County of Fresno

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Legislation Details (With Text)

File #:	20-0984	**Name:**	Standard Agreements for No Place Like Home Program Participation
		In control:	Behavioral Health
On agenda:	9/22/2020	**Final action:**	9/22/2020
Enactment date:		**Enactment #:**	

Title: Approve and authorize the Chairman to execute Standard Agreements 18-NPLH-12657 and 18-NPLH -12658 with the California Department of Housing and Community Development for construction of two supportive housing projects funded in Round One of the No Place Like Home Competitive Allocation Program, effective upon execution by the Chairman, the Fresno Housing Authority and the State of California Department of Housing and Community Development for a 30-year term ($10,100,000)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Agenda Item, 2. Agreement with CA Dept of Housing 18-NPLH-12657, 3. Agreement with CA Dept. of Housing 18-NPLH-12658

Date	Ver.	Action By	Action	Result
9/22/2020	1	Board of Supervisors	Deleted	

DATE: September 22, 2020

TO: Board of Supervisors

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

SUBJECT: Agreements for No Place Like Home Program Participation

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Standard Agreements 18-NPLH-12657 and 18-NPLH-12658 with the California Department of Housing and Community Development for construction of two supportive housing projects funded in Round One of the No Place Like Home Competitive Allocation Program, effective upon execution by the Chairman, the Fresno Housing Authority and the State of California Department of Housing and Community Development for a 30-year term ($10,100,000).

Approval of the recommended action will allow the County and Fresno Housing Authority to execute agreements with the California Department of Housing and Community Development (HCD) for Round One of the No Place Like Home Program (NPLH). The agreements provide partial financing specific to the construction of two permanent supportive housing (PSH) developments for homeless individuals with Serious Mental Illness (SMI) or youth with Serious Emotional Disorders (SED) and their families. PSH meets goals set forth in NPLH and Mental Health Services Act (MHSA) program guidelines for mentally ill homeless individuals to achieve safe, PSH with voluntary supportive services. There is no Net County Cost associated with the recommended action. This item is countywide.

ALTERNATIVE ACTION(S):

Non-approval of the recommended action would jeopardize PSH development opportunities available from

HCD. Data collected during the annual MHSA 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 action. Total construction funding from the two recommended agreements is $3,303,884 for the Villages at Broadway and $3,616,466 for the Villages at Paragon. In addition, $3,179,650 will consist of NPLH Capital Funds and Capitalized Operating Subsidy Reserves (COSR), Special Needs Housing Program (SNHP), and the California Tax Credit Allocation Committee Equity (Tax Credits).

As per HCD, there will be four annual NPLH competitive funding rounds available with similar funding amounts per year. The agreements will provide partial funding specific to construction of two supportive housing developments within the City of Fresno, funded by HCD in Round One of the NPLH. The Fresno Housing Authority (FHA), serving as the County's development sponsor/co-applicant in Round One, is authorized to access the funds 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. Recommended agreements for supportive services will be brought before your Board at a future time. The FHA will provide property management services and ownership responsibilities at each development. The County is not a party to the Limited Liability Corporation (LLC) status of the two developments necessary for HCD contractual proceedings. The LLC assumes liability responsibility of each NPLH 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 PSH for persons who are 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 January 29, 2019, the Board authorized the Department to apply for NPLH funding. During May 2019, HCD awarded three NPLH applications submitted by the Department in Round One of the NPLH program: Villages at Paragon, Villages at Broadway and Barstow Commons. All HCD awards for NPLH developments require a formal Standard Agreement to access NPLH funds. The recommended action allows the County and FHA to execute HCD agreements for both Villages at Paragon and Villages at Broadway. The agreement for the Barstow Commons development, coupled with a brief description of the development, will be brought before your Board at a future time, as it is not yet available from HCD.

Villages at Broadway is located at 1828 Broadway and Villages at Paragon is located at 4041 Plaza Drive West. Both developments were researched and mutually agreed upon by the Department and FHA as acceptable locations for PSH which includes the availability of on-site supportive services for tenants. The development locations also include amenities to meet tenant's needs such as proximity to grocery, post office, bus line, etc. Villages at Paragon consists of 27 units that integrate 13 NPLH qualified tenants with 13 FHA tenants, as well as 1 unit for a property manager; construction commenced December 2019 and is scheduled to be fully leased by December 2020. Villages at Broadway consists of 26 total units that integrate 12 NPLH qualified tenants with 13 FHA tenants, and 1 unit for a property manager; construction commenced in April 2020 and is scheduled to be fully leased by April 2021.

The NPLH program consist of a minimum of four annual competitive funding rounds, with the County successfully funded in three NPLH Round One applications. During January 2020, the Department submitted two NPLH Round Two applications, also successfully funded by HCD: Butterfly Gardens and Blackstone/Simpson. Once the agreements are made available by HCD for these two NPLH supportive housing developments, the Department will return to your Board with the agreements and description of each development.

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 any NPLH supportive housing development.

OTHER REVIEWING AGENCIES:

The FHA Board of Directors is aware of the HCD agreements for the two NPLH developments and will approve the agreements subsequent to execution by the Chairman of the Board of Supervisors, at which time the agreements will be forwarded to HCD for full execution. The Department has informed the County Behavioral Health Board of the HCD NPLH Round One awards for the development of PSH.

REFERENCE MATERIAL:

BAI #39, July 9, 2019
BAI #9, January 29, 2019
BAI #26, September 11, 2012
BAI #9, March 4, 2008

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Standard Agreement 18-NPLH-12657
On file with Clerk - Standard Agreement 18-NPLH-12658

CAO ANALYST:

Sonia M. De La Rosa