



Board Agenda Item 50

DATE: June 16, 2026

TO: Board of Supervisors

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

SUBJECT: Memoranda of Understanding with Villages at Paragon, LP and Villages at Broadway, LP, for Permanent Supportive Housing

RECOMMENDED ACTION(S):

- 1. Under Administrative Policy No. 34 for competitive bids or requests for proposals (AP 34), determine that an exception to the competitive bidding requirement under AP 34 is satisfied and a suspension of competition is warranted due to unusual or extraordinary circumstances due to Villages at Paragon, LP being the only entity with direct control over the Villages at Paragon site and authority to manage operations and deliver on-site property management services; and**
- 2. Under AP 34 for competitive bids or requests for proposals, determine that an exception to the competitive bidding requirement under AP 34 is satisfied and a suspension of competition is warranted due to unusual or extraordinary circumstances due to Villages at Broadway, LP being the only entity with direct control over the Villages at Broadway site and authority to manage operations and deliver on-site property management services; and**
- 3. Approve and authorize the Chairman to execute a Memorandum of Understanding with Villages at Paragon, LP for property management and required housing supportive services at the No Place Like Home funded “Villages at Paragon” permanent supportive housing site, effective July 1, 2026 through June 30, 2031, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$52,000; and**
- 4. Approve and authorize the Chairman to execute a Memorandum of Understanding with Villages at Broadway, LP for property management and required housing supportive services at the No Place Like Home funded “Villages at Broadway” permanent supportive housing site, effective July 1, 2026 through June 30, 2031, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$48,000.**

There is no additional Net County Cost associated with the recommended actions, which will authorize renewal Memorandum of Understanding (MOU) with Villages at Paragon LP (Paragon LP), for “Villages at Paragon” site (Paragon permanent supportive housing (PSH) Site) located in District 3, and Villages at Broadway, LP (Broadway LP), for “Villages at Broadway” site (Broadway PSH Site) located in District 3. Both sites are No Place Like Home (NPLH) funded PSH developments. The MOUs delineate the roles and responsibilities of the Department of Behavioral Health (Department) as the supportive service provider, and the Limited Partnerships as the project owners. Under this arrangement, the Department is responsible for delivering onsite supportive services to tenants, while Paragon LP and Broadway LP are responsible for ownership, property management, and provision of the designated units for all tenants. The delineation of roles ensures clarity of responsibilities and compliance with NPLH, County of Fresno (County), and Department requirements.

ALTERNATIVE ACTION(S):

There are no viable alternative actions. Through the California Department of Housing and Community Development (HCD) Standard Agreements for NPLH-funded housing sites, the County is required to provide supportive services for a minimum of 20 years.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

It is requested that the County find under AP 34 that an exception to the competitive bidding requirement is satisfied, and a suspension of competition is warranted due to unusual or extraordinary circumstances as Paragon LP and Broadway LP each are the only entity with direct control over their respective property and authority to manage operations and deliver on-site property management services. This exclusive position ensures the NPLH-required integration of property management within the housing development, compliance with NPLH requirements, and coordination with the Department, which cannot be replicated by an outside vendor. The General Services Department - Purchasing concurs with the Department's assessment that this satisfies the exception to the competitive bidding process required by AP 34.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The Department has agreed to provide deposit assistance to tenants of the NPLH units using Behavioral Health Services Act (BHSA) funds, not to exceed \$800 per new tenant occupying an NPLH unit. Some of these deposit costs will be offset by CalAIM housing deposit benefits for eligible tenants in lieu of the BHSA funding. The Paragon PSH Site includes 13 NPLH units, with a maximum compensation of \$52,000 for deposits. The Broadway PSH Site includes 12 NPLH units, with a maximum compensation of \$48,000 for deposits. Sufficient appropriations will be included in the Department's Org 5630 FY 2026-27 Recommended Budget and will be included in future budget requests.

DISCUSSION:

On July 1, 2016, Governor Brown signed legislation enacting the NPLH Program (Assembly Bill 1618, Chapter 43, Statutes of 2016), dedicating \$2 billion to invest in the development of PSH for persons in need of mental health services and experiencing homelessness, chronic homelessness, or at risk of chronic homelessness. The program provides capital financing for acquisition, design, construction, rehabilitation, and capitalized operating subsidies, which allows California counties to increase capacity of PSH.

On January 29, 2019, the Board approved Resolution No. 19-025 which allowed the County to participate in the NPLH Competitive Allocation Program, and MOU No. 19-048 which established the Fresno Housing Authority (FHA) as a development sponsor/co-applicant with the County for NPLH development applications.

On July 9, 2019, the Board approved Resolution No. 19-272 authorizing the County to apply for and accept the Non-Competitive award from HCD, up to \$2,183,000, and a Revised Resolution No. 19-273 previously adopted by the Board on January 29, 2019, which authorized the County's participation in the NPLH Competitive Allocation Program.

On April 14, 2020, the Board ratified a Certification of Non-Application of Relocation Benefits and Indemnification Agreement to allow the County and FHA to continue to pursue financing for the Broadway PSH site, a County PSH development related to Round One of the NPLH program. This Certification demonstrated that the County and FHA were not required to submit a Relocation Plan, as no occupants/tenants were displaced as a result of the Villages at Broadway development.

On October 6, 2020, the Board approved standard agreements 18-NPLH-12657 and 18-NPLH-12658 with HCD for construction of the Paragon PSH site and Broadway PSH site, funded in Round One of the NPLH

Competitive Allocation Program, effective upon execution by the Chairman, FHA, and HCD.

On October 25, 2022, the Board approved MOUs with Paragon LP (Agreement No. 22-472), and Broadway LP (Agreement No. 22-473), for property management and NPLH required supportive services at these identified NPLH developments, for a five year term, expiring on June 30, 2026.

In accordance with NPLH regulations, the Department, through its contracted service providers, is committed to offering onsite supportive services at NPLH-funded housing developments for a minimum of 20 years. The recommended renewal MOUs with Paragon LP and Broadway LP will continue to define the commitments of each party, including the Department's role in delivering supportive services and providing security deposit assistance for tenants placed in designated NPLH units, and the developer's role in maintaining and making 13 units at the Paragon PSH site and 12 units at the Broadway PSH site available for Department served individuals.

The Department has notified and received approval from the Department of Human Resources of execution of the recommended MOUs to comply with AB 339. AB 339 requires that the County provide recognized employee organizations no less than 45 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract, to perform services that are within the scope of work of the job classifications represented by the recognized employee organization.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of this agreement at their April 2026 meeting.

REFERENCE MATERIAL:

BAI #32, October 25, 2022
BAI #30, October 6, 2020
BAI#22, April 14, 2020
BAI #39, July 9, 2019
BAI #9, January 29, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request - Villages at Paragon
Suspension of Competition Acquisition Request - Villages at Broadway
On file with Clerk - MOU with Villages at Paragon, LP
On file with Clerk - MOU with Villages at Broadway, LP

CAO ANALYST:

Dylan McCully