



November 7, 2025

THIS LETTER SENT VIA EMAIL

Mr. Ernest Hill, President
Service First of Northern California
102 West Bianchi Road
Stockton, California 95207

**BOND BEHAVIORAL HEALTH CONTINUUM INFRASTRUCTURE PROGRAM
(BHCIP) ROUND 1: LAUNCH READY – CONDITIONAL AWARD AND REQUIRED
MATCHING FUNDS/DOCUMENTATION**

Dear Mr. Hill:

The Department of Health Care Services (DHCS) is writing to inform Service First of Northern California (SFNC) regarding the conditional award in the amount of \$8,239,637.33 in Bond BHCIP Round 1: Launch Ready grant funds and the subsequent match requirement for the Service First of Northern California Recovery Center located at 1005 North El Dorado Street, Stockton, California 95202 expanding the following:

- Adult Residential SUD Treatment Facility with 16 beds
- Outpatient Treatment for SUD with 72 slots projected to serve 18,720 individuals annually in an outpatient setting
- Social Rehabilitation Facility with 16 beds
- Peer Respite with 4 beds

The conditional award remains contingent upon the required match of 10% of the total conditional award. In this case, SFNC's minimum required 10% match equates to \$823,963.73.

On May 6, 2025, DHCS sent SFNC a Bond BHCIP Round 1: Launch Ready conditional award letter via email outlining expectations and next steps to demonstrate acceptance of the conditional funding award, including a requirement that conditional awardees submit supporting documentation to meet match requirements by May 16, 2025.

On May 14, 2025, SFNC notified Advocates for Human Potential, Inc. (AHP), the Bond BHCIP administrative entity, that the State of California Homeless Housing, Assistance, and Prevention (HHAP) Program funds as identified as the cash match source in the submitted application was no longer available.

Mr. Hill
Page 2
November 7, 2025

On June 25, 2025, AHP received verbal confirmation from SFNC that the City of Stockton was committing to pledge the cash match required as a condition of the award.

On July 15, 2025, AHP received cash match documentation via a letter dated June 30, 2025, signed by Steve Colangelo, the Interim City Manager of the City of Stockton, on official letterhead, conveying a commitment to provide the necessary cash match as a condition of the award.

On November 4, 2025, DHCS was notified that the Interim City Manager, Steve Colangelo, had vacated his position, and his authority to pledge city funds in the amount necessary to meet the cash match requirement was under review and may not be a viable cash match source, as required, for the project.

On November 6, 2025, DHCS and AHP met with SFNC to discuss the situation and convey that revised cash match documentation would be necessary to confirm the cash match commitment could still be met as a required term of the Bond BHCIP Round 1: Launch Ready conditional award.

Therefore, DHCS will allow SFNC until November 21, 2025, no later than 5 p.m. PT, to submit additional match documentation in the grant portal to fulfill the \$823,963.73 total match requirement. SFNC must submit acceptable documentation to account for \$749,486.00 cash match as identified in the submitted application and the remaining \$74,477.73 applied as either sunk costs or cash match. On record, to date, SFNC had submitted \$67,000.00 in sunk costs as identified in the grant portal and under review.

As a condition of the Bond BHCIP Round 1 conditional funding award, SFNC must meet all match requirements and demonstrate the cash match is available. Acceptable documentation may include letter dated and signed by the current authorizing Stockton City Manager, bank statements, and other acceptable evidence of cash match source, which are subject to DHCS' sole discretion and approval.

Failure to provide the requested match documentation and meet all match requirements as a required term of accepting the Bond BHCIP conditional funding award by the aforementioned deadline, will result in DHCS rescinding the \$8,239,637.33 Bond BHCIP Round 1 conditional grant funding award.

As stated in the Bond BHCIP Round 1: Launch Ready Request for Applications, California law does not provide a protest or appeal process against award decisions made through an informal selection method. All award decisions made by DHCS shall be final.

If you have any questions or need further clarification, please do not hesitate to contact DHCS and AHP at bondbhcipround1@ahpnet.com.

Mr. Hill
Page 2
November 7, 2025

Sincerely,

DocuSigned by:

C595D8936F1F429...

Marlies Perez
Division Chief, Community Services Division
Project Executive, Behavioral Health Transformation
Department of Health Care Services