



Board Agenda Item 27

DATE: January 6, 2026

TO: Board of Supervisors

SUBMITTED BY: Susan L. Holt, Director, Department of Behavioral Health

SUBJECT: Amendment I to Agreement with Department of Health Care Services and Advocates for Human Potential for Behavioral Health Bridge Housing & Flex Pool Funds

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute an Amendment No. 1 to Agreement No. 23-626 with the California Department of Health Care Services and Advocates for Human Potential, for the Non-Competitive Flex Pool allocation and increasing the maximum compensation by \$125,000 to a total of \$21,958,333, with no change to the term of September 5, 2023, through June 30, 2027.

There is no additional Net County Cost associated with the approval of the recommended action, which will amend the existing grant Agreement No. 23-626 (Agreement) with the California Department of Health Care Services (DHCS), provide the County with Technical Assistance funds to assist with the development of a flexible housing subsidy pool (Flex Pool), for the purposes of administering community support benefits such as Housing Deposits and Transitional Rent, and to facilitate the braiding of various funding sources to support the needs of County persons served. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, the County would lose an opportunity to leverage available grant funds to develop a Flex Pool and would not be able to meet the DHCS timeline for the full implementation of Transitional Rent benefits.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The Agreement with DHCS provides \$21,833,333 in grant funds to support the County's Behavioral Health Bridge Housing (BHBH) programs. Through the recommended amendment, DHCS will provide an additional \$125,000 in grant funds with \$87,500 being added upon execution to FY 2025-26 and \$37,500 being added upon final progress report in FY 2026-27. These funds are to assist with the development of the County's Flex Pool, increasing the maximum grant total to \$21,958,333. Sufficient appropriations and estimated revenues are included in the Department of Behavioral Health (DBH) Org 5630 FY 2025-26 Adopted Budget and will be included in future budget requests for the duration of the term.

DISCUSSION:

Through the BHBH Program, DHCS provides \$1.5 billion in funding statewide to operate bridge housing to address the immediate and sustainable housing needs of people experiencing homelessness who have a serious mental illness and/or substance use disorder. The BHBH Program, which was signed into law in

September 2022 under Assembly Bill 179 (Ting, Chapter 249, Statutes of 2022), provides funding through June 30, 2027.

On February 21, 2023, DHCS released the initial non-competitive round of Behavioral Health Bridge Housing Program Request for Applications (RFA) that provided \$907,936,000 to California counties for use in the planning and implementation of bridge housing services for Californians experiencing homelessness who have serious behavioral health conditions (a serious mental illness and/or substance use disorder). The County applied for and was awarded the maximum BHBH allocation for Fresno County (\$21,833,333). On November 11, 2023, the Board approved Agreement No. 23-626 with DHCS to accept \$21,833,333 in BHBH funds. Under the Agreement, Advocates for Human Potential (AHP) is DHCS's contractor that serves as the administrative entity supporting the implementation of the BHBH program, under which and County is the subcontractor.

Transitional Rent is a time-limited rental assistance program, designed to provide up to six months of support to those who are experiencing or at risk of homelessness, especially those transitioning out of institutions like hospitals, correctional facilities, or long-term care. The service aims to provide a stable bridge to permanent housing and is part of the State's California Advancing and Innovating Medi-Cal (CalAIM) initiative, under the CalAIM Section 1115 waiver. Beginning January 1, 2025, it was optional for Medi-Cal managed care plans (MCPs) to offer Transitional Rent benefits, and it became mandatory for all MCPs on January 1, 2026.

The County, through its County Administrative Office (CAO) and DBH, has opted to become a Transitional Rent provider. To administer Transitional Rent benefits and other community supports, DHCS recommends counties adopt a Flex Pool model, to provide faster access to housing, improve health outcomes, and offer a seamless transition between funding sources for individuals experiencing homelessness. CAO, through the Office of Housing and Homelessness, will oversee implementation of the Flex Pool model to deliver Transitional Rent benefits for permanent housing settings

In May 2025, DHCS released a competitive RFA seeking applications for participation in a Flex Pool Academy which offers individualized technical assistance (TA), and a planning grant for County behavioral health agencies to launch and operationalize a Flex Pool. The CAO's office submitted an application to DHCS in June 2025, and was conditionally awarded the TA planning grant on August 4, 2025 (\$125,000). DHCS has opted to provide the Flex Pool planning TA grant funds to the County through the recommended amendment to the existing Agreement with DHCS for BHBH grant funds.

Approval of the recommended action will allow the County to accept the TA planning grant funds from DHCS to develop a Flex Pool. Planning grant funds can be used to reimburse staff or consultant costs, supplies and materials, meeting costs, travel costs, technology costs, and other one-time start-up costs to establish a Flex Pool.

The recommended agreement deviates from the standard County contract, as it is a DHCS form of agreement, and gives one-way indemnity in favor of AHP and DHCS. AHP's liability is also limited to the total dollar amount of work properly performed up to the effective date of termination. Additionally, the recommended agreement requires the County to maintain its own insurance coverage. DBH believes that the benefits of the recommended Agreement outweigh any potential risks and recommends approval of the agreement.

OTHER REVIEWING AGENCIES

The Behavioral Health Board was notified of this agreement at the December 2025 meeting.

REFERENCE MATERIAL

BAI #48, November 28, 2023

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - BHBH RFA Modification for Subcontract Agreement

CAO ANALYST:

Dylan McCully