



CITY COUNCIL STAFF REPORT

ITEM NO. 6.13

DATE: September 8, 2025

TO: Honorable Mayor and City Council

FROM: Brent Smith, Community Development Director

SUBJECT: Resolution authorizing an agreement between City of Livermore and The Alliance for Community Wellness dba La Familia to allocate \$350,000 in Opioid Settlement Funds for predevelopment costs of a substance use disorder treatment facility located at 16459 Tesla Road in the unincorporated county.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution authorizing the City Manager, or her designee, to execute an agreement between the City of Livermore and The Alliance for Community Wellness dba La Familia to allocate \$350,000 in Opioid Settlement Funds for predevelopment costs of a substance use disorder treatment facility located in the unincorporated county area at 16459 Tesla Road.

DECISION TYPE

Administrative

SUMMARY

The City has received \$375,381 in opioid settlement funds through participation in national litigation against pharmaceutical distributors and manufacturers. Staff recommends allocating \$350,000 to support predevelopment and development costs for a 16-bed substance use disorder (SUD) treatment facility at 16459 Tesla Road, led by The Alliance for Community Wellness dba La Familia.

The project supports the City's goal of expanding low-cost, accessible substance use treatment for residents and aligns with state requirements and opioid settlement remediation goals. La Familia secured \$7.6 million in State Behavioral Health Continuum Infrastructure Program (BHCIP) funding for acquisition and construction. The facility will expand the County's behavioral health continuum, serving over 1,400 clients annually across sobering, withdrawal management, and treatment programs. Predevelopment work is underway, with construction starting in March 2026 and operations projected to begin in July 2027. Long-term sustainability will be supported by Alameda County Behavioral Health through a 30-year commitment and Medi-Cal reimbursement.

DISCUSSION

In April 2023, the City Council authorized participation in the 2021 nationwide opioid settlements, resolving litigation against McKesson, Cardinal Health, AmerisourceBergen, Janssen Pharmaceuticals, Inc., and Johnson & Johnson. These settlements will distribute up to \$21 billion from the Distributors over 18 years and \$5 billion from Johnson & Johnson over nine years.

On July 22, 2024, the City Council adopted Resolution No. 2024-137, authorizing the City Manager to execute documentation for the Kroger settlement. The Council also ratified participation in pharmacy chain settlements and authorized the City Manager to exercise discretion in joining future agreements. As of July 2025, the City's opioid settlement fund balance is \$375,381.

In addition to the remediation activities outlined in the settlement agreements, California has identified five High Impact Abatement Activities (HIAA) to guide local investment:

- 1. Matching funds for operating costs of SUD facilities within BHCIP
- 2. Development or expansion of SUD treatment infrastructure
- 3. Services for communities of color and vulnerable populations disproportionately impacted by SUD
- 4. Justice system diversion programs, including training for first responders and implementation of best practices in outreach, harm reduction, and restorative justice
- 5. Preventive interventions for vulnerable youth

In July 2023, La Familia was awarded \$7.6 million in BHCIP funding from the State for acquisition, renovation, and construction of the facility. The center will provide licensed, high-quality care in a therapeutic environment and expand the County's continuum of services:

Program Component	Beds Added	Proposed Annual Clients Served
Sobering Center	4	1241
Withdrawal Management	4	176
Treatment Program	8	54

In spring 2025, La Familia retained Kier+Wright Civil Engineers and DLR Architect Group. Both have extensive experience in Alameda County. The completed assessments include:

- 3D imaging of the property, septic and water system analyses
- Structural review of the private bridge on the property
- Flood zone analysis to inform planning

Located within unincorporated Alameda County, the facility will undergo an entitlement process in coordination with County staff. Use permits are expected to be finalized and submitted by November, with development plans completed by February. These steps will set the stage for all predevelopment activities to conclude by February 2026. Construction and development will then proceed, with completion anticipated by May 2027. By July 2027, the facility will officially open, initiating operations and delivering vital services to the community.

Operational support will be anchored by Alameda County Behavioral Health through a 30-year commitment. Programs will be sustained through Medi-Cal reimbursement and County Behavioral Health

investments.

Staff recommends allocating \$350,000 from the City's opioid settlement funds to support predevelopment and development costs for this 16-bed SUD treatment facility at 16459 Tesla Road. This project aligns with both opioid remediation goals and HIAA criteria.

FISCAL AND ADMINISTRATIVE IMPACTS

Funding from the opioid settlement has been incorporated into the approved budgets for Fiscal Years 2025-26 and 2026-27 under Fund 241. Revenue is derived from payments received through various legal settlements related to the opioid crisis. The Housing and Human Services division will oversee the administration of these funds, including disbursement and compliance reporting.

COMMUNITY PILLAR

1: A Safe Community That Thrives

GOAL CATEGORY

8: Expand and improve access to human services

ATTACHMENTS

[1. Resolution](#)

[2. Exhibit A - Agreement](#)

Prepared by: Shelly Haynes
Management Analyst

Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director