



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: *December 9, 2025*

DATE: November 7, 2025

TO: Board of County Commissioners

FROM: Abbe Yacoben, Chief Financial Officer, Finance
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THROUGH: Kate Thomas, County Manager

SUBJECT: Requesting Board approval (1) to transfer the Local Assistance and Tribal Consistency Fund grant funds of a minimum of \$10,587,450.94 million (\$9,427,223.08 million principal and \$1,160,227.86 million interest as of 8/31/2025) to the Community Foundation of Northern Nevada (CFNN). All but \$500,000 of the funds will be for the creation of the Washoe Behavior Health Endowment Fund. The County will utilize a portion of the income from the Washoe Behavioral Health Endowment Fund to support the operations and maintenance of the Washoe Behavioral Health Center (WBHC). If the annual operations and maintenance of the WBHC are satisfied and there are funds in excess, those funds may, at the discretion of the County Manager or his/her designee, be placed into the existing Regional Behavioral Health Initiatives Fund at CFNN to support strategic behavioral health initiatives. In addition, the Board will authorize the designation of \$500,000 to the Regional Behavioral Health Initiatives Fund for payment to Renown Health to support the Crisis Care Center upon completion of a written agreement with Renown Health, after a \$2 million contribution from the State is exhausted, and conditions in the agreement are met, and (2) authorize that any remaining funds designated to Renown that are not utilized remain at CFNN and be designated to the Crisis Response System. (All Commission Districts.)

SUMMARY

Staff request Board approval to transfer the Local Assistance and Tribal Consistency Fund grant funds of a minimum of \$10,587,450.94 million (\$9,427,223.08 million principal and \$1,160,227.86 million interest as of 8/31/2025) to the Community Foundation of Northern Nevada (CFNN). The first \$500,000 of that amount will be designated to the Regional Behavioral Health Initiatives Fund for payment to Renown Health to support the Crisis Care Center upon completion of a written agreement with Renown Health, after a \$2 million contribution from the State is exhausted, and conditions in the agreement are met. The remaining funds of \$10,087,450.94 million will remain in perpetuity in a new fund at CFNN entitled the Washoe Behavioral Health Endowment. The County will utilize a portion of the income to support the operations

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and maintenance of the Washoe Behavioral Health Center (WBHC). If the annual operations and maintenance of the WBHC are satisfied and there are funds in excess, those funds may, at the discretion of the County Manager or his/her designee, be placed into the existing Regional Behavioral Health Initiatives fund at CFNN to support strategic behavioral health initiatives.

Washoe County Strategic Objectives supported by this item: Vulnerable Populations and Fiscal Sustainability.

The transfer of LATCF grant funds to CFNN are integral to advancing the County's commitment to addressing behavioral health needs. By leveraging the expertise of CFNN as a fiscal agent, the County aims to ensure efficient fund management and long-term financial stability for the WBHC. This approach mirrors successful models, such as the Affordable Housing Trust Fund, which has demonstrated the effectiveness of utilizing nonprofit fiscal agents to manage community-focused funds.

PREVIOUS ACTION

On May 14, 2024, the Washoe County Board of County Commissioners approved an agreement with the Community Foundation of Northern Nevada (CFNN), a nonprofit 501(c)(3) organization, to act as the fiscal agent for the Regional Behavioral Health Initiatives Fund. This fund was established to accept donations and contributions designated to support the region's efforts to build out an improved behavioral health crisis response system. The agreement also stipulated that future contributions could be used to support future regional behavioral health initiatives designated by Washoe County.

On April 18, 2024, the Board accepted a Coronavirus State and Local Fiscal Recovery Funds (SLFRF) subgrant award from the State of Nevada, for the West Hills Facility Rehabilitation, in the amount of \$14.5 million [no county match] with funds to be expended by July 31, 2026.

On December 10, 2024, the Board adopted Resolution R24-106, authorizing a grant of \$20,000 to CFNN for fiscal year 2025-2026 to further support the Regional Behavioral Health Initiatives Fund designated to the Crisis Response System. The resolution was made pursuant to Nevada Revised Statutes (NRS) 244.1505, which allows county commissioners to expend funds for purposes that provide substantial benefit to county residents.

On December 20, 2022, the Board approved the allocation of SLFRF to support the purchase of 1240 E. Ninth Street, formerly West Hills, in the amount of \$4.8 million. On November 28, 2023, the Board approved the allocation of an additional \$60,000 of SLFRF to cover acquisition closing costs for the purchase of 1240 E. Ninth Street, formerly West Hills.

On October 25, 2022, the Board accepted \$9,427,223.08 of American Rescue Plan (ARPA) funds for Local Assistance and Tribal Consistency Fund (LATCF) funding from

the Department of the Treasury. The funds have few restrictions and may be used for general government purposes but may not be used for lobbying activities.

BACKGROUND

The Washoe County Board of County Commissioners (BCC) is actively engaged in addressing the region's behavioral health needs through strategic initiatives and private and non-profit partnerships. The proposed transfer of Local Assistance and Tribal Consistency Fund (LATCF) grant funds to the Community Foundation of Northern Nevada (CFNN) represents a continuation of these efforts, aimed at ensuring sustainable financial support for the Washoe Behavioral Health Center (WBHC). This initiative aligns with the County's broader objectives of enhancing regional behavioral health services and addressing critical gaps in crisis response systems.

Once the LATCF funds are transferred to the CFNN, \$500,000 will be allocated to Regional Behavioral Initiatives Fund for payment to Renown Health for the Crisis Care Center (to be utilized after the State of Nevada's \$2 million contribution and the conditions outlined in the agreement are met). The remaining LATCF grant funds, once transferred to CFNN, will be maintained as principal in perpetuity, with the income (up to 4.5% annually) generated from the fund allocated to support the operations of the WBHC. This will allow the fund to grow with inflation to continue to cover expenditures, pay the CFNN's trust and advisory fees and provide sufficient funds to maintain and operate the Center. This approach reflects a long-term commitment to addressing behavioral health challenges in the region. The remodel of the facility is one of several key regional strategic initiatives facilitated by the County including buildout of a best practice crisis response system as well as the Sequential Intercept Model initiative which seeks to divert and deflect individuals with behavioral health challenges from the justice system to behavioral health services, among others. These efforts are informed by best practices and collaborative planning with regional stakeholders, including local governments, healthcare providers, and community organizations. If the annual operations and maintenance of the WBHC are satisfied and there are funds in excess, those funds may, at the discretion of the County Manager or his/her designee, be placed into the existing Regional Behavioral Health Initiatives fund at CFNN to support strategic behavioral health initiatives identified by Washoe County.

The WBHC campaign consulting team provided feedback that Washoe County's foresight in providing a sustainable plan for building operations and maintenance will be highly attractive to donors recruited to join the WBHC capital project. Staff will report to the Board annually during the budget process on the status of the fund at CFNN in addition to the Washoe Behavioral Health Center Operations and Maintenance programs.

In summary, the proposed transfer of LATCF grant funds to CFNN represents a strategic investment in the long-term sustainability of behavioral health services in Washoe County. By leveraging the expertise of CFNN and aligning with established legal and strategic frameworks, the County is taking a proactive approach to addressing the complex and evolving needs of its residents. This initiative not only supports the operational needs of the WBHC but also strengthens the region's capacity to respond to behavioral health crises effectively.

FISCAL IMPACT

Approval of the proposed transfer of LATCF grant funds to the Community Foundation of Northern Nevada (CFNN) and if there is remaining income in a given year, the Regional Behavioral Health Initiatives Fund will assist the operations of the WBHC and regional behavioral health initiatives. This will allow for more stability in the Center's operation and continued programming and allow more opportunities to serve the community's most vulnerable.

The transfer of \$500,000 to CFNN is designed to ensure the Renown Crisis Care Center is reopened, and the remaining LATCF principal amount is maintained in perpetuity, with income generated from the fund (up to a maximum of 4.5%) allocated to support the operations and maintenance of the WBHC and potentially other regional behavioral health initiatives. This approach aligns with long-term financial sustainability goals and minimizes direct fiscal impact on the County's budget. Administrative fees of 75 basis points (0.75%) of the fund's balance associated with CFNN's oversight and investment of the fund, as outlined in the fund agreement, will be paid directly from the fund balance, ensuring no additional financial burden on Washoe County. The proposed fund agreement is attached to this agenda item.

In summary, the proposed financial structure provides a sustainable and transparent framework for funding the WBHC's operations. It reduces direct fiscal impact on Washoe County while ensuring long-term support for critical behavioral health services through effective fund management.

RECOMMENDATION

Staff request Board approval to transfer the Local Assistance and Tribal Consistency Fund grant funds of a minimum of \$10,587,450.94 million (\$9,427,223.08 million principal and \$1,160,227.86 million interest as of 8/31/2025) to the Community Foundation of Northern Nevada (CFNN). \$500,000 will be designated to the Regional Behavioral Health Initiatives Fund for payment to Renown Health to support the Crisis Care Center. Should Renown Health not fully utilize the \$500,000, any remaining funds will remain at CFNN designated to the Crisis Response System. The remaining funds of \$10,087,450.94 million will remain in perpetuity and utilize a portion of the income to support the operations and maintenance of the Washoe Behavioral Health Center (WBHC). If the annual operations and maintenance of the WBHC are satisfied and there are funds in excess, those funds may, at the discretion of the County Manager or his/her designee, be placed into the existing Regional Behavioral Health Initiatives fund at CFNN to support strategic behavioral health initiatives.

POSSIBLE MOTION

Should the Board agree with the staff's recommendation, a possible motion would be: "Move to approve the transfer of Local Assistance and Tribal Consistency Fund grant funds of a minimum of \$10,587,450.94 million (\$9,427,223.08 million principal and \$1,160,227.86 million interest as of 8/31/2025) to the Community Foundation of

Northern Nevada and direct \$500,000 to the Regional Behavioral Health Initiatives Fund for payment to the Renown Crisis Care Center upon completion of a written agreement with Renown Health, after a \$2 million contribution from the State is exhausted, and conditions in the agreement are met. Should Renown Health not fully utilize the \$500,000, any remaining funds will remain at CFNN designated to the Crisis Response System. With the remaining funds of approximately \$10,087,450.94 million, establish a perpetual principal fund known as the Washoe Behavioral Health Endowment Fund, utilizing the income (up to a maximum of 4.5% annually) generated to support the operations of the Washoe Behavioral Health Center and if there are additional funds available after the operations and maintenance of the Center are satisfied for the fiscal year, funds may, at the discretion of the County Manager or his/her designee, be directed to the Regional Behavioral Health Initiatives Fund."