

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY  
AND RECORD OF ACTION**

September 26, 2023

**FROM**

**CARRIE HARMON, Director, Community Development and Housing Department**  
**GEORGINA YOSHIOKA, Director, Department of Behavioral Health**

**SUBJECT**

California Housing Finance Agency Local Government Special Needs Housing Program  
Financing Loan Assignment – Desert Haven

**RECOMMENDATION(S)**

1. Approve Special Needs Housing Program Assignment and Assumption **Agreement No. 23-1025** (CalHFA Development No. 19-083-M), between the California Housing Finance Agency, the County, and Desert Haven Victorville, LP, whereby the County will assume the \$2,173,669 promissory note and all of the rights and responsibilities related to the development of the Desert Haven multifamily residential rental housing project offering supportive services, on the date signed by the California Housing Finance Agency.
2. Authorize the Chair of the Board of Supervisors, the Chief Executive Officer, or the Director of Community Development and Housing Department, upon consultation with County Counsel, to make any necessary non-substantive amendments and approve and execute all ancillary documents required for the project's financing closing.
3. Direct the Director of Community Development and Housing Department to transmit any non-substantive amendments to the Clerk of the Board of Supervisors within 30 days of execution.

(Presenter: Carrie Harmon, Director 382-3983)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Provide for the Safety, Health and Social Service Needs of County Residents.**

**Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.**

**FINANCIAL IMPACT**

This item will not result in the use of Discretionary General Funding (Net County Cost). The funding is a one-time capital funding loan for the development of the Desert Haven multifamily residential rental housing project (Project) made by the California Housing Finance Agency (CalHFA) for unit construction. The capital funding loan from CalHFA will be re-paid by Desert Haven Victorville, LP (Desert Haven). CalHFA is assigning the loan to the County and the County is assuming the loan. There are no locally held County funds.

**BACKGROUND INFORMATION**

The Special Needs Housing Program (SNHP) is an option for local governments to begin or continue to develop supportive housing for California Mental Health Services Act (MHSA) eligible persons, and to use MHSA funds more fully for housing purposes. SNHP funds were created as a bridge between the expired MHSA Housing Program and the No Place Like Home (NPLH) Program.

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Housing Program Financing Loan Assignment - Desert Haven  
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The Project will provide permanent supportive housing to eligible Department of Behavioral Health (DBH) clients with mental illness who are homeless or at risk of being homeless and meet the requirements of the MHSA Housing Program target population. The Project, located at 16959 Stoddard Wells Road in the City of Victorville, consists of 31 total units of which 24 are one-bedroom units and seven are studio units. Fifteen of the one-bedroom units are designated as SNHP Housing Program for permanent supportive housing for eligible adults.

Approval of this item will approve the Assignment and Assumption Agreement (CalHFA Development No. 19-083-M (SNHP Loan Agreement)), previously approved by the Board of Supervisors (Board) on September 14, 2021 (Item No. 15) as Agreement No. 21-655. The various funding agencies worked together to approve the terms of the SNHP Loan Agreement, however, due to delays caused by the COVID-19 pandemic, and because this process took longer than anticipated, CalHFA is requesting the updated SNHP Loan Agreement be approved and executed by the Board because the previous Agreement was not executed by CalHFA.

On December 17, 2019 (Item No. 18), the Board authorized the submission of a Local Government Special Needs Housing Program (SNHP) financing application to CalHFA for the Project in the loan amount of \$2,173,669.

On July 21, 2020, CalFHA sent a letter to DBH proposing CalFHA assign the SNHP Loan Agreement to the County for monitoring. The SNHP Loan Agreement defines the terms and obligations of the parties during the loan period. Under the proposal, CalHFA would assign the entirety of CalHFA's rights, interests, and obligations under the SNHP Loan Agreement to the County, which would be administered by the Community Development and Housing Department (CDH) to reduce costs by eliminating duplicate monitoring fees and reporting.

On September 14, 2021, (Item No. 15), the Board approved the SNHP Loan Agreement between CalHFA, the County, and Desert Haven whereby the County assumed the \$2,173,669 promissory note and all the rights and responsibilities related to the Project, offering supportive services for those diagnosed as mentally ill.

Once the SNHP Loan Agreement is approved, CDH will be responsible for monitoring the Project to ensure the property complies with SNHP requirements. The developer will pay the annual SNHP servicing fee of \$7,500 to the County. This arrangement would allow the developer to report and pay monitoring fees to one oversight entity for the loan. As part of the SNHP Loan Agreement, the County's risk is limited as the developer indemnifies CalHFA and the County from losses resulting from the SNHP Loan Agreement operation of the Project; and, the County, as assignee, indemnifies CalHFA from losses arising from the Assignment and Assumption Agreement, the occupancy of the Project, and monitoring of the Project.

**PROCUREMENT**

N/A

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on August 29, 2023; Finance (Christopher Lange, Administrative Analyst, 386-8393) on September 6, 2023; County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0238) on September 11, 2023.

**California Housing Finance Agency Local Government Special Needs  
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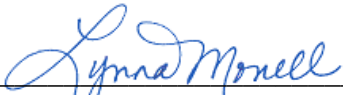
Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Joe Baca, Jr. Seconded: Jesse Armendarez

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: September 26, 2023



cc: CDH - Harmon w/agree  
Contractor - c/o CDH w/agree  
File - w/agree

CCM 09/29/2023