



# Board Agenda Item 41

DATE: April 7, 2026

TO: Board of Supervisors

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

SUBJECT: Amendment No. 1 to Agreements for Housing Supportive Services

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute Amendment No. 1 to Agreement No. 25-499 with RH Community Builders, LP, effective upon execution with no change to the term of September 23, 2025, through June 30, 2030, and decreasing the maximum compensation by \$150,000 to a total of \$23,326,452; and**
- 2. Approve and authorize the Chairman to execute an Amendment No. 1 to Agreement No. 25-458 with Hope & Healing Family Therapy Center, Inc., effective upon execution with no change to the term of September 9, 2025, through June 30, 2030, and increasing the maximum compensation by \$150,000 to a total of \$16,518,597.**

There is no additional Net County Cost associated with the recommended actions. Approval of the recommended actions will decrease RH Community Builders' (RHCB) Housing Supportive Services (HSS) maximum compensation by \$150,000 for Fiscal Year 2025-26, and increase the maximum compensation for the Hope & Healing Family Therapy Center (Hope & Healing) HSS agreement by \$150,000 for FY 2025-26, to address increased service needs at the Butterfly Gardens housing site. The recommended agreements are funded with Medi-Cal Federal Financial Participation (FFP) funds and Mental Health Services Act - Community Services and Supports (MHSA - CSS), with no Net County Cost. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, the Department will be unable to provide FFP compensation once the Hope & Healing Butterfly Gardens budget reaches its Fiscal Year maximum, which would significantly impact Hope & Healing's revenue used to cover operating expenses and staffing costs. Without adequate funding, the provider may be unable to retain staff to deliver HSS, directly affecting residents at the Butterfly Gardens site. This could lead to housing instability for many individuals and increase their risk of returning to homelessness.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum compensation in both the RHCB and Hope & Healing agreements is funded with MHSA - CSS and Medi-Cal FFP funds. The maximum compensation for RHCB HSS will decrease by \$150,000, from \$23,476,452 to \$23,326,452, and the Hope & Healing HSS maximum compensation will increase by \$150,000, from \$16,368,597 to \$16,518,597.

The recommended actions will also reallocate \$100,000 from the Hope & Healing - Avalon Commons FFP

budget to the Hope & Healing Butterfly Gardens FFP budget. Additional adjustments were made to include other uses of the cost reimbursement client support funds for all three Hope & Healing programs, and all remaining fiscal years with no increase to client support funds. Sufficient appropriations and estimated revenues are included in the DBH Org 5630 FY 2025-26 Adopted Budget, and will be included in future budget requests for the duration of the terms of the agreements.

DISCUSSION:

Housing supportive services are essential for tenants living with Serious Mental Illness due to the high rates of homelessness among this population. The Department, through its contracted providers, RHCB and Hope & Healing, provides HSS for ten Permanent Supportive Housing (PSH) sites scattered throughout Fresno County and is responsible for providing HSS to Department served individuals residing at those PSH sites.

Housing supportive services include, but are not limited to:

- Ongoing assessment of needs;
- Case management services;
- Life skills development;
- Benefits counseling and advocacy;
- Educational and job resources; and,
- Linkages to other needed services.

On March 19, 2025, Request for Proposal (RFP) No. 25-076 was issued to solicit qualified vendors to provide evidence-based specialty mental health services and HSS for individuals served by the Department and residing in ten PSH developments throughout the County.

On September 9, 2025, the Board approved Agreement No. 25-458 with Hope & Healing to provide HSS for three PSH sites: Butterfly Gardens, The Arthur at Blackstone, and Avalon Commons.

On September 23, 2025, the Board approved Agreement No. 25-499 with RH Community Builders, LP to provide HSS for seven PSH sites: Renaissance at Trinity, Renaissance at Alta Monte, Renaissance at Santa Clara, Villages at Paragon, Villages at Broadway, Alegre Commons, and Crossroads Village.

The HSS contractors provide services across 10 PSH sites with one funding allocation distributed among all programs. The County and Hope & Healing now seek to amend Agreement No. 25-458 to adjust the Medi-Cal FFP compensation amounts for FY 2025-2026 by increasing the overall maximum compensation by \$150,000, reallocating \$100,000 from the Avalon Commons Medi-Cal FFP budget to the Butterfly Gardens Medi-Cal FFP budget, and revising the client support cost reimbursement budgets to include additional client support options for all fiscal years. This increase will address the high service needs at the Butterfly Gardens site, by reallocating \$150,000 in unused funds from the RHCB HSS Agreement (No. 25-499).

The recommended increase is driven by the unanticipated high service needs at the Butterfly Gardens site. Hope & Healing began providing services at the Butterfly Gardens site in November 2025, and by January 2026 had already expended 50% of their FFP budget. At their current rate, they anticipate exceeding their budget by May 2026 due to rapidly increasing service demand.

Because RHCB did not begin Medi-Cal FFP billing until January 2026, one month later than planned, their expenditures were lower than projected. As a result, they agreed to a reduction in their maximum compensation, allowing the unused funding to be redirected to support Hope & Healing's needs at the Butterfly Gardens site.

Additionally, on March 4, 2026 the Department completed development of a revised Financial Terms & Conditions Exhibit template to better delineate expectations for contractor compliance with invoicing

requirements and ensure all contractors are held to a consistent standard. Revised Exhibit C in both Amendments includes the implementation of clearer, more defined deadlines and requirements for invoicing and recoupment procedures. The revision of the exhibit is intended across all Department agreements to maintain procedural consistency.

The Department has notified and received approval from Main HR of execution of the recommended amendment to comply with AB 339.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board will be notified of these amendments at the April 2026 meeting.

REFERENCE MATERIAL:

BAI #37, September 23, 2025

BAI #32, September 9, 2025

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No.1 with RHCB

On file with Clerk - Amendment No.1 with Hope & Healing

CAO ANALYST:

Dylan McCully