County of Fresno

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Legislation Details (With Text)

File #:	21-0260	**Name:**	Agts for NPLH Program - Round Two Supportive Housing Development - Butterfly Gardens
		In control:	Behavioral Health
On agenda:	4/27/2021	**Final action:**	4/27/2021
Enactment date:		**Enactment #:**	Agreement No. 21-136, Agreement No. 21-137, Agreement No. 21-138

Title: Approve and authorize the Chairman to execute an Agreement with UPH Butterfly Gardens, LP, that commits the County to make available supportive services for a minimum of 20 years at the Butterfly Gardens permanent supportive housing development located at 784 W Holland Avenue in Clovis, CA, a No Place Like Home - Round Two project ($9,327,580); Regulatory Agreement that places affordability limits on the No Place Like Home units of Butterfly Gardens ($0); and, Subordination Agreement that establishes the County as Junior Lienholder ($0)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Agenda Item, 2. Agreement A-21-136 with UPH Butterfly Gardens, LP, 3. Agreement A-21-137 Regulatory Agreement, 4. Agreement A-21-138 Subordination Agreement

Date	Ver.	Action By	Action	Result
4/27/2021	1	Board of Supervisors	Consent Agenda be approved	Pass

DATE: April 27, 2021

TO: Board of Supervisors

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

SUBJECT: Agreements for No Place Like Home Program - Round Two Supportive Housing Development - Butterfly Gardens

RECOMMENDED ACTION(S):

1. **Approve and authorize the Chairman to execute an Agreement with UPH Butterfly Gardens, LP, that commits the County to make available supportive services for a minimum of 20 years at the Butterfly Gardens permanent supportive housing development located at 784 W Holland Avenue in Clovis, CA, a No Place Like Home - Round Two project ($9,327,580);**

2. **Approve and authorize the Chairman to execute Regulatory Agreement that places affordability limits on the No Place Like Home units of Butterfly Gardens ($0); and**

3. **Approve and authorize the Chairman to execute Subordination Agreement that establishes the County as Junior Lienholder ($0).**

Approval of the recommended actions will fulfill the County's commitment to make available supportive services to tenants at Butterfly Gardens; a permanent supportive housing (PSH) project awarded in Round Two of the No Place Like Home Program (NPLH). Approval also ensures affordability limits for tenants of Butterfly Gardens and creates a relationship of the County as Junior Lienholder of Butterfly Gardens to U.S. National Bank and is required by the State's California Municipal Finance Authority Multifamily Housing

Revenue Bonds to buy the bonds used to finance Butterfly Gardens. The PSH development is 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. This item is countywide.

ALTERNATIVE ACTION(S):

Non-approval of the recommended actions would jeopardize the Butterfly Gardens development.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. UPHoldings (UPH), serving as a County development sponsor/co-applicant in the NPLH - Round Two, submitted and was awarded $9,000,000 in funds towards the construction of Butterfly Gardens. On March 23, 2021, your Board approved the California Department of Housing and Community Development (HCD) State Standard Agreement with UPH Butterfly Gardens, LP, for the development.

The first recommended action fulfills County's commitment to make available supportive services for tenants at Butterfly Gardens for a minimum of 20 years, as required by the State Standard Agreement. The services will be funded with estimated Short/Doyle Medi-Cal Federal Financial Participation, Mental Health Realignment funds and Mental Health Services Act- Community Services and Supports (MHSA - CSS) funds. Annual budget for the agreement will be $466,379; approximately $9,327,580 for 20 years. Sufficient appropriations and estimated revenues are included in the Department of Behavioral Health's Org 5630 FY 2021-22 Recommended Budget and will be included in future budget requests.

There is no fiscal impact related to the second and third recommended actions.

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 in need of mental health services and experiencing Homelessness, Chronic Homelessness, or are At-Risk of Chronic Homelessness. NPLH was authorized by California Welfare and Institutions Code, sections 5849 and 5890 and provides capital financing for acquisition, design, construction, rehabilitation, and capitalized operating subsidies to allow counties to increase capacity of PSH. HCD administers the NPLH Program for counties for construction of PSH.

On August 6, 2019, your Board approved Agreement No. 19-374 with UPH to serve as a development sponsor/co-applicant with the County on supportive housing opportunities, including NPLH. On December 10, 2019, your Board approved Resolution No. 19-457 with HCD for the County's participation in NPLH - Round Two and the application submitted by UPH for Butterfly Gardens, a 75-unit supportive housing project to be located at 784 W. Holland, Clovis, California. During May 2020, HCD awarded the Butterfly Gardens application. The units integrate 36 NPLH qualified tenants at 15% Area Median Income and referred through the Coordinated Entry System, 37 tenants referred by the Department at 30% AMI and defined as special needs: persons with physical, mental, developmental disabilities, and two units for community builders/staff.

Approval of the recommended actions will authorize required documentation related to Butterfly Gardens.

The first recommended action commits the County to a minimum 20 years of supportive services for the tenants. Exodus, as the County's contracted supportive services provider, will ensure the availability of on-site supportive services, an essential component to assist tenants in maintaining their housing. UPH will provide property management services and ownership responsibilities at the development. The County is not a party to the ownership of the development. UPH assumes all liability and responsibility for the development.

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The second recommended action ensures affordability for tenants by imposing restrictions of rent limits upon UPH during the 55-year term of the Regulatory Agreement.

The third recommended action establishes a relationship of County being Junior Lienholder of Butterfly Gardens to U.S. National Bank and is required by the State's California Municipal Finance Authority Multifamily Housing Revenue Bonds for U.S. National Bank to buy the bonds used to finance the development.

Butterfly Gardens is scheduled to commence with construction during early May 2021, with anticipated leasing of units to commence approximately 12 to 14 months after start of construction.

OTHER REVIEWING AGENCIES:

The Department keeps the County Behavioral Health Board updated with housing updates, including the Butterfly Gardens development.

REFERENCE MATERIAL:

BAI #32, March 23, 2021
BAI #58.1, December 15, 2020
BAI #30, October 6, 2020
BAI #34, December 10, 2019
BAI #39, July 9, 2019
BAI #9, January 29, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with UPH Butterfly Gardens, LP
On file with Clerk - Regulatory Agreement
On file with Clerk - Subordination Agreement

CAO ANALYST:

Sonia M. De La Rosa