



Board Agenda Item 27

DATE: April 11, 2023

TO: Board of Supervisors

SUBMITTED BY: Susan L. Holt, Director, Department of Behavioral Health
Sanja Bugay, Director, Department of Social Services

SUBJECT: Standard Agreement for No Place Like Home Program and Standard Agreement for Accelerator Program

RECOMMENDED ACTION(S):

- 1. Authorize the Chairman to execute, upon review and approval by County Counsel as to legal form and the Auditor-Controller/Treasurer-Tax Collector as to accounting form, the Standard Agreement 20-NPLH-16215, in substantially the same form as the draft included as attachment A, with the California Department of Housing and Community Development for construction of The Crossroads Village development, effective upon execution by all parties involved, not to exceed 30 years from the effective date, total not to exceed \$18,534,905; and,**
- 2. Authorize the Chairman to execute, upon review and approval by County Counsel as to legal form and the Auditor-Controller/Treasurer-Tax Collector as to accounting form, the Accelerator Standard Agreement 22-ACC-17427, in substantially the same form as the draft included as attachment B, with the California Department of Housing and Community Development for construction of The Crossroads Village development, effective upon execution by all parties involved, total not to exceed \$38,338,375.**

Approval of the recommended actions will authorize the Chairman to execute two Crossroads Village Standard Agreements for No Place Like Home (NPLH) and California Housing Accelerator programs. Crossroads Village is a permanent supportive housing project partially funded in Round Three of the No Place Like Home Competitive Allocation Program, effective upon execution by the Chairman, UPHoldings, LLC and the State of California Department of Housing and Community Development for a 30-year term with a combined total of \$70,221,627.

This item pertains to a location in District No. 2.

ALTERNATIVE ACTION(S):

Non-approval of the recommended action would jeopardize the development. Data collected during the annual Mental Health Services Act community planning process continually demonstrates increased housing capacity as a top priority in the County.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. Construction funding for Crossroads Villages will consist of:

Permanent Financing Sources

Accelerator Funds	\$38,338,375
HHC Capital	\$6,896,006
HHC COSR	\$4,102,240
No Place Like Home (NPLH)	\$11,723,412
NPLH COSR	\$6,811,493
Homekey	\$1
Fresno County Capital Fund	\$2,350,000
GP Equity	\$100
Total	\$70,221,627

UPholdings, LLC, serving as the County’s development sponsor/co-applicant in Round Three, is authorized to access the funding electronically from HCD once construction is final and 90% of the units have been leased to qualified tenants. Per NPLH regulations, the Department, via a contracted services provider, is committed to make available supportive services for a minimum of 20 years at NPLH supportive housing developments. The availability of on-site supportive services is an essential component to assist tenants in maintaining their housing. The County is not a party to the ownership of the development, The Crossroads Village, LP assumes all liability and responsibility for the development.

DISCUSSION:

On July 1, 2016, Governor Brown signed legislation enacting the NPLH Program to dedicate \$2 Billion in bond proceeds to invest in the development of Permanent Supportive Housing (PSH) for persons in need of mental health services and experiencing Homelessness, Chronic Homelessness, or are At-Risk of Chronic Homelessness. The NPLH legislation was authorized by the California Welfare and Institutions Code, sections 5849 and 5890. The NPLH Program provides capital financing for acquisition, design, construction, rehabilitation, and capitalized operating subsidies to allow California counties to increase capacity of PSH. HCD administers the NPLH Program for California counties for construction of PSH.

On December 10, 2019, your Board adopted a resolution authorizing the Department to apply for NPLH funding for Round Three for the development of PSH. On June 26, 2020, HCD awarded the NPLH application submitted by the Department in Round Three. All HCD awards developments require a formal Standard Agreement to access NPLH funds. The Crossroads Village is located at 3737 N Blackstone Ave Fresno, CA consisting of 141 units that will integrate 50 NPLH qualified tenants with 91 Crossroads Village tenants, and two units for property managers.

On December 15, 2020, your Board approved Resolution No 20-382 to participate in Round Three of NPLH and authorized the Chairman to execute the Round Three agreement with HCD, which was approved for the Crossroads Village development. On June 23, 2021, the County received notice of a NPLH - Round 3 award in the amount of \$20,000,000 for approximately 50 units at Crossroads Village which will be subject to affordability restrictions for 55 years.

On October 5, 2021, your Board approved a Crossroads Village - Capital Financing Letter of Commitment of \$2,350,000 to be used for construction of the Crossroads Village project to Sponsor UPholdings California, LLC’s application to the California Debt Limit Allocation Committee and Tax Credit Allocation Committee

On June 7, 2022, your Board approved Resolution No. 22-210 to participate in the HCD California Accelerator Program, a \$1.75 billion program to provide funding to ‘shovel-ready’ projects that have received funding under other HCD programs, such as NPLH, and have been unable to access low-income housing tax credits. The Crossroads development was awarded around \$38 million through this program.

On March 14, 2023, your Board approved the No Relocation and Indemnification agreement for Crossroads Village. This document ensured compliance with HCD/NPLH guidelines, which requires the No Relocation

Certification and Indemnification Agreement to identify that HCD is held harmless in connection with any potential legal costs and liabilities in connection with any potential legal costs and liabilities in connection with accepting certification from Upholdings that permanent or temporary relocation was no necessary under Relocation Law.

Approval of the recommended action will authorize the Chairman to execute both standard agreements, upon review by County Counsel as to legal form and the Auditor-Controller/Treasurer Tax Collector as to accounting form, for NPLH Round Three award with Crossroads Village.

The drafts of the NPLH Standard Agreement and California Housing Accelerator Standard Agreement are substantially the same as the final Standard Agreement and California Housing Accelerator Standard Agreement for Crossroads Village that must be executed prior to the projected loan closure which is scheduled to close no later than June 5, 2023, and the permanent financing is anticipated to close no later than February 2026.

Crossroads Village was researched and mutually agreed upon by the Department and Upholdings as acceptable location for PSH which includes the availability of on-site supportive services for tenants. Crossroads Village includes amenities to meet tenant's needs such as proximity to grocery, post office, bus line, etc. The 30-year agreement term is required by HCD to comply with NPLH Guidelines the County make available supportive services for a minimum of 20-years at the NPLH supportive housing development.

OTHER REVIEWING AGENCIES:

The Department has informed the County Behavioral Health Board of the HCD NPLH Round Two award for the development of PSH.

REFERENCE MATERIAL:

BAI #27, March 14, 2023
BAI #49, June 7, 2022
BAI #7, October 5, 2021
BAI #58, December 15, 2020
BAI #34, December 10, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A - No Place Like Home Standard Agreement
Attachment B - California Housing Accelerator Standard Agreement

CAO ANALYST:

Ronald Alexander