



Board Agenda Item 12

DATE: May 20, 2025

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer
Susan Holt, Director, Department of Behavioral Health

SUBJECT: Revised Resolution and MOU for Participation in the California Department of Housing and Community Development Homekey+ Program

RECOMMENDED ACTION(S):

- 1. Adopt Resolution authorizing the County to submit a joint grant application with RHCB Development LP (RHCB) and UP Holdings California, LLC (UPholdings) to HCD for participation in the Homekey+ Program, total not to exceed \$31,650,000;**
- 2. Approve and authorize the Chairman to execute a Memorandum of Understanding with RHCB and UPholdings to identify, apply for, and develop a supportive housing project for the Homekey+ Program, effective upon execution through June 30, 2030, which includes a three-year base contract and two optional one-year extensions; and**
- 3. Approve and authorize the Director of the Department of Behavioral Health to be the signatory on behalf of the Board of Supervisors on associated grant applications and all grant documents.**

There is no increase in Net County Cost associated with the recommended actions. Approval of the first recommended action will allow the County, in partnership with RHCB and UPholdings, to provide the California Department of Housing and Community Development (HCD) with an updated resolution to meet the Homekey+ application requirements. Approval of the second recommended action will authorize the Chairman to execute a Memoranda of Understanding (MOU) with RHCB and UPholdings to serve as the development sponsor/co-applicant(s) with the County on Homekey+ Permanent Supportive Housing (PSH) development projects and requires them to pursue additional funding in the form of grants, housing vouchers, and rental subsidies, to support the long-term feasibility of the project. Approval of the third recommended action will delegate authority to the Director of the Department of Behavioral Health (DBH) to execute any documents required to accept and administer the Homekey+ Program grant funds. PSH projects supported through Homekey+ are intended to provide safe, supportive, permanent housing with voluntary wraparound services for individuals with mental health or substance use disorder challenges who are at-risk of or experiencing homelessness. This item is countywide.

ALTERNATIVE ACTION(S):

There are no viable alternative actions. Should your Board not approve the recommended actions, the County's Homekey+ application would not meet the minimum requirements to be awarded through the Homekey+ program and the County would forgo PSH development opportunities available from the HCD.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The recommended

resolution will authorize the County to participate in the Homekey+ Program and if awarded, accept Homekey+ Program funds. If awarded, HCD will allocate Homekey+ funds to the County via Standard Agreement, which will return to your Board for approval at a later date.

DISCUSSION:

Proposition 1, passed by California voters in March 2024, includes the Behavioral Health Services Act and the Behavioral Health Infrastructure Bond Act (BHIBA). Homekey+ is the PSH component of the BHIBA. Homekey+ will support the development of PSH for veterans and individuals with mental health or substance use disorder challenges who are at-risk of or experiencing homelessness. Homekey+ continues a statewide effort to sustain and rapidly expand PSH for persons experiencing homelessness.

On February 11, 2025, your Board approved two MOUs with RHCBS and Housing Authority of the City of Fresno (Housing Authority), to formalize the County's relationship as co-applicant with each selected vendor under the Homekey+ project. Your Board also authorized two authorizing resolutions, to allow the County, through DBH, to submit Homekey+ applications as co-applicant with RHCBS and Fresno Housing.

In March of 2025, HCD notified County staff that the prior Authorizing Resolutions, previously approved by your Board and submitted to HCD, would be accepted on a temporary basis. However, HCD requires that the County submit revised Authorizing Resolutions, in order to include the names of all special purpose entities that were not yet established at the time the prior Authorizing Resolutions were executed by your Board.

On May 6, 2025, your Board approved a revised Authorizing Resolution for the Fresno Housing project, to include the names of all parties to the Housing Authority Homekey+ project.

The recommended Resolution has been updated to include all parties to the Homekey+ Sanger Modular project, to include the County of Fresno as co-applicant, RHCBS as co-applicant, Sanger Homekey, LP as co-applicant and property owner, RHCBS and UP Holdings California, LLC as development partners, and Community Holdings Management, LLC as the property management company.

The recommended MOU has been updated to include UP Holdings as a development partner to RHCBS, and includes an obligation for RHCBS and UP Holdings to actively pursue available and future grants, housing vouchers, and other funding opportunities to support and supplement rental subsidies and long-term project operational costs of the project.

The following is a brief description of the proposed Sanger Modular Homekey+ project:

RHCBS Development, LP and UP Holdings California, LLC (Sanger Modular - Sanger, CA)

Located near SW corner Cherry Ave. & De Witt Ave. Sanger, CA 93657 (APN 322-132-05)

The total estimated cost for the proposed project is \$21,607,063, which includes an anticipated \$15,292,952 in Homekey+ funding and \$6,314,111 in local contributions. The project proposes new construction to develop a 51-unit Homekey+ facility, to include 37 one-bedroom and 13 two-bedroom tenant units (8 fully accessible to individuals with mobility issues and 6 accessible to persons with hearing or vision disabilities), and one two-bedroom on-site manager's unit. 12 of the units will be reserved for veterans with mental health or substance use disorder challenges who are at-risk of or experiencing homelessness. All tenants' units shall be limited to populations with income at or below 30 percent of the Area Median Income (AMI), and will be referred through Coordinated Entry Systems (CES).

Approval of the recommended actions will update the Authorizing Resolution and MOU and authorize the County and co-applicants, RHCBS and UP Holdings, to participate in the Homekey+ program to expand permanent affordable housing with supportive services for individuals and families at-risk of or experiencing homelessness in Fresno County. If successfully funded by HCD, the County is committed to provide on-site

supportive services for individuals housed in Homekey+ developments. The provision of supportive services is essential in assisting tenants in maintaining their housing. If awarded Homekey+ grant funds, DBH will return to your Board with a Standard Agreement for approval.

OTHER REVIEWING AGENCIES:

The Fresno County Behavioral Health Board was notified of this item at their May 2025 meeting.

REFERENCE MATERIAL:

BAI# 9, May 6, 2025

BAI # 8, February 11, 2025

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Resolution - RHCB and UPholdings

On file with Clerk - MOU - RHCB and UPholdings

CAO ANALYST:

Dylan McCully