



# Board Agenda Item 34

DATE: December 10, 2019

TO: Board of Supervisors

SUBMITTED BY: Dawan Utecht, Director, Department of Behavioral Health

SUBJECT: California Office of Housing and Community Development Resolution for No Place Like Home Program Participation and Applications with Development Sponsors/Co-Applicants

## RECOMMENDED ACTIONS:

1. **Adopt and authorize the Chairman to execute a Resolution authorizing:**
  - (a) **Fresno County's participation in the California Department of Housing and Community Development No Place Like Home Program - Round Two; and,**
  - (b) **Chairman's execution of documents related to the No Place Like Home Program - Round Two.**
2. **Approve No Place Like Home Program - Round Two development applications with County development sponsors/co-applicants, Fresno Housing Authority and UPholdings to apply for, and if successfully funded, develop supportive housing projects and services utilizing No Place Like Home Program - Round Two funds.**

Approval of the first recommended action will allow the County to apply for and accept No Place Like Home Program (NPLH) - Round Two funds, administered by the California Department of Housing and Community Development (HCD) and authorize Chairman to execute documents related to the NPLH Round Two. The second recommended action will authorize NPLH - Round Two development applications with the Fresno Housing Authority (FHA) and UPholdings for development applications to be submitted to HCD by no later than January 8, 2020, for permanent supportive housing (PSH) opportunities for homeless individuals with Serious Mental Illness (SMI) or youth with Serious Emotional Disorders (SED) and their families. There is no Net County Cost associated with the recommended actions. Permanent supportive housing for individuals with SMI or SED will meet the goal set forth in the NPLH program guidelines for mentally ill homeless individuals to achieve safe, permanent, supportive housing with voluntary supportive services. This item is countywide.

## ALTERNATIVE ACTION(S):

Non-approval of the recommended actions would jeopardize PSH development opportunities available from HCD.

## FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The recommended resolution will authorize the County to apply for and, if awarded, accept the NPLH - Round Two funds. If awarded, HCD will award NPLH - Round Two funds to the County via the State of California, Standard Agreement to be executed by the Chairman. If awarded, the NPLH allocations will be made available via

permanent financing loans to the development project to draw down funds from HCD, once construction is complete and 90% occupied. If awarded, the Department will return with the Standard Agreement for your Board's consideration, anticipated in late summer 2020. Any NPLH funding awarded to the County will be established in the NPLH Special Revenue Fund 0040 Subclass 17109 Org 1059. County, through a contracted provider, will be required to provide onsite supportive services for a minimum of 20 years to individuals housed in a NPLH supportive housing development. The provision of supportive services is essential to assist tenants in maintaining their housing.

#### DISCUSSION:

On July 1, 2016, Governor Brown signed legislation enacting the NPLH Program (Assembly Bill 1618, Chapter 43, Statutes of 2016) dedicating \$2 billion to invest in the development of PSH for persons in need of mental health services and experiencing Homelessness, Chronic Homelessness, or are At-Risk of Chronic Homelessness. The NPLH Program provides capital financing for acquisition, design, construction, rehabilitation, and capitalized operating subsidy, which allows California counties to increase capacity of PSH.

HCD administers the NPLH Program, approved by California voters in November 2018: California Proposition 2, Use Millionaire's Tax Revenue for Homelessness Prevention Housing Bonds Measure, resulting in \$2 billion available to California counties over four consecutive annual periods. All California counties are eligible to compete for NPLH Program funds among counties of similar size ranging from small, medium, and large. The County falls within HCD's large county category, which includes NPLH - Round Two funding in the amount of \$90,871,339.

On January 29, 2019, the Board approved Resolution No. 19-025 to participate in Round One and authorized the Chairman to execute any subsequent NPLH - Round One agreements with the HCD. Concurrently, the Board approved a Memorandum of Understanding (MOU) with FHA to serve as a development sponsor/co-applicant with the County on mutually agreed upon supportive housing development projects, including NPLH. Three NPLH - Round One applications were submitted and approved by HCD. Due to a very short submittal timeframe, the applications were not presented to your Board prior to submittal to HCD. Once the State Standard Agreements are received by the Department for NPLH - Round One funding, they will be presented to your Board for approval, as well as a summary description of the three development projects.

On August 6, 2019, your Board approved MOUs with UPholdings and Hacienda Housing LP to also serve as development sponsors/co-applicants with the County on supportive housing opportunities, including NPLH.

On September 27, 2019, HCD released the Notice of Funding Availability (NOFA) for Round Two of the NPLH Competitive Application process, with applications due to HCD by January 8, 2020. Approval of the first recommended action will authorize the County to participate in NPLH - Round Two and will authorize the Chairman to execute NPLH - Round Two documents for supportive housing developments in the County. Any NPLH project award that results from Round Two applications will be presented to your Board for authorization.

Recommended action two requests approval of two NPLH - Round Two applications, currently being prepared by County development sponsors/co-applicants FHA and UPholdings. These development projects have been mutually agreed upon by the Department and the development sponsor. The NPLH - Round Two application submittal deadline to HCD is January 8, 2020. FHA intends to submit one NPLH - Round Two application and UPholdings intends to submit one application.

The applications are currently in the development stage thus preliminary financial estimates are being provided. Upon completion, the applications will be on file with the Clerk for your Board's reference. The following is a brief description of each NPLH - Round Two development project. A name for the Blackstone/Simpson project has not been identified but once determined will be included in the final

application. If successfully funded by HCD, the County is committed to provide on-site supportive services for a minimum of twenty years to individuals housed in NPLH developments.

### **Butterfly Gardens**

Located at 784 W. Holland Avenue in Clovis (Holland and Willow), Butterfly Gardens will be a 75-unit permanent supportive housing, new construction development for adults 18 and older. All units are one-bedroom single-person households with 37 units restricted to NPLH qualified individuals. Total estimated project cost is approximately \$28 million which includes \$9.25 million of NPLH funds. Butterfly Gardens development team is led by UPHoldings, a supportive housing developer with a specialization in permanent supportive housing projects. UPHoldings will also serve as the property manager for the development as well as 24 hour per day property management staff working and living at Butterfly Gardens.

### **Blackstone/Simpson**

Located at 3039 N. Blackstone Avenue in Fresno (Blackstone and Shields), Blackstone/Simpson will be a 41-unit permanent supportive housing, rehabilitation development for Transition-Aged Youth age 18-24. All units are one-bedroom single-person households with 20 units restricted to NPLH qualified individuals. Total estimated project cost is approximately \$25 million which includes \$9.8 million of NPLH funds. Blackstone/Simpson development team is led by Fresno Housing Authority as the County's development sponsor and will also serve as the property manager for the development, including property management staff working and living at Blackstone/Simpson.

### OTHER REVIEWING AGENCIES:

The FHA Board of Directors has been informed of the NPLH - Round Two applications with County and the Department has informed the Fresno County Behavioral Health Board of the NPLH - Round Two applications for the development of permanent supportive housing in the County.

### REFERENCE MATERIAL:

BAI #39, July 9, 2019 - Resolution No. 19-272, Resolution No. 19-273  
BAI #29, August 6, 2019 - MOU No. 19-373, MOU No. 19-374  
BAI #9, January 29, 2019 - Resolution No. 19-025

### ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Resolution

### CAO ANALYST:

Sonia M. De La Rosa