - Site control, defined as ownership, an executed PSA, an executed LOI, a long-term lease, or an executed ENA (see section 2.1).
  - Site plan established with a schematic plan with architectural and engineering specifications, including architectural design drawings.
  - Stakeholder support established as demonstrated by a letter from city/county/board of directors/tribal entity.
  - Able to gain building permits within six months of funding.
  - Able to close on land and gain building permits within six months of funding.
  - Able to start construction within nine months of funding.
- *Phase 3: Shovel ready*
  - Ownership of real estate site.
  - Preliminary plan check completed, with comments received.
  - Construction drawings completed or near completion.
  - General contractor (builder) selected and ready for hire.
  - Ninety percent of construction drawings ready for submission for building permit.
  - Building permit ready for issue.
  - Able to start construction within 60 days or less.
- *Final Phase: Construction*
  - Projects that rehabilitate or renovate an existing facility are allowable as long as they result in an expansion of behavioral health services for the target population.

Full funding of a proposed development project will be contingent on completion of all three phases of development planning. The planning and predevelopment phase, which includes the submission of construction documents for building permit review, must be completed within six months of grant funding award.

### **2.3. Site Identification and Feasibility Analysis**

Applicants will be expected to develop a competitive and itemized professional budget for all development costs, including legal, insurance, permits and fees, and performance and payment bonds, which will be scored alongside applications for projects of similar setting types and sizes.

DHCS, AHP, and AHP's subcontractors will conduct a financial viability assessment (as demonstrated through a five-year pro forma business plan) (Form 9), considering continued fluctuations in construction and other costs. Through various TA activities, such as the PAC and

financial document review, the State will assess long-term operational sustainability once the capital project is complete and in use for its intended purpose.

## 2.4. Eligible Facility Types

The following facility types may be considered for project funding **only** if they are expanding behavioral health infrastructure.

Table 2. Eligible Facility Types

Bond BHCIP Round 1: Launch Ready Eligible Facility Types
Acute Psychiatric Hospital
Adolescent Residential Substance Use Disorder (SUD) Treatment Facility
Adult Residential SUD Treatment Facility
Behavioral Health Urgent Care (BHUC)/Mental Health Urgent Care (MHUC)*
Chemical Dependency Recovery Hospital
Children’s Crisis Residential Program (CCRP)
Community Mental Health Clinic (outpatient)
Community Residential Treatment System (CRTS)/Social Rehabilitation Program (SRP)
Community Treatment Facility (CTF)
Community Wellness/Prevention Center (tribal entities only)
Crisis Stabilization Unit (CSU)
General Acute Care Hospital (GACH) for behavioral health services only
Hospital-Based Outpatient Treatment (outpatient detoxification/withdrawal management)
Mental Health Rehabilitation Center (MHRC)
Narcotic Treatment Program (NTP)
NTP Medication Unit
Office-Based Opioid Treatment (OBOT)
Outpatient Treatment for SUD
Partial Hospitalization Program
Peer Respite
Perinatal Residential SUD Facility
Psychiatric Health Facility (PHF)
Psychiatric Residential Treatment Facility (PRTF)
Short-Term Residential Therapeutic Program (STRTP)
Skilled Nursing Facility with Special Treatment Program (SNF/STP)
Sobering Center (funded under the Drug Medi-Cal Organized Delivery System [DMC-ODS] and/or Community Supports)
Social Rehabilitation Facility (SRF)

\*For purposes of this funding, a BHUC facility, also known as MHUC, is a walk-in center with voluntary stabilization-oriented services specific to individuals experiencing behavioral health or mental health crisis for less than 24 hours. This community-based option is typically designed to

provide an alternative to emergency department visits for urgent medical needs. BHUCs/MHUCs must focus on serving individuals in need of crisis services, commit to serving Medi-Cal beneficiaries, and offer some or all of the following:

- Multidisciplinary health assessment
- Psychiatric evaluation, diagnosis, and treatment
- Crisis stabilization and intervention, mental health counseling, and medication evaluation
- Direct referrals for treatment of care
- Linkage to community-based solutions
- Peer support

Facility types that are not eligible for funding:

- Correctional settings
- Schools

Applicants will be expected to define the types of facilities they will operate and explain how they will expand service capacity exclusively for community-based behavioral health facilities. Regional models, collaborative partnerships, and public-private partnerships are strongly encouraged.

## 2.5. Post-Award Expectations

Grantees must commit to executing Bond BHCIP contracts within 90 days of receipt of conditional award notice. Failure to fully execute contracts within the required time frame may result in the rescinding of Bond BHCIP funding awards. DHCS will not accept any changes to Bond BHCIP contracts.

Grantees must have a financial management system to track and project funding usage and perform any required data reporting. Bond payment processes and funding cycle will be subject to bond funding requirements. Additional guidance and TA will be provided to grantees in order to comply with bond requirements.

Awarded grant funding for Bond BHCIP Round 1: Launch Ready must be fully expended within five years of receipt of conditional award notice.

## 2.6. Encumbrance and Use Restrictions

In accordance with section 5960.15 of the California Welfare and Institutions Code (WIC), applicants will be required to commit to operating services in the financed facility for the intended purpose for a minimum of 30 years within existing funding for behavioral health services. Bond BHCIP funding may not be used to fund services. The approved building use restriction will be detailed in the Bond BHCIP contract.

## 2.7. Match Requirements

Mandatory match guidelines are required by statute and will be set according to applicant type. Cash match must be deposited into the project bank account (see section 5.2).

Project Funding Awarded	Local Government and Nonprofit Organization	For-Profit Organization
under \$150 million	10 percent	25 percent
above \$150 million	10 percent	25 percent
	Higher priority for applicants that include a higher local match	

Tribal entities (regardless of funding awarded) = 5 percent match.

For-profit organizations that have no prior behavioral health experience are required to partner and apply with an experienced service provider in order to leverage their partner’s behavioral health experience. The partner’s entity type will determine the percentage that will be used to calculate the match requirement. The match requirement will be based on the partner with the lowest match amount.

For-profit applicants with prior experience and no partnerships will be required to pledge a 25 percent match.

The match amount will be calculated using the following formula:

(total project award request - total calculated budget contingencies) x required match percentage

### Types of Eligible Match Sources

Applicants must document the match source being pledged for the project. Three types of sources are eligible to satisfy the match requirement: (1) cash, (2) in-kind property, and (3) sunk costs (i.e., capital expenses already incurred on the project). All match sources must be approved by DHCS.

#### a. Cash

Cash is the strongest form of match and can come from a variety of sources, depending on the applicant. Applicants must document their ability to pledge the required match in cash, including providing bank statements and investment statements showing available cash on hand. Applicants seeking to pledge public or private grant funds must document the funds are eligible for use on the proposed project. Cash sources for the delivery of services are not an eligible source of cash match. The list below provides additional examples of eligible cash sources:

- Local funding
- Mental Health Services Act (MHSA) funds from Community Services and Supports and Capital Facilities and Technological Needs (CFTN) components
- Behavioral Health Services Act (BHSA) funds from the Behavioral Health Services and Supports
- Foundation/philanthropic support
- [Opioid settlement funds](#) for SUD facilities
- Loans or investments
- Incentive payments from managed care plans; or
- Another source.

### **b. In-Kind Property Equity**

Applicants may pledge the in-kind equity value of property if the property being pledged is the actual property where the facility will be located and the entire assessor's parcel number (APN) of the property being pledged for match is dedicated to the new development project. ***Only the equity value of the APNs that will be encumbered by the 30-year encumbrance restriction can count as an in-kind property match source and must be validated by a certified appraisal of the specific APN.***

In order to document the equity value of the pledged property, applicants must submit a certified appraisal dated within five years of the date of application. The certified appraisal must only give a value for the specific APN to be encumbered. The equity value of the property will be used to determine if the applicant can meet the match requirement.

If the applicant has an outstanding mortgage on the property that it pays on a regular basis, it must submit a copy of the most recent mortgage statement, including the outstanding mortgage value. The outstanding mortgage amount will be subtracted from the certified appraisal to determine the equity value:

$$\text{certified appraisal value} - \text{outstanding loan amount} = \text{equity value}$$

If an applicant has purchased the property outright and has clear title in hand, the applicant must submit either the grant deed or the payoff letter to indicate there is nothing outstanding that would reduce the equity value. Property valuations will be approved at the discretion of DHCS.

### **c. Sunk Costs**

To satisfy the match requirement, DHCS may approve on a case-by-case basis sunk costs directly related to the development project. Sunk costs may be established with documentation of paid invoices including date and address of service and proof of payment (e.g., cancelled checks, online bank records, invoices) for professional services related to predevelopment of the proposed Bond BHCIP project. Eligible sunk costs may include the purchase of real property and

construction or renovation/rehabilitation costs, including project planning or project management; appraisals; inspections; preconstruction costs such as permitting, surveying, architectural, and engineering fees; hardscaping and/or landscaping costs essential to the completion of the project (may not exceed 5 percent of the total grant award); and furniture, fixtures, and equipment (FFE). A property that has been purchased at any time before execution of the Program Funding Agreement (PFA, or contract) can be contributed as a sunk cost, so long as it has undergone an appraisal within the past five years.

No sunk costs exceeding one year prior to the date of the Bond BHCIP Notice of Award may be claimed. Sunk costs must be claimed no later than seven calendar days after the date of the conditional award letter.

All match amounts must be well-documented. Both the amounts and sources will undergo a thorough review by DHCS and AHP prior to the awarding of funds. Cash is the preferred form of match. Services, Behavioral Health Subaccount funding, and State general funds are not permitted sources for match.

## 2.8. Development Budget

Applicants will be expected to submit a competitive and itemized professional development budget (see application attachment Form 2: Budget Template) with their Bond BHCIP Round 1: Launch Ready application. All development budgets must contain the requested amounts for each phase of funding. Bond BHCIP awards will be based on the application budget; therefore, special attention and care should be made to include all development costs associated with planning, permitting, and construction of a “public works” prevailing wage job. Applicants that have a current Negotiated Indirect Cost Rate Agreement (NICRA) established with a federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals may use the current NICRA as the basis for indirect costs. Alternatively, if the applicant does not have a current NICRA, the applicant may elect to use a rate of 10 percent of the modified total direct costs pursuant to 2 CFR 200.414(f).

Applicants should include all anticipated costs for the planning, permitting, and construction of their project, including prevailing wage rates for all onsite work, for an anticipated construction start in 2025-2026. Budgets should include all costs for insurance (including builder’s risk, workers’ compensation, commercial auto, general liability, and property), along with costs for payment and performance bonds, legal fees, specialty consultants, permits and fees associated with building permits, and potential additional fees, depending on the project and jurisdiction. The PFA details insurance requirements.

Applicants must comply with all Department of Industrial Relations (DIR) regulations related to completing a “public works” project and should only accept qualified construction bids from general

contractors who are currently registered with the DIR (see section 2.10) and preferably have past public works experience.

Essential FFEs may be allowable costs for permanent property that is attached to the building and/or required for license/certification of the facility, as per the DHCS allowable expense list (Attachment B), with a maximum of 10 percent of the total budget.

Project grantees are responsible for ensuring that their project is on schedule and on budget. Project grantees that are awarded Bond BHCIP funds will be solely responsible for any costs to complete the project in excess of the Bond BHCIP award amount. Neither DHCS nor AHP will be responsible for any cost overruns.

Applicants must provide a description of their contingency plan for funding any potential cost overages beyond the Bond BHCIP grant award.

## **2.9. Accessibility and Nondiscrimination**

All developments must adhere to the accessibility requirements set forth in California Building Code Chapters 11A and 11B and the Americans with Disabilities Act, Title II. In addition, developments must adhere to either the Uniform Federal Accessibility Standards (UFAS), 24 CFR Part 8, or the U.S. Department of Housing and Urban Development's (HUD) modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, 79 FR 29671 (5/27/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Memo"). Accessible units should, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project and be available in a sufficient range of sizes and amenities consistent with 24 CFR Part 8.26.

Grantees must adopt a written nondiscrimination policy requiring that no person will, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), justice system involvement (except where explicitly required by law), or arbitrary characteristics, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any project or activity funded in whole or in part with funds made available pursuant to this RFA. Nor will all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any project or activity funded in whole or in part with funds made available pursuant to this RFA.

Grantees must comply with the requirements of the Americans with Disabilities Act of 1990, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Civil Rights Act, Government Code section 11135, section 504 of the Rehabilitation Act of 1973, and all regulations promulgated pursuant to those statutes, including 24 CFR Part 100, 24 CFR Part 8, and 28 CFR Part 35.

## 2.10. State Prevailing Wage

A project funded by a Bond BHCIP grant is a “public works” project if the applicant intends to use the Bond BHCIP funds for the “construction, alteration, demolition, installation, or repair” of a building or structure (Cal. Lab. Code section 1720(a); Cal. Lab. Code section 1750(b)(1)). Applicants using Bond BHCIP grants to fund public works are subject to California’s prevailing wage and working hours laws (Division 2, Part 7, Chapter 1 of the California Labor Code), and the applicant’s project is subject to compliance monitoring and enforcement by the DIR (Cal. Lab. Code section 1771.4(a)(1)). Bond BHCIP award recipients must register as the “awarding body” with the DIR within 30 days of execution of the PFA. Further, as detailed in the Bond BHCIP PFA, proof that the general contractor is registered with the DIR will be required before Bond BHCIP funds are disbursed.

Applicants must complete Form 5: Applicant’s Certification of Prevailing Wage as a part of the application process. If DHCS selects an applicant to receive a Bond BHCIP grant and the applicant is using the grant to fund a public works project, then the applicant must submit a Certification of Compliance that includes an attestation from the general contractor certifying that the general contractor will comply with California’s prevailing wage and working hours laws (including posting job notices, as required by Labor Code section 1771(a)(2)). The Certification of Compliance must also state that the general contractor will maintain its labor records in compliance with all applicable state laws (Cal. Lab. Code section 1776) and should make all labor records available to the DIR and any other applicable enforcement agencies upon request (Cal. Lab. Code section 1771.4(a)(3)). The Certification of Compliance must be signed by the general contractor(s) and the applicant.

If DHCS selects an applicant to receive a Bond BHCIP grant and the applicant is not using the grant to fund a public work, then the applicant must submit a Certification of Inapplicability to DHCS explaining why the project is not a public work as defined by California Labor Code section 1720. The Certification of Inapplicability must be signed by the general contractor(s) and the applicant.

## 2.11. Streamlined, Ministerial Review Process

In accordance with California WIC section 5960.31, if a Bond BHCIP-funded project meets the criteria set forth in paragraph (1) or (2) and complies with subdivisions (b) and (c) of that section,

then it “shall be a use by right and shall be subject to the streamlined, ministerial review process and filing requirement, pursuant to subdivisions (b) and (d) of Section 50675.1.5 of the Health and Safety Code, and not subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals.”

Applicants must determine if they are subject to the streamlined, ministerial review process due to meeting the requirements set forth in section 5960.31. DHCS nor AHP is responsible for making this determination.

## **2.12. California Environmental Quality Act (CEQA)**

In the event the applicant determines that its Bond BHCIP-funded project is exempt from CEQA, due to being subject to ministerial review (14 C.C.R. §15268(a)) or any other reason, the applicant must file a Notice of Exemption with the appropriate local agency. Additionally, the applicant must provide DHCS, through AHP, with a copy of the filed Notice of Exemption.

If the applicant determines that CEQA applies to its project, the applicant must provide DHCS, through AHP, with copies of all appropriate documentation demonstrating the project’s compliance with CEQA once the applicant has received project approval.

DHCS nor AHP is not responsible for determining whether Bond BHCIP-funded projects are exempt from CEQA. Furthermore, DHCS nor AHP is responsible for filing the Notice of Exemption on behalf of an applicant.

## **2.13. Low-Rent Housing Project Exemption**

In accordance with California WIC section 5960.35(b)(1), a project funded with a BHCIP grant will not be considered a “low-rent housing project,” as defined in section 1 of article XXXIV of the California Constitution, if the project meets any one of the following criteria:

1. The project is privately owned housing, receiving no ad valorem property tax exemption, other than exemptions granted pursuant to subdivision (f) or (g) of section 214 of the Revenue and Taxation Code, not fully reimbursed to all taxing entities, and not more than 49 percent of the dwellings, apartments, or other living accommodations of the project may be occupied by persons of low income.
2. The project is privately owned housing, is not exempt from ad valorem taxation by reason of any public ownership and is not financed with direct long-term financing from a public body.
3. The project is intended for owner-occupancy, which may include a limited-equity housing cooperative as defined in section 50076.5 of the Health and Safety Code, or cooperative or condominium ownership, rather than for rental-occupancy.
4. The project consists of newly constructed, privately owned, one- to four-family dwellings not located on adjoining sites.

5. The project consists of existing dwelling units leased by the state public body from the private owner of these dwelling units.
6. The project consists of the rehabilitation, reconstruction, improvement or addition to, or replacement of, dwelling units of a previously existing low-rent housing project, or a project previously or currently occupied by lower-income households, as defined in section 50079.5 of the Health and Safety Code.
7. The project consists of the acquisition, rehabilitation, reconstruction, improvement, or any combination thereof, of a project which, prior to the date of the transaction to acquire, rehabilitate, reconstruct, improve, or any combination thereof, was subject to a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households and maintains, or enters into, a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households.

If a project funded with a Bond BHCIP grant is a “low-income housing project” as defined by section 1 of article XXXIV of the California Constitution but does not meet any of the criteria listed above, then the applicant must comply with the requirements set forth in that section of the California Constitution.

## Part Three: Application Process and Submission

### 3.1. Application Process

Applications will be accepted electronically only. Applications may not be hand delivered or mailed. The application and attachments, along with instructions for submission of the online application, can be found on the [BHCIP website](#). No modified formats will be accepted. The deadline for applications will be **December 13, 2024, at 5 p.m. PT**. It is the applicant’s responsibility to ensure that the submitted application is complete and accurate and includes all required supporting forms. Reviewers may request additional clarifying information from the applicant. An application will not be reviewed in the following instances:

- The applicant does not request a PAC by the specified deadline (see section 1.4).
- The application is received after the application submission deadline.
- The application is incomplete or missing required information or forms, and/or does not include a complete development budget (see section 2.8).
- The facility type is ineligible.
- The project fails to meet minimum threshold requirements (see section 2.2).

### Reasonable Accommodations for Bond BHCIP Application

For individuals with disabilities, DHCS will provide assistive services such as reading or writing assistance and conversion of the RFA, questions/answers, RFA addenda, or other Administrative Notices in braille, large print, audiocassette, or computer disk. To request copies of written

materials in an alternate format, please send an email to [BHCIP@dhcs.ca.gov](mailto:BHCIP@dhcs.ca.gov) or call (323) 545-6202.

## Regional Funding Reserve Methodology

DHCS will prioritize completed applications by geographic distribution (see Table 3). Bond BHCIP Round 1: Launch Ready will adopt a regional funding approach, similar to models used in other state-funded capital programs. Counties are assigned to one of seven geographic regions, each with a specific funding amount reserved. The funding amounts for each region, along with the tribal set-aside and discretionary reserve, are listed below. Applicants within each region will compete against other applicants in that same region, thereby supporting geographic equity and funding disbursement across the state. If an insufficient number of competitive applications is submitted from within a region, the remaining funding will be awarded at the discretion of DHCS.

Regional funding caps will be established and the amounts available per region will be determined based on the Behavioral Health Subaccount. In Bond BHCIP Round 1: Launch Ready, the \$1.5 billion available exclusively for county, city, and tribal entities will not be subject to a regional funding cap.

In addition, for the Bond BHCIP Round 1: Launch Ready, up to \$1.8 billion and Bond BHCIP Round 2: Unmet Needs up to \$1.1 billion will be available for all eligible entities, 20 percent of funds available for Bond BHCIP will be set aside for use in regions at the State's discretion to ensure funding is effectively aligned with need. (For example, this reserve money may be used to fund high-scoring projects in oversubscribed regions).

Following an initial round of regional funding allocations, DHCS will conduct periodic reviews of the number of completed applications from each region. If an insufficient number of competitive applications is received and awarded within a region, the remaining funding will be awarded at the discretion of DHCS or shifted to Bond BHCIP Round 2: Unmet Needs.

Table 3. Bond BHCIP Round 1: Launch Ready—Regional and Statewide Funding

<b>1. Regions for All Eligible Entity Funds</b>	<b>Subtotal Available to Regions for All Eligible Entities: \$1.8 billion</b>
<b>Los Angeles County</b>	\$479,190,226
<b>Bay Area:</b> Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma	\$278,108,183
<b>Southern California:</b> Imperial, Orange, Riverside, San Bernardino, San Diego, Ventura	\$263,680,311
<b>San Joaquin Valley:</b> Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare	\$154,666,275
<b>Sacramento Area:</b> El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba	\$81,768,565
<b>Central Coast:</b> Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz	\$51,771,065
<b>Balance of State:</b> Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, Tuolumne	\$58,815,375
<b>Tribal</b>	\$90,000,000
<b>Discretionary:</b> The discretionary set-aside may also be used to fund high-scoring projects in regions that have met their funding reserve.	\$342,000,000
<b>2. No Regional Caps for County, City, and Tribal (only) Funds</b>	<b>Subtotal Available Statewide for County, City, and Tribal*: \$1.5 billion</b>
<b>Total for Bond BHCIP Round 1: Launch Ready</b>	<b>Up to \$3.3 billion</b>

\* Of the \$1.5 billion, a minimum of \$30 million will be designated to tribal entities, as required by statute.

## 3.2. Pre-Application Consultations and Technical Assistance

As consistent with previous BHCIP rounds of funding, AHP, a consulting and research firm focused on improving health and human services systems, is serving as the administrative entity for BHCIP and will be assisting in the provision of TA.

Starting in August 2024, and concluding in November 2024, and as part of the RFA process, all prospective applicants will be required to engage in a PAC, which will provide an opportunity to discuss the proposed project, match requirements and potential sources of local match, statutory and regulatory requirements, how the project addresses local need/gaps and the State's priorities, and other related considerations. AHP will provide PACs in coordination with experts in real estate, finance, tribal relations, and behavioral health, as needed. Applicants will submit a request for a PAC and complete a PAC request form to indicate their understanding of the project requirements. The deadline to request a PAC will be October 15, 2024.

AHP will be holding office hours and offering bond funding application learning modules to potential applicants to assist in application preparation. These TA offerings will review various project-related topics. TA will help applicants understand the minimum project requirements and budgeting practices. Minimum project requirements will be discussed in the TA offerings, including match requirements, a sustainable business plan, a conceptual site plan, architectural and engineering narratives, roles and responsibilities of development teams, and initial budgeting based on conceptual site plans.

Upon receipt of an award and execution of the PFA, the eligible applicant and any co-applicants will be referred to as the project "sponsor," both individually and collectively. Following award announcements, specialized TA will be provided to all Bond BHCIP grantees. In addition, AHP will offer ongoing general training and TA, including learning collaboratives and other opportunities, for grantees throughout the life of the project.

Additional information and TA related to the RFA will be available on the BHCIP [website](#). AHP will also develop and update on an ongoing basis a list of Frequently Asked Questions (FAQs) that will be accessible to all prospective applicants and grantees. See the timeline in section 1.4 for important dates and times.

## Part Four: Award Scoring and Process

### 4.1. Application Scoring Criteria

Eligible Bond BHCIP grant applications undergo a competitive review process. DHCS will only award and fund projects from applicants that are in good standing with all local, county, state, and federal laws and requirements.

At a minimum, applicants must provide a full, complete application and meet the following criteria to be considered for award:

- Demonstrate expansion of services for individuals in need of crisis and/or behavioral health services.
- Demonstrate match.
- Schedule a PAC by the deadline of October 15, 2024, and complete it no later than November 14, 2024.
- Attest that the project will meet federal, state, and local laws.
- Demonstrate the capacity to complete project development and expend funds on time and on budget.
- Align with the State priorities listed in section 1.1.
- Align with needs and gaps outlined in the statewide assessment, "[Assessing the Continuum of Care for Behavioral Health Services in California](#)."
- Budget reasonable proposed costs for the facility type and scope of rehabilitation or renovations proposed.
- Demonstrate long-term sustainability for the proposed project.
- Identify a service capacity increase in the total number of bed and/or slot count based on each proposed facility type and the individuals to be served.

Application scoring will also take into consideration the following factors:

- Later phases of development (see section 2.2) at the time of application
- Expansion of residential/inpatient facilities
- Regional models or collaborative partnerships, including public-private partnerships, aimed at constructing, renovating, and/or expanding community-based services are eligible and encouraged, as are projects using a campus-type model that collocates multiple levels of care on the continuum, with a focus on residential treatment centers.

## 4.2. Award Process

Awarded applicants will receive a conditional award letter by email from DHCS/AHP. Access to awarded funds is contingent upon verification of grantee's eligibility, completion of award certification steps, and final, digital execution of the PFA. Conditional grantees are expected to clear title to the subject property to be improved with Bond BHCIP funds and complete PFA execution within 90 days of receipt of the PFA. DHCS reserves the right to rescind conditional award funding and redirect it to alternate applicants in instances where extended delays in PFA execution occur.

As part of the PFA execution process, conditional grantees must execute a Facility Access Agreement (FAA) that states that DHCS will have access to the Bond BHCIP-funded facility throughout the 30-year encumbrance period. They must also provide a signed opinion letter from their legal counsel stating that the PFA, including real estate instruments, along with the program

requirements, is not in conflict with any existing contract or agreement related to the property, project, or conditional grantee.

The PFA must be signed, returned, and fully executed with AHP before initial funding will be awarded. DHCS will not accept any changes, negotiations, or redlining to the PFA. Depending on the applications received, their project locations, allowable expenditures, amounts of funds requested, and funding available, DHCS may choose to fund only part of an application. In that case, DHCS would reach out to the potential grantee to determine their interest in receiving a smaller amount than originally requested.

Funds awarded pursuant to the project must be used to supplement, and not supplant, other funding available from existing local, state, or federal programs or from grants with similar purposes. Funding may not be used for “reimbursement.” Only those costs that can be associated with completing the project would be eligible costs, as noted in section 5.2.

Applicants that are not funded during Bond BHCIP Round 1: Launch Ready may be eligible to apply for Bond BHCIP Round 2: Unmet Needs funding. TA will be available on an ongoing basis.

### **4.3. Appeals**

California law does not provide a protest or appeal process against award decisions made through an informal selection method. Applicants submitting a response to this RFA may not protest or appeal the award. All award decisions made by DHCS will be final.

## **Part Five: Project Operations**

### **5.1. Project Oversight and Reporting**

As specified by DHCS and upon request, grantees must provide progress reports in connection with the approved timeline, statement of work (SOW), and budget, as well as any updates to the timeline for completion of the project. The progress reports should include the project’s completion milestones and any updates or substantial changes. Grantees must promptly notify DHCS of any changes regarding organization, authorization, or capacity. This information will be outlined in the PFA.

Grantees are required to meet state financial and administrative reporting requirements and submit data through an online portal. Reporting requirements will include regular reports (at least once every 30 days) indicating progress toward meeting performance milestones, and a final report. The annual report will be due no later than January 31 for the prior calendar year of January 1 to December 31. Funding will be contingent upon provision of the timely submission of data and reporting. These requirements will be fully detailed upon award.

In addition to the foregoing, each grantee must submit to DHCS periodic reports, updates, and information as deemed necessary by DHCS to monitor compliance and/or perform project evaluation. Any requested data or information must be submitted electronically in a format provided by DHCS.

Additional reporting requirements may be required by DHCS for up to 30 years after completion of project construction.

## 5.2. Disbursement of Grant Funds

The PFA will set forth the general conditions for disbursement. All grantees will be able to commence work and invoice for Bond BHCIP Round 1: Launch Ready project-specific expenses incurred back to the date of their conditional award, provided the expenses align with the project identified in the grant application and the final executed PFA and detailed SOW, and dated receipts/supporting documentation are available to verify project expenses. Eligible sunk costs may include the purchase of real property and construction or renovation/rehabilitation costs, including project planning or project management; appraisals; inspections; preconstruction costs such as permitting, surveying, architectural, and engineering fees; hardscaping and/or landscaping costs essential to the completion of the project (may not exceed 5 percent of the total grant award); and FFE (see section 2.7.) The project funding will become available upon final execution of the Bond BHCIP Round 1: Launch Ready PFA with AHP, at which point, the grantee may begin submitting invoices.

Disbursement of funds will follow bond payment processes and funding cycle. The grantee will submit relevant invoices to the draw authority for work completed. The draw authority will review the draw request, approve the invoices for work completed, and issue approval for disbursement of funds to the grantee. The grantee will then be responsible for paying invoices in a timely manner. Subsequent funding for construction will be released following site inspections and once draw requests are submitted for work completed in alignment with the bond payment processes and funding cycle.

AHP will closely monitor progress on construction and will track and review all schedules, change orders, and contingency expenses. Grantees will be responsible for submitting invoices, revised budgets, and schedules to AHP for approval. Grantees must ensure that expenses are allowable under the PFA and will be expected to provide sufficient backup documentation. Grantees are responsible for ensuring that their project is on schedule and on budget. Grantees who are awarded Bond BHCIP funds will be solely responsible for any costs to complete the project in excess of the program funds award amount. Neither DHCS nor AHP will be responsible for any cost overruns. Additional details regarding the funding and disbursement process will be provided upon award.

### 5.3. Funding Promotion

Grantees must collaborate with DHCS on requests to promote the award opportunity and services funded through the award. Requests for which the grantee will be responsible may include, but are not limited to, conducting media interviews; submitting letters to the editor of local or statewide publications; providing comments for related media activities; and/or submitting informational videos discussing the grantee's organization, services provided, and resulting impacts of the Bond BHCIP funding on communities.

### Part Six: Forms/Attachments (Total of 15)

Applicants must include all of the following attachments with the application. All required forms and supporting documents must be completed and uploaded in the application portal.

Form 1: Application Questions Guide (Note: additional questions may be included on the application portal)

Description: Application questions and related documents for Bond BHCIP Round 1: Launch Ready

- Letter(s) of support
- Any preliminary site plans, design drawings, or construction drawings for the proposed project—these may include schematic designs, architectural drawings, construction blueprints, and/or other renderings (Please limit each file size to less than 20 MB).
- Resumes of the development team that developed the design/construction plans.
- A copy of all executed contracts for hire related to the project's development team (lawyer, construction manager, development manager, architect, consultants, general contractor, etc.).
- Organization chart (for corporations, LLCs, and general partnerships owned by individuals or natural persons).
- A certified appraisal and a bank loan document, if identifying a real property contribution for match.
- A valid rough order of magnitude cost estimate if no construction plan is in place.
- A preliminary title report.

Form 2: Budget Template

Description: Pre-formatted template for all costs related to the proposed project, including match

Form 3: Development Team Information

Description: Information about development team, including contact information and experience

Form 4: Design, Acquisition, and Construction Milestone Schedule

Description: Schedule for achieving design, acquisition, and construction milestones

Form 5: Applicant's Certification of Prevailing Wage (inclusion in estimated budget)

Description: Certification with an attestation from the general contractor that the general contractor will comply with California's prevailing wage and working hours laws

Form 6: Applicant's Certification of Funding Terms

Description: Certification that the applicant will receive, expend, and administer all funds received under this initiative pursuant to the terms outlined

Form 7: Community Engagement

Description: Table to detail applicant outreach efforts related to the proposed project

Form 8: Schematic Design Checklist

Description: Checklist of start and completion dates for schematic design drawings, including architectural and engineering technical information

Form 9: Facility Financial Operating Pro Forma Template

Description: Table of revenue and expenses to show annual net operating income

Form 10: Board Authorizing Resolution (BAR) Template

Description: Template for eligible entities to confirm signing authority for the PFA. Local government entities are allowed to use their own authorizing resolution.

Attachment A: Pre-Application Consultation Process

Description: Outline of the PAC process, including a link to the required survey

Attachment B: DHCS Allowable Expense List

Description: List of allowable expenses for Bond BHCIP-funded projects

Attachment C: Letter of Support Guidelines

Description: Requirements related to all letters of support submitted as part of a Bond BHCIP Round 1: Launch Ready application

Attachment D: Budget Glossary of Terms

Description: Glossary of terms related to the budget for Bond BHCIP Round 1: Launch Ready applications

Attachment E: Glossary of Terms

Description: Glossary of terms for Bond BHCIP Round 1: Launch Ready

**ATTACHMENT K**  
**NOTICE OF CONDITIONAL AWARD LETTER**



May 6, 2025

*THIS LETTER SENT VIA EMAIL*

Ms. Susan Holt, Director of Behavioral Health  
County of Fresno  
1925 E Dakota Ave.  
Fresno, California 93726

**BOND BEHAVIORAL HEALTH CONTINUUM INFRASTRUCTURE PROGRAM  
(BHCIP) ROUND 1: LAUNCH READY – NOTICE OF CONDITIONAL AWARD**

Dear Ms. Susan Holt:

Congratulations! The Department of Health Care Services (DHCS) is pleased to announce that County of Fresno has been selected to receive a conditional Bond BHCIP Round 1: Launch Ready grant funding award. At this time, DHCS will coordinate regional public award announcements on a rolling basis for Bond BHCIP Round 1. Please note this award information is under embargo and you should not share outside of your organization until you receive an email notification of the embargo lift from DHCS.

**Awarded Project**

- Project Name: Olive
- Project Address(es): 5555 E Olive Ave., Fresno, California 93727
- Award amount: \$46,999,999.04
- Match Source(s) and Amount: Cash; \$4,699,999.90
- Facility Type(s) and Behavioral Health Capacity Expansion:
  - Community Mental Health Clinic (outpatient) with 451 slots projected to serve 112,299 individuals annually in an outpatient setting

Your conditional award is being granted based on the project information identified above. Any project modifications will result in DHCS rescinding your grant funding.

The following outlines the expectations and next steps for conditional awardees that are required to finalize all Bond BHCIP Round 1: Launch Ready grant awards. Please read all information carefully.

**1. Award Acceptance and Attestation**

Conditional awardee must acknowledge acceptance of the Bond BHCIP Round 1: Launch Ready conditional grant award by 5:00pm (PT) on May 13,

2025 by submitting the attached Bond BHCIP Round 1: Launch Ready Conditional Award Attestation letter to DHCS via email at [BHCIP@dhcs.ca.gov](mailto:BHCIP@dhcs.ca.gov). This acceptance will ensure that the conditional awardee acknowledges they will meet all the requirements in order to receive grant funding. Failure to respond to DHCS by the due date above will result in voluntary relinquishment of the conditional grant award.

2. Program Funding Agreement (PFA)

Information from your application is deemed final and will serve as the foundation of the project data, payment schedule, and Statement of Work (SOW). All this information will be included in your Program Funding Agreement (PFA), or contract, with Advocates for Human Potential, Inc. (AHP), the BHCIP administrative entity. See the attached sample PFA.

As per the Request for Applications (RFA), the PFA must be digitally executed by the conditional awardee and executed with AHP within 90 days of its receipt, a condition of disbursement. DHCS will not accept any modifications, negotiations, or redlines to the PFA. Furthermore, conditional awardees are obligated to clear title to the subject property to be improved with Bond BHCIP Round 1: Launch Ready funds prior to recordation of the security instruments. DHCS retains the authority to rescind conditional award funding and redirect it to alternate applicants in instances where extended delays in the execution of the PFA occur.

3. Match Requirements

The match source specified in your submitted application is considered final, and you may not make any modifications to it. All conditional awardees must provide the necessary documentation to support their match source no later than 5:00pm (PT) on May 16, 2025. For more information about match, see the attached Match information sheet.

Conditional awardees who identified use of cash for their match source will have 90 days from the date of the PFA execution to deposit those funds into a designated match account.

Conditional awardees who identified use of sunk costs for their match source may now submit invoices and proof of payment for costs incurred prior to the date of this letter ("sunk costs") and receive credit on their required match. Conditional awardees must adhere to strict guidelines and submit all documentation for DHCS approval of allowable sunk costs by 5:00pm (PT) on May 13, 2025. Costs incurred up to one year prior to the date of the award letter can be submitted as sunk costs; costs incurred more than one year ago will not be considered sunk costs.

4. AHP Account Success Manager (ASM)

Your designated ASM has scheduled an onboarding call for May 12, 2025 at 2:30pm (PT). This is a mandatory initial step in the contracting process and an opportunity to meet your ASM, who will serve as your point of contact throughout the contracting and funding processes.

5. Bond BHCIP Round 1 Conditional Awardee Kickoff Webinar

A mandatory kickoff webinar will be held on May 8, 2025, from 12:00 to 1:00 pm (PT). Please [register here](#). Your project lead and all development team members are invited. A link to the recording will be sent to all conditional awardees for their reference following the webinar.

6. Incurred Cost and Projected Funding Needs

As a conditional awardee, you will be able to incur allowable project-specific expenses beginning the date of this conditional award letter. However, the ability to invoice will be contingent upon meeting all bond funding and program requirements.

Please note conditional awardees must submit an initial cost projection by 5:00pm (PT) on May 16, 2025 to align with the general obligation bond process. The specificity of these requirements will be covered in your scheduled onboarding call and mandatory webinars.

7. Monitoring and Reporting

Conditional awardees are required to complete the SOW and budget to finalize the PFA. Upon execution of the PFA, conditional awardees will be identified as awardees and at a minimum commit to providing: monthly funding projections, updates to project construction timelines, quarterly progress reports, and attending monthly ASM calls.

Reporting requirements and regular compliance on-site inspections will be required by DHCS for up to 30 years after completion of project construction.

8. Communications and Media Publications

As a condition of this award, conditional awardees are required to respond to DHCS requests regarding the promotion of this award. Requests may include, but are not limited to, media interviews; submission of related letters to the editor; providing quotes for media activities; or submitting informational videos to discuss the organization, funded behavioral health facilities, and impacts on communities as a result of this award.

You will receive an email from [BHCIP@DHCS.ca.gov](mailto:BHCIP@DHCS.ca.gov) with instructions on how to whitelist safe email addresses. All future communications from AHP will be sent from [bondbhcipround1@ahpnet.com](mailto:bondbhcipround1@ahpnet.com). Please whitelist this email address to ensure you receive communications related to this award.

Notice of Conditional Bond BHCIP Round 1 Award

Page 4

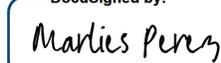
May 6, 2025

For questions, please contact DHCS or AHP at [bondbhcipround1@ahpnet.com](mailto:bondbhcipround1@ahpnet.com). If you have not already done so, you are encouraged to register for the [BHCIP listserv](#) to receive updates about current and future funding opportunities. In addition, please review the frequently asked questions ([FAQ](#)) on the BHCIP website regularly for program guidance.

Should you no longer be interested in receiving Bond BHCIP Round 1: Launch Ready grant funding or wish to withdraw your grant application, please contact DHCS immediately at [BHCIP@dhcs.ca.gov](mailto:BHCIP@dhcs.ca.gov).

DHCS is excited to embark on this partnership with you to expand California's continuum of behavioral health facilities. We are doing lasting work that will benefit many of our state's most vulnerable individuals.

Sincerely,

DocuSigned by:  
  
C595D8938E1F429...

Marlies Perez  
Division Chief, Community Services Division  
Project Executive, Behavioral Health Transformation  
Department of Health Care Services

Attachment: Award Attestation

**ATTACHMENT L**

**FACILITY ACCESS AGREEMENT**  
**BEHAVIORAL HEALTH CONTINUUM INFRASTRUCTURE PROGRAM (BHCIP)**  
**ROUND 1: LAUNCH READY**

**1. STATEMENT OF INTENT**

The purpose of this Facility Access Agreement (this “**Agreement**”) is to provide the State of California (the “**State**”) Department of Health Care Services (“**DHCS**”) with access to a property and facility owned and operated by **COUNTY OF FRESNO**, a political subdivision of the State of California, acting through its Department of Behavioral Health (the “**Sponsor**”), which received grant funding through the Behavioral Health Continuum Infrastructure Program (“**BHCIP**”). The Sponsor further agrees to provide information and documents to DHCS as outlined in this Agreement. The Sponsor agrees to provide this facility access and to provide the information outlined in this Agreement to enable DHCS to confirm the Sponsor’s compliance with BHCIP requirements and restrictions and applicable federal regulations. The Sponsor enters into this Agreement as a condition of receipt of Bond BHCIP Funds and will comply with this Agreement for the term specified.

**2. BACKGROUND**

DHCS oversees BHCIP pursuant to the requirements of California Welfare and Institutions Code sections 5960-5960.4, as amended by sections 5965-5967.01 that provided, in part, for the: (a) addition of section 5965.04 to the California Welfare and Institutions Code allocating additional funding to the Program; and (b) repealed section 5960.45 from the California Welfare and Institutions Code.

DHCS oversees BHCIP to award State Behavioral Health Infrastructure Bond Act of 2024 funds (“**Bond BHCIP Funds**”) to qualified entities, through competitive grants, to construct, acquire, and rehabilitate real estate assets to address significant crisis care gaps in California’s behavioral health (mental health and substance use disorder) infrastructure.

DHCS awarded the Sponsor Bond BHCIP Funds to acquire, expand, or construct certain improvements (the “**Sponsor’s Project**”) on that certain real property commonly known as 5555 East Olive Avenue, located in the City of Fresno, County of Fresno, State of California, and the improvements thereon (the “**Property**”); and, to operate the specific type of behavioral health facility (the “**Facility**”) identified in the Sponsor’s application on the Property following the completion of the Sponsor’s Project.

As part of DHCS’s grant award to the Sponsor, the Sponsor entered into a contract with Advocates for Human Potential, Inc., a Massachusetts corporation (“**AHP**”), which is

assisting in the management of the Bond BHCIP Funds and administering BHCIP in partnership with DHCS.

This Agreement between DHCS and the Sponsor provides additional obligations the Sponsor has to DHCS as a condition of receiving all funds under the Sponsor's contract with AHP and in order to comply with the requirements of the statutes governing BHCIP.

### **3. APPLICABILITY OF BHCIP STATUTES**

It is the intent of the parties that the Sponsor, and any subsequent owners of the Property continue to be bound by the requirements of the BHCIP statutes (California Welfare and Institutions Code sections 5960-5960.4) and this Agreement for a minimum of thirty (30) years from the date of the Sponsor's contract with AHP, and shall continue in full force and effect for a period of at least thirty (30) years after the date of either of the following: (i) the date of issuance of a Certificate of Occupancy, if the Sponsor's Project is for construction of a new facility, or (ii) the date of recordation of a Notice of Completion in the official records of the county in the jurisdiction where the Property is located, if the Sponsor's Project is for the rehabilitation or expansion of an existing facility on the Property, notwithstanding the repeal of the BHCIP statutes. The BHCIP statutes, as written on the date of this Agreement, are hereby incorporated by reference into this Agreement.

### **4. SPONSOR OBLIGATIONS TO DHCS**

For a minimum of thirty (30) years, the Sponsor shall:

- A. Ensure that the Facility operates in compliance with the requirements set forth in California Welfare and Institutions Code sections 5960-5960.4 and Section 8.A. of this Agreement;
- B. Comply with the change of Facility use requirements contained in Section 8.B. of this Agreement, if applicable;
- C. Maintain all books, accounting records, client records, and documents in accordance with the requirements set forth in Section 8.C. of this Agreement;
- D. Provide DHCS access to the Property, the Facility, books, accounting records, client records, and documents in accordance with the requirements set forth in Section 8.D. of this Agreement;
- E. Provide DHCS with reports in the manner and frequency set forth in California Welfare and Institutions Code sections 5960-5960.4 and Section 8.E. of this Agreement;
- F. Require, as a condition of sale, that any subsequent owners of the Property comply with the terms of this Agreement, if the Sponsor transfers ownership of Facility at any time during the thirty (30) years;
- G. Obtain DHCS's written consent prior to incurring any debt secured by the Property, as applicable;
- H. Provide written notice to DHCS within thirty (30) days of payment in full of any debt secured by the Property, as applicable; and
- I. Provide written notice to DHCS of any litigation or governmental proceeding pending against the Sponsor, or any other event, that may materially adversely affect the Sponsor's Property, business, operations, assets, condition (financial or

otherwise), or prospects, in accordance with the requirements set forth in Section 8.H. of this Agreement.

**5. SERVICE LOCATION**

The services shall be performed at the Property.

**6. SERVICE HOURS**

The services shall be provided during normal Sponsor working hours and days.

**7. PROJECT REPRESENTATIVES**

A. The project representatives during the term of this Agreement will be:

<b>Department of Health Care Services</b>  <b>Contract/Grant Manager:</b> Laurice Artap, Section Chief Community Services Division / Behavioral Health Continuum Infrastructure Program Section <b>Telephone:</b> +1 (916) 345-8512 <b>Email:</b> laurice.artap@dhcs.ca.gov	<b>County of Fresno</b>  <b>Contract/Grant Manager:</b> Ernest Mendes, Chairman of the Board of Supervisors of the County of Fresno <b>Telephone:</b> (559) 600-9058 <b>Email:</b> bmendes@fresnocountyca.gov
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B. Direct all inquiries to:

<b>Department of Health Care Services</b>  State of California Department of Health Care Services Attention: Behavioral Health Expansion Branch, Community Services Division 1501 Capitol Avenue, MS 2633 Sacramento, CA 95814  <b>Telephone:</b> +1 (916) 345-8512 <b>Email:</b> laurice.artap@dhcs.ca.gov	<b>County of Fresno</b>  Attention: Ernest Mendes, Chairman of the Board of Supervisors of the County of Fresno 1925 East Dakota Avenue Fresno, CA 93726  <b>Telephone:</b> (559) 600-9058 <b>Email:</b> bmendes@fresnocountyca.gov
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C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this Agreement.

**8. SERVICES TO BE PERFORMED**

A. Operation of the Facility:

For a minimum of thirty (30) years, the Sponsor shall comply with the following requirements:

1. Operate the Facility in accordance with all applicable requirements in California Welfare and Institutions Code sections 5960-5960.4;
2. Operate the Facility as the type of behavioral health services facility identified in the Sponsor’s DHCS-approved BHCIP grant application for Bond BHCIP Funds, and serve the populations identified in the Sponsor’s DHCS-approved BHCIP grant application for Bond BHCIP Funds, unless otherwise approved by DHCS in the manner described in Section 8.B. below; and
3. Accept Medi-Cal beneficiaries and serve at least the same percentage, or more, of Medi-Cal beneficiaries, as identified in the Sponsor’s DHCS-approved BHCIP grant application for Bond BHCIP Funds.

Any change to the Sponsor’s Project, including the Sponsor’s Project expansion scope requirements, as set forth in Table 1 below, shall require the Sponsor to submit a written request to DHCS in accordance with the requirements of Section 8B. No changes may be made without prior written approval from DHCS.

<b>TABLE 1</b>
<b>A. SPONSOR’S PROJECT AND SPONSOR INFORMATION</b>
<p><b>Sponsor Name:</b> County of Fresno, a political subdivision of the State of California, acting through its Department of Behavioral Health</p> <p><b>Entity Type:</b> County</p> <p><b>Project UUID:</b> BOND_988_Olive</p> <p><b>Project Name:</b> Olive</p> <p><b>Project Address:</b> 5555 East Olive Avenue, Fresno, CA 93727</p>
<b>B. SPONSOR’S PROJECT NARRATIVE</b>
<p>The County of Fresno Department of Behavioral Health (DBH) is requesting funding for its Olive project, which will renovate a facility on the Olive Campus in the City of Fresno to become a large clinical and medical treatment facility for the expansion, co-location, and integration of DBH’s Adult and Children’s Behavioral Health Divisions. DBH is responsible for ensuring services are provided to Medi-Cal members residing in Fresno County who may be experiencing mental health or substance use disorders and additionally provides services to many persons who are indigent/uninsured. DBH has been providing direct services to children, adults and families experiencing behavioral health challenges at multiple facilities and is dedicated to ensuring an inclusive overall system of care through a commitment to equity, diversity, and affirming care. DBH services through our system of care include assessment, therapy, medication, case management, crisis intervention, treatment, and other services. This project is in the design development phase, and we anticipate completion of the project by June 2026. The addition of this facility into the DBH portfolio of treatment facilities will increase DBH’s overall capacity and create a path for future growth. This project will address the urgent needs in the care continuum for persons served with mental health or substance use conditions and mitigate barriers to access, especially for unsheltered homeless. It will also house the Adult and Youth Urgent Care Behavioral Health program, which provides urgent in-</p>

person walk-ins and same day services, including triage and linkage to mental health appropriate services.		
<b>% of Medi-Cal Beneficiaries Served: 90%</b>		
<b>C. SPONSOR'S PROJECT EXPANSION SCOPE REQUIREMENTS</b>		
<b>Facility Type 1: Community Mental Health Clinic (outpatient)</b>	<b># New Beds:</b>	<b># New Slots: 451</b>
<b>Facility Type 2:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 3:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 4:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 5:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 6:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 7:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 8:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 9:</b>	<b># New Beds:</b>	<b># New Slots:</b>
<b>Facility Type 10:</b>	<b># New Beds:</b>	<b># New Slots:</b>
	<b>Total # New Beds: 0</b>	<b>Total # New Slots: 451</b>

**B. Change in Facility Use**

For a minimum of thirty (30) years, if the Sponsor wants to change the type of behavioral health facility that it operates on the Property to something other than what was approved in the Sponsor's BHCIP grant application for Bond BHCIP Funds, or to change or expand populations to be served by the facility, the Sponsor shall submit a written request to DHCS prior to making such a change.

The Sponsor's written request shall:

1. Identify the desired type of behavioral health facility;
2. Identify the populations to be served by the facility;
3. Explain the need for the proposed change; and
4. Identify any licenses, certifications, building modifications, staff, or any other requirement that the Sponsor must obtain before being able to make the proposed change.

As a part of its review of the Sponsor's request, DHCS shall ensure that the change in use or population is tailored to provide behavioral health treatment that will meet community needs identified by local stakeholders, including the county board of supervisors, the county behavioral health director, providers of behavioral health services, and individuals who have or have had a mental health disorder or a substance use disorder. DHCS has absolute discretion to permit or deny the request and may require the Sponsor to provide additional information to evaluate the Sponsor's request.

C. Record Retention

1. The Sponsor shall maintain books, accounting records, client records, and other documents in a manner sufficient to properly reflect all direct and indirect costs of operating the Property during the term of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
2. The Sponsor's records and the Property's and Facility's records shall be subject at all reasonable times to inspection, audit, and reproduction by authorized representatives of the State, including DHCS or its authorized representatives.
3. The Sponsor agrees that departments authorized to represent the State (including DHCS, the Department of Finance or its authorized representatives, and the Bureau of State Audits or their designated representatives) and authorized representatives of the United States (including the Comptroller General and the Internal Revenue Service) shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Sponsor agrees to allow these state and/or federal representatives access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Sponsor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Cal. Gov. Code § 8546.7, 2 CCR §1896.77.)
  - 3.1 The Sponsor shall maintain records in a data storage medium that is accessible to DHCS. DHCS, at its sole discretion, shall determine whether the Sponsor's type of data storage medium meets this accessibility requirement.
4. The Sponsor shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Sponsor's Project and the Bond BHCIP Funds for a minimum of thirty-five (35) years from the date of final disbursement to the Sponsor of its award of Bond BHCIP Funds, in compliance with the July 2, 2008 General Obligation Bond Record Retention Memorandum from the California State Treasury Office, 26 C.F.R. §1.148-5(d)(6)(iii)(E), Section 7 of **Attachment A** of the Sponsor's contract with AHP, and all applicable Internal Revenue Service statutes, regulations, and guidance. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the thirty-five (35) year period, the records shall be retained

until completion of the action and resolution of all issues which arise from it, or until the end of the regular thirty-five (35) year period, whichever is later.

5. The Sponsor may, at DHCS's discretion, following the expiration of this Agreement, reduce its accounts, books, and records related to this Agreement to microfilm, computer disk, CD ROM, DVD, or other data storage medium. Upon request by DHCS or an authorized DHCS representative to inspect, audit, or obtain copies of said records, the Sponsor shall supply or make available applicable devices, hardware, and/or software necessary to view, copy, and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.

D. DHCS Monitoring

DHCS, or its authorized representatives, has, the right at all reasonable times to inspect the Property and the Facility. If DHCS exercises this right to inspect, the Sponsor shall provide access to the Property and the Facility and shall provide reasonable assistance for the safety and convenience of DHCS or its authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

E. Proof of Insurance

Beginning five (5) years after the Sponsor's contract with AHP, the Sponsor shall provide DHCS with proof of insurance for the Property annually or whenever there is a change in coverage. DHCS shall accept evidence of self-insurance, in the amounts and types sufficient to provide adequate coverage, subject to DHCS approval, in its sole discretion.

F. Assignment of this Agreement Following the Transfer of Ownership of the Facility

If at any time during the thirty (30) year period of this Agreement, the Sponsor sells, gifts, or otherwise transfers ownership of the Property, in whole or in part, the Sponsor shall ensure that, as a condition of the ownership transfer, the subsequent owner of the Property complies with the terms of this Agreement.

Prior to finalizing any transfer of ownership of the Property, the Sponsor shall request that DHCS formally amend this Agreement to assign the Sponsor's obligations under this Agreement to the subsequent owner of the Property.

This Agreement is not assignable by the Sponsor, either in whole or in part, without the prior written consent of DHCS.

G. Debt Secured by the Property

1. The Sponsor shall obtain DHCS's written consent prior to incurring any debt secured by the Property, as applicable.

2. The Sponsor shall notify DHCS in writing within thirty (30) days of payment in full of any debt secured by the Property, as applicable.

#### H. Notice of Litigation and Other Events

Within five (5) business days after an officer or other authorized representative of the Sponsor obtains knowledge thereof, the Sponsor shall provide written notice to DHCS of (i) any litigation or governmental proceeding pending against the Sponsor which could materially adversely affect the Sponsor's Property, business, operations, assets, condition (financial or otherwise), or prospects and (ii) any other event which is likely to materially adversely affect the Sponsor's Property, business, operations, assets, condition (financial or otherwise), or prospects.

#### I. Remedies

If the Sponsor violates the terms of this Agreement, DHCS or another department authorized to represent the State may impose a corrective action plan and/or take any of the following enforcement actions:

1. Direct AHP to temporarily withhold any grant payments of Bond BHCIP Funds pending correction of the deficiency;
2. Disallow all or part of the cost of the activity or action not in compliance;
3. Direct AHP to wholly or partly suspend or terminate the grant award of Bond BHCIP Funds;
4. Withhold or deny further award of Bond BHCIP Funds to the Sponsor;
5. Require the Sponsor to forfeit and return all or part of the grant award of Bond BHCIP Funds, including any interest; and/or
6. Require the Sponsor to forfeit and return all unused grant Bond BHCIP Funds, including any interest.
7. Specific Performance

DHCS (or another department authorized to represent the State) may specify the timeframes and deadlines for the Sponsor's compliance with the above remedies. All remedies required by DHCS shall be final and are not subject to administrative review.

DHCS (or another department authorized to represent the State) may take any other permissible remedies available in law or equity to enforce the terms of this Agreement.

### **9. AMERICANS WITH DISABILITIES ACT**

Sponsor agrees to ensure that deliverables developed and produced pursuant to this Agreement shall comply with the accessibility requirements of sections 7405 and 11135 of the California Government Code, section 508 of the Rehabilitation Act of 1973 as amended (29 U.S.C. § 794d), regulations implementing the Rehabilitation Act of 1973 as set forth in Part 1194 of Title 36 of the Code of Federal Regulations, and the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.). In 1998, Congress amended the

Rehabilitation Act of 1973 to require Federal agencies to make their electronic and information technology (EIT) accessible to people with disabilities. California Government Code sections 7405 and 11135 codifies section 508 of the Rehabilitation Act of 1973 requiring accessibility of EIT.

**10. AGREEMENT EXECUTION**

This Agreement shall be signed by DHCS and by a representative of the Sponsor, who by signing warrants that they have the requisite authority to enter into this Agreement on behalf of the Sponsor. This Agreement shall be effective as of the date that the complete document is signed or the date that the contract between the Sponsor and AHP goes into effect, whichever date is later.



\_\_\_\_\_  
Sponsor's Authorized Representative's Signature

Ernest Mendes, Chairman of the Board of Supervisors of the  
County of Fresno

\_\_\_\_\_  
Sponsor Representative's Name in Print and Title

12/15/2025

\_\_\_\_\_  
Date

\_\_\_\_\_  
DHCS Representative Signature

Laurice Artap, Section Chief  
Community Services Division / Behavioral Health  
Continuum Infrastructure Program Section

\_\_\_\_\_  
DHCS Representative Name in Print and Title

\_\_\_\_\_  
Date

# Electronic Record of Contracts

This document was generated as a record of certain contracts created, accepted and stored electronically.



## Summary of Contracts

This document contains the following contracts.

Title	ID
<b>BOND_988_OliveProgram Funding Agreement</b>	a78ea9c3-4504-4325-87cd-eec6efdd536d

## Contract signed by:

<b>Ernest Mendes</b>	<b>Signer ID:</b> dcd57fd6-3b8a-4068-a9f7-b6252803b1f3
	<b>Email:</b> bmendes@fresnocountyca.gov
<b>Date / Time:</b> Dec 15, 2025 at 10:17 PM UTC	
<b>IP Address:</b> 64.171.224.83	
<b>User Agent:</b> Mozilla/5.0 (Windows NT 10.0; Win64; x64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/143.0.0.0 Safari/537.36 Edg/143.0.0.0	

<b>Jennifer Polen</b>	<b>Signer ID:</b> d5fded1d-4ac1-4b3d-aea0-2946dc5078c1
	<b>Email:</b> jpolen@ahpnet.com
<b>Date / Time:</b> Dec 15, 2025 at 10:27 PM UTC	
<b>IP Address:</b> 72.208.7.171	
<b>User Agent:</b> Mozilla/5.0 (Windows NT 10.0; Win64; x64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/143.0.0.0 Safari/537.36 Edg/143.0.0.0	