



**NEVADA COUNTY
HEALTH & HUMAN SERVICES
AGENCY**

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NEVADA COUNTY BOARD OF SUPERVISORS

Board Agenda Memo

MEETING DATE: March 22, 2022
TO: Board of Supervisors
FROM: Phebe Bell

SUBJECT: Resolution approving execution of Amendment No. 2 to the Professional Services Contract with Nevada County Housing Development Corporation (NCHDC) for services related to Behavioral Health's community-based housing projects and housing for residents with a mental health disability for authorized program participants to increase the maximum contract price from \$405,760 to \$1,305,760 (an increase of \$900,000), revise Exhibit "A", Schedule of Services to reflect the addition of funding to purchase permanent supportive housing and revise Exhibit "B", Schedule of Charges and Payments to reflect the increase in the maximum contract price for the term of July 1, 2021 through June 30, 2022 and directs the Auditor-Controller to amend the Behavioral Health Budget for Fiscal Year 2021/22. (4/5 Affirmative Vote Required) (RES. 21-288) (RES. 21-508)

RECOMMENDATION: Approve the attached Resolution.

FUNDING: Contract services are funded by County MHSA (Mental Health Services Act) funds, Project Homekey, and Proposition 47 grant funds. An amendment for \$900,000 is included to release fund balance in MHSA Community Support Services funds. The additional \$900,000 will be used to purchase property for supportive housing (see attached notice of intent to purchase a property for \$799,000) and provide supportive services as described in the Background below. There are no County general fund dollars required in the agreement.

BACKGROUND: On July 13, 2021 per Resolution 21-288, the Nevada County Board of Supervisors approved the execution of the Professional Services Contract with NCHDC for services related to Behavioral Health's community-based housing projects targeted to reduce

homelessness, help obtain and maintain housing for residents with a mental health disability, and enters master lease agreements for housing for program participants. In addition to providing housing for Behavioral Health clients, NCHDC also provides staff to support clients in being successful in the housing. These supportive housing environments help prevent homelessness and allow clients to maintain stable living situations.

This was amended on December 14, 2021 per Resolution 21-508 to add the Tahoe/Truckee Homeless Outreach program, which shifted from Sierra Community House to better align with organizational priorities.

Due to higher than anticipated Mental Health Services Act (MHSA) revenues in FY 20/21, Nevada County Behavioral Health has identified these funds to further expand permanent supportive housing for individuals with serious mental illness. This historic investment in permanent supportive housing has been enthusiastically supported by community stakeholders as demonstrated through MHSA community meetings and public input processes. Additionally, the Nevada County Board of Supervisors approved an amendment to the FY 21/22 MHSA Annual Plan Update to support this investment in Project Based Housing.

NCHDC has been a longstanding key partner with Nevada County Behavioral Health in implementing permanent supportive housing in this community. NCHDC was identified as a partner through the original RFP process for MHSA housing investment dollars that were available during the inception of MHSA. Due to the existing contractual arrangement between Nevada County Behavioral Health and NCHDC, as well as their expertise in administering this type of program, a sole source process is appropriate for selecting NCHDC as the provider of this permanent supportive housing project at this time. Looking ahead, Nevada County Behavioral Health is following a five-year RFP cycle schedule for all key services and intends to RFP permanent supportive housing acquisition and master leasing services in 2025.

This amendment will provide funding to NCHDC to secure permanent supportive housing for individuals with serious mental illness in Nevada County. The County will impose a 55-year Deed Restriction agreed to by NCHDC and the County. Notice of Intent to Purchase an Interest in Real Property was provided for the identified property available now for purchase at 131 E. Empire Street in Grass Valley, CA for the amount of \$799,000. NCHDC will partner with County and designated service providers on lease documentation, tenant relations, and necessary maintenance and repairs. If this property becomes unavailable, a separate notice will be provided for a newly identified property and brought back to the Board.

It is recommended that the Board approve this Amendment No. 2 to the contract as additional permanent supportive housing is needed to help clients maintain stable housing and reduce homelessness.

Item Initiated and Approved by: Phebe Bell, MSW, Behavioral Health Director