



Board Agenda Item 27

DATE: August 22, 2023
TO: Board of Supervisors
SUBMITTED BY: Susan L. Holt, Director, Department of Behavioral Health
SUBJECT: Villages of Paragon Sponsor Operating Guaranty

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute the Sponsor Operating Guaranty for Loan No. 18-NPLH-12658 by the County of Fresno, the Housing Authority of the City of Fresno, and The Villages at Paragon, LP, for the benefit of the Department of Housing and Community Development.

Approval of the recommended action will fulfill the County's obligation as co-sponsor with the Housing Authority of the City of Fresno for the Department of Housing and Community Development (DHCD). In order to ensure that The Villages at Paragon, LP has sufficient resources and expertise to successfully operate the Villages at Paragon (a 28-unit affordable housing development) for the term of the agreement, the DHCD requires that the sponsors provide this Guaranty as a condition of the loan to the borrower. There is no Net County Cost associated with the recommended actions. This item pertains to a location in District No. 3.

ALTERNATIVE ACTION(S):

Non-approval of the recommended action would jeopardize the conditional loan commitment from the No Place Like Home (NPLH) program for the permanent financing in the amount of \$3,616,466 that was committed for the development of Villages at Paragon located at 4041 Plaza Drive West, Fresno, California 93702.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action.

DISCUSSION:

On November 22, 2020, your Board approved Standard Agreement 18-NPLH-12658 with the DHCD for construction of the Villages of Paragon funded in Round One of the No Place Like Home competitive allocation program.

Villages at Paragon is a 28-unit affordable housing development located at 4041 Plaza Drive East, of which 13 units are certified for NPLH eligible tenants who have a serious mental illness and are homeless, chronically homeless, or at-risk of chronic homelessness. The Villages at Paragon development was completed and opened in November 2021.

The standard agreement obligates sponsors to execute the DHCD's Sponsor Operating Guaranty to ensure that they have the resources and experience to develop, own and manage the development. Since, the

Housing Authority of the City of Fresno and the County of Fresno are listed as sponsors in the conditional loan commitment for the NPLH loan, the DHCD requires the County of Fresno to also sign the sponsor Operating Guaranty. Your Board's approval of the recommended action will fulfill that obligation.

OTHER REVIEWING AGENCIES:

The FHA Board of Directors is aware of the DHCD Guaranty for the Paragon development and will approve the subsequent execution by the Chairman of the Board of Supervisors, at which time the Sponsor Operating Guaranty will be forwarded to DHCD for full execution.

REFERENCE MATERIAL:

BAI #36, September 22, 2020

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Sponsor Operating Guaranty

CAO ANALYST:

Amina Flores-Becker