



Board Agenda Item 55

DATE: December 9, 2025

TO: Board of Supervisors

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

SUBJECT: Amendment No.2 to Agreement with RH Community Builders LP - Master Leasing Program

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Amendment No. 2 to Agreement No. 22-267 with RH Community Builders LP, effective upon execution, with no change to the term of July 1, 2022, through June 30, 2027, and increasing the maximum compensation by \$573,091 to a total of \$6,966,277.

There is no additional Net County Cost associated with the recommended action, which will increase the inventory of Master Leasing Program (MLP) apartment units by ten, from 68 to a total of 78 rental units, increase the maximum compensation payable under the Agreement by \$573,091, and allow the County to meet the January 1, 2026, implementation deadline to administer Transitional Rent benefits. This item is countywide.

ALTERNATIVE ACTION(S):

If the recommended action is not approved, the County would not have sufficient readily available permanent housing capacity to support implementation of Transitional Rent benefits in line with the January 1, 2026 deadline.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. Approval of the recommended action will increase the maximum compensation by \$573,091, to a total of \$6,966,277. The \$573,091 increase in compensation will be fully offset with revenue from Managed Care Plan (MCP) reimbursements for Housing Deposits (\$240,000) and Transitional Rent (\$216,000), BHSA funds (\$97,091), and Client Rents (\$20,000). Sufficient appropriations and estimated revenues are included in the Department of Behavioral Health's (DBH) Org 5630 FY 2025-26 Adopted Budget and will be included in future budget requests for the remainder of the term.

DISCUSSION:

On June 21, 2022, the Board approved Agreement No. 22-267 (Agreement) with RH Community Builders LP (RHCB) to provide tenant lease and property management services for persons served by DBH, effective July 1, 2022, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$6,393,186.

On September 10, 2024, the Board approved Amendment No.1 (Agreement No. 24-476) to the Agreement to revise the scope of work language to enhance and better regulate services provided by RHCB and the DBH-Housing, Access, and Resource Team (HART) team through the remaining term of the agreement.

On December 16, 2024, the Centers for Medicare & Medicaid Services (CMS) approved California's Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Section 1115 demonstration. This 5-year demonstration is part of a broader statewide BH-CONNECT initiative that aims to transform access to care for Medi-Cal members and strengthen behavioral health services statewide. Through BH-CONNECT the new Transitional Rent benefit will be provided by MCPs. Medi-Cal members will be able to receive Transitional Rent services for no more than six months over the five-year demonstration period, and these services must be deemed medically appropriate. However, clinical services are not included in the rental assistance payment. MCPs have the option to offer the Transitional Rent benefit beginning July 1, 2025. The benefit must be offered by MCPs to people experiencing homelessness with significant behavioral health needs by January 1, 2026, and then to all eligible populations no earlier than January 1, 2027.

Transitional Rent is the 15th Community Support service under California's CalAIM initiative, which provides up to six months of rental assistance for Medi-Cal members experiencing or at risk of homelessness. Those eligible for Transitional Rent benefits are also eligible for Housing Deposit benefits, which pay for the initial move-in deposit, utilities arrears, and other eligible costs. The County, through its County Administrative Office (CAO) in partnership with DBH, will contract directly with the MCPs to be the exclusive provider of Transitional Rent benefits in Fresno County. A separate item to execute contracts for Transitional Rent and Housing Deposit services with the local MCPs is being brought to your Board today for approval.

The County, through its CAO, is currently in the process of developing a request for proposals for a Flexible Housing Subsidy Pool (or Flex Pool) administrator, which when operational, will administer Transitional Rent and Housing Deposit benefits, among other housing and homelessness supports, and will allow the County to braid various fundings sources to streamline the process of linking persons served to available housing resources. The recommended amendment will provide the initial capacity to support Transitional Rent service delivery in permanent settings with additional capacity to be secured through the Flex Pool services anticipated to begin in July 2026.

Approval of the recommended action will increase the number of MLP units by ten to a total of 78 units, and will provide the initial capacity to allow the County to begin administering Transitional Rent and Housing Deposit benefits, by the January 1, 2026 implementation deadline.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of the recommended Amendment during the November 2025 meeting.

REFERENCE MATERIAL:

BAI # 32, September 10, 2024

BAI # 47, June 21, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No.2 to Agreement with RHCB - MLP

CAO ANALYST:

Dylan McCully