



Board Agenda Item 51

DATE: June 16, 2026

TO: Board of Supervisors

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

SUBJECT: Memoranda of Understanding with The Arthur at Blackstone, LP, and Avalon Commons Phase I, 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 as The Arthur at Blackstone, LP is the entity with direct control over The Arthur at Blackstone permanent supportive housing site and County has previously committed to providing on-site supportive services for a period of 20 years; 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 as Avalon Commons Phase I, LP is the entity with direct control over The Avalon Commons permanent supportive housing site and County has previously committed to providing on-site supportive services for a period of 20 years; and**
- 3. Approve and authorize the Chairman to execute a Memorandum of Understanding with The Arthur at Blackstone, LP for property management services at No Place Like Home funded “The Arthur at Blackstone” 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 (\$0); and**
- 4. Approve and authorize the Chairman to execute a Memorandum of Understanding with Avalon Commons Phase I, LP for property management services at No Place Like Home funded “The Avalon Commons Phase I” 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 (\$0).**

There is no additional Net County Cost associated with the recommended actions, which will authorize a Memorandum of Understanding (MOU) with The Arthur at Blackstone, LP (Arthur LP), for “The Arthur at Blackstone” site (Arthur permanent supportive housing (PSH) Site) located in District 3, and Avalon Commons Phase I, LP (Avalon LP), for “The Avalon Commons” site (Avalon PSH Site) located in District 2. 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 Avalon LP and Arthur LP as the project owners. Under this arrangement, the Department is responsible for delivering onsite supportive services to tenants connected to Department services, while Arthur LP and Avalon 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 Arthur LP and Avalon 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. As a condition of accepting the NPLH grant funds to support the development of the Avalon and Arthur PSH sites, the County committed to providing supportive services to the site for a term of 20 years through execution of a Standard Agreement with HCD. 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 Net County Cost associated with the recommended actions.

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.

Arthur PSH Site:

On December 10, 2019, the Board adopted Resolution No. 19-457 authorizing the Department to apply for Round Two of NPLH funding, for the development of the Arthur PSH Site. On June 26, 2020, HCD awarded the NPLH application submitted by the Department in Round Two. All HCD award developments require a formal Standard Agreement to access NPLH funds.

On May 17, 2022, the Board executed Standard Agreement No.20-NPLH-14603 with HCD for the Arthur PSH Site. To comply with NPLH guidelines, the agreement requires a 30-year term, during which the County must provide supportive services for a minimum of 20 years at this NPLH supportive housing development.

Avalon PSH Site:

On January 29, 2019, the Board approved Resolution No. 19-025 which allowed the County to participate in the NPLH Competitive Allocation Program, and Memorandum of Understanding (MOU) No. 19-048 which established the 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 accept the \$2,183,000

Non-Competitive award from HCD, 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, to develop the Avalon PSH Site, a PSH project partially funded in Round Four of the NPLH Competitive Allocation Program.

On May 9, 2023, the Board approved four action items, including Resolution No. 23-141, which replaced Resolution No. 19-272 that was previously adopted on July 9, 2019, authorizing the County's participation in the NPLH Competitive Allocation Program. The Board also approved Standard Agreement No. 21-NPLH-17356 with Avalon LP and HCD, for the development of the Avalon PSH site, for a 30-year term in the amount of \$2,183,000; a supportive services Agreement with Avalon LP, demonstrating the County's commitment to provide supportive services for a minimum of 20 years; and execution of the No Relocation Certificate and Indemnification Agreement with HCD.

In accordance with NPLH regulations, and the Standard Agreement with HCD, the Department, is committed to offering onsite supportive services at NPLH-funded Avalon Commons and Arthur at Blackstone sites for a minimum of 20 years. Approval of the recommended actions will memorialize the commitments of each party, including the Department's role in delivering supportive services for eligible tenants placed in designated NPLH units, and the developer's role in maintaining and making 20 units at the Arthur PSH site and 15 units Avalon 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 will be notified of this agreement at their June 2026 meeting.

REFERENCE MATERIAL:

BAI#39, May 9, 2023
BAI #43, May 17, 2022
BAI#34, December 10, 2019
BAI #39, July 9, 2019
BAI #9, January 29, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request - Arthur
Suspension of Competition Acquisition Request - Avalon
On file with Clerk - MOU with The Arthur at Blackstone, LP
On file with Clerk - MOU with Avalon Commons Phase I, LP

CAO ANALYST:

Dylan McCully