



Board Agenda Item 54.1

DATE: June 24, 2025

TO: Board of Supervisors

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

SUBJECT: Resolution and Memorandum of Understanding for Participation in the U.S. Department of Housing and Urban Development - Continuum of Care Builds Program

RECOMMENDED ACTION(S):

- 1. Adopt Resolution authorizing the County to participate as the specialty mental health and supportive service provider in a grant application with the Housing Authority of the City of Fresno, California (Housing Authority) for participation in the CoC Builds Program (\$0);**
- 2. Approve and authorize the Chairman to execute a Memorandum of Understanding with the Housing Authority to participate in a supportive housing project for the CoC Builds 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 grant documents**

There is no increase in Net County Cost associated with the recommended actions. Approval of the first recommended action will authorize the County to participate as the supportive services provider, in partnership with Housing Authority as the grant applicant, in the Continuum of Care (CoC) Builds program, to construct the Avalon Commons - Phase II Affordable Housing project, which is a 45-unit project, which will include 12 CoC Builds funded Permanent Supportive Housing (PSH) units. Approval of the second recommended action will authorize the Chairman to execute a Memoranda of Understanding (MOU) with Housing Authority to support the Housing Authority's application to the CoC Builds program for an affordable housing and PSH development 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 formalize the County's participation in the CoC Builds program. PSH projects supported through the CoC Builds program are intended to provide safe, supportive, permanent housing with voluntary wraparound services for individuals with a disabling condition who are experiencing homelessness. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, the County would not participate with Housing Authority in the CoC Builds program as the supportive services provider and would forgo an opportunity to increase the supply of PSH units in Fresno County for DBH persons served with severe mental illness.

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 CoC Builds program as the supportive services provider. Costs for supportive services provided by DBH will be funded through MHSA/BHSA and Medi-Cal

reimbursements. If Housing Authority is awarded CoC Builds program funds, staff will return to your Board with any resulting agreements for supportive services at a later date.

DISCUSSION:

The CoC Builds program is authorized by Subtitle C of Title IV of the McKinney-Vento Homeless Assistance Act, and provides \$75,000,000 in competitive grant funding for the construction, acquisition, or rehabilitation of new units of PSH specifically for individuals and families experiencing homelessness where one member of the household has a disability. The CoC Builds program is intended to increase the supply of PSH units within CoC geographic areas, encourage coordination between housing providers, health care organizations, and social service providers, expand opportunities for new PSH units in states with populations less than 2.5 million, and to develop new PSH units near local services.

Eligible uses of CoC Builds funding include construction, acquisition, or rehabilitation of new units of PSH specifically for individuals and families experiencing homelessness where one member of the household has a disability. No more than 20 percent of the total amount requested may be used for non-capital costs; including but not limited to project-based rental assistance, operating costs, supportive services, and homeless management information system (HMIS). Administrative costs are limited to no more than ten percent of the total amount requested.

On January 29, 2019, the Board executed a Memorandum of Understanding (No. 19-048) to formalize the partnership between Housing Authority as the project sponsor, developer, and property manager, and the County as the supportive services provider, for the for the Avalon Commons - Phase I PSH project under the California Department of Housing and Community Development (HCD) Round 4 No Place Like Home (NPLH) Non-Competitive Allocation Program. The Avalon Commons - Phase I project was completed and has been operational since December 2024.

On May 16, 2025, the U.S. Department of Housing and Urban Development (HUD) released a notice of funding opportunity for the CoC Builds program, with an application deadline of June 26, 2025. The Avalon Commons PSH site located at 7521 N Chestnut Ave, Fresno, CA 93720 was identified as a viable site for expansion. If awarded CoC Builds program funding, Housing Authority will begin construction of the Avalon Commons - Phase II project. The project may be eligible for up to \$9,000,000 in grant funds to be used on construction, administrative, and other eligible costs.

Housing Authority (Avalon Commons - Phase II)

Located near the Northwest corner of E. Alluvial and N. Chestnut (APN: 404-071-51)

The Avalon Commons - Phase II project proposes new construction of a 45-unit affordable housing development consisting of eight one-bedroom units, 21 two-bedroom units, and 16 three-bedroom units. 12 units total will be PSH units funded by the CoC Build program grant. The 12 PSH CoC Builds funded units shall be limited to the target population of individuals and families experiencing homelessness, where at least one household member has a disability that substantially impedes their ability to live independently, and will be referred through the Coordinated Entry System.

The County is not a co-applicant in the CoC Builds program funding opportunity, but is included in the application as the specialty mental health and supportive services provider. If the Avalon Commons - Phase II project is awarded CoC Builds program funds, the County will be required to provide supportive services to each of the 12 CoC Builds program funded units, in an amount equivalent to at least \$7,500 per unit annually. Services to the 12 CoC Builds program funded units is estimated to cost approximately \$90,000 per year, for a total of \$1,350,000 to the project over the potential 15-year term. The development is expected to begin construction in January 2026 and be operational by July 2027.

Approval of the recommended actions will authorize the County, through DBH, to participate in the CoC Builds program funding opportunity, establish the roles and responsibilities between the County and Housing

Authority for the PSH units at the new development, and will delegate authority to the DBH Director to execute any Program Documents to affect the County's participation in the CoC Builds program and Avalon Commons - Phase II project.

The recommended MOU includes a mutual indemnification clause, whereby both the County and Housing Authority agree to defend, indemnify, and hold one another harmless for claims resulting from their respective negligent or intentional acts or omissions. DBH believes that the benefits associated with entering into this agreement outweigh any potential risks, as a prudent business decision.

OTHER REVIEWING AGENCIES:

The County has informed the Fresno County Behavioral Health Board of the recommended MOU with Housing Authority.

REFERENCE MATERIAL:

BAI #9, January 29, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Resolution

On file with Clerk - MOU with Housing Authority

CAO ANALYST:

Dylan McCully