

Memorandum of Understanding

Between the

County of Tulare,

Department of Mental Health Services, and

TMHSA Housing, Inc.

for

Development of Permanent Housing for the Mentally Ill

in the Cities of Tulare and Porterville

Purpose and Background

Tulare County Department of Mental Health Services, hereinafter referred to as TCMH, is a department within the County of Tulare and is charged with the provision of mental health services to Tulare County residents. The Housing Authority of the County of Tulare, a public agency, corporate and politic, hereinafter referred to as HATC, is established under federal and state law to provide affordable lower income housing for Tulare County, including special needs clients with mental illness. TMHSA Housing, Inc., hereinafter referred to as TMHSA, is a nonprofit corporation formed to own Mental Health Services Act ("MHSA") housing in Tulare County. Since 1981, TCMH and HATC have been operating facilities in Tulare County for the mentally ill in a cooperative and productive fashion to achieve their common goals, and to benefit county residents. TMHSA was formed in 2011 to own MHSA developments purchased with funds under the Mental Health Services Act on behalf of Tulare County residents. TMHSA currently owns one development in the City of Visalia.

On January 26, 2016, the Board of Supervisors authorized the transfer of unencumbered MHSA funds from the State in the amount of \$2,691,817 for the development of permanent supportive housing on two sites: Sacramento and Inyo Streets in Tulare, and 43 Lotas Street in Porterville. When the design and construction bidding was settled, the costs of the projects were much higher than projected due to an increase in the housing market and construction supply costs. TMHSA is \$2,092,282 short of having enough cash to buy the developments from the developer.

Program Description

TCMH and TMHSA are, hereby, entering into this Memorandum of Understanding to facilitate the transfer of additional MHSA funds needed to complete the development of the two supportive permanent housing for the mentally ill in Tulare County. These two sites and the housing being constructed thereon shall hereinafter be referred to as "Developments". The Developments are being constructed by HATC, or an affiliated nonprofit corporation, with its own funds. Upon completion, TMHSA will purchase the completed developments utilizing these MHSA funds. A services agreement will be developed and executed upon completion of the project which will set forth terms and conditions for ongoing management of the developments consistent with the terms of the Mental Health Services Act.

Terms and Conditions

This agreement delineates the terms and conditions for this joint venture, utilizing monies under the Mental Health Services Act that is currently being held in the MHSA trust fund reserves to cover the additional \$2,092,282 needed to purchase the developments. The funds may be used to acquire, rehabilitate, and own "shared rental housing" for the mentally ill, and also provide funding for continuing operations. The total amount of the unencumbered funds previously released to the County was \$2,691,871. The current request would bring the entire amount to \$4,784,153.

TCMH will facilitate a transfer of the monies received from the MHSA trust fund reserves to TMHSA to be used for the designated purpose of purchasing the Developments from HATC or an affiliated nonprofit corporation. Upon completion of construction, the Developments will be purchased by TMHSA Housing, Inc. for an amount not to exceed the total amount of the returned, unencumbered MHSA funds transferred to TMHSA pursuant to this agreement.

Indemnification

Each party shall, to the fullest extent permitted by law, hold harmless, defend and indemnify the other parties and their officers, officials, employees and volunteers from and against all claims (including all litigation, demands, damages, liabilities, costs, and expenses, and including court costs) arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of the indemnifying party's employees, agents and volunteers for the indemnifying party's obligations under and/or actions taken pursuant to this agreement, except where caused by the active negligence, sole negligence or willful misconduct of the indemnified parties. The provisions of this section survive completion of the services or the termination of this Agreement.

Memorandum of Understanding Signatures

THE PARTIES, having read and considered the above provisions, indicate their agreement b their authorized signatures below.

COUNTY OF TULARE

Date: _____

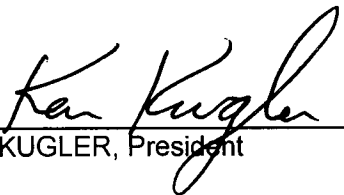
BY _____
Chairman, Board of Supervisors

ATTEST: MICHAEL C. SPATA
County Administrative Officer/Clerk of the
Board of Supervisors of the County of Tulare

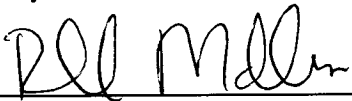
By _____
Deputy Clerk

TMHSA HOUSING, INC.

Dated: 7-26-18

By 
KEN KUGLER, President

Approved as to Form
County Counsel

By  8/3/18
Deputy

Matter # 20181029