



Contra
Costa
County

To: Board of Supervisors
From: John Kopchik, Director, Conservation & Development Department
Date: January 22, 2019

Subject: AUTHORIZATION TO PARTICIPATE IN THE NO PLACE LIKE HOME PROGRAM/COMPETITIVE

RECOMMENDATION(S):

ADOPT Resolution No. 2019/28 authorizing the Department of Conservation and Development Director, or designee, to apply for and accept loan funds from the State of California's No Place Like Home Program (NPLH)/Competitive Allocation as a joint applicant with a development sponsor for a loan in an amount not to exceed \$20 million per project to fund a portion of an affordable permanent supportive housing project for persons with a serious mental illness who are homeless, chronically homeless or at-risk of chronic homelessness, including:

1. Authorizing the Department of Conservation and Development (DCD) Director to apply for and accept NPLH funds with Satellite Affordable Housing Associates (the "Development Sponsor") for a 30-unit new construction development project located at 901 Los Medanos Street in the City of Pittsburg, and execute documents necessary to accept the funds;
2. Acknowledging that the County and/or the Development Sponsor will be subject to the terms and conditions included in the Standard Agreement to be entered into with the State pursuant to Government Code section 15463, Part 3.9 of Division 5 of the Welfare and Institutions Code, and Welfare and Institutions Code section 5890; and

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **01/22/2019** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 22, 2019

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stephanie Mello, Deputy

Contact: Kristen Lackey (925)
674-7793

3. Authorizing a commitment by the Health Services Department (HSD) to make mental health supportive services available to the project's NPLH tenants for at least twenty years, as evidenced by a Memorandum of Understanding between the County and the Development Sponsor.

FISCAL IMPACT:

The NPLH Competitive Allocation funds will be loaned directly to the Development Sponsors and secured by a Deed of Trust on the development property. The cost of providing mental health supportive services will be covered by existing Mental Health Services Act funds allocated to the Health Services Department. DCD staff costs will be covered by Special Revenue Funds designated for affordable housing.

BACKGROUND:

On September 18, 2018, the Board of Supervisors approved an advocacy position for Proposition 2 that authorized the issuance of bonds to fund existing housing programs for individuals with mental illness. The proposition was passed by voters on November 6, 2018. The proceeds of the Proposition 2 bond issuance are designated for the No Place Like Home (NPLH) program to be provided as deferred payment loans for the development of permanent supportive housing for persons with a serious mental illness who are homeless, chronically homeless or at-risk of chronic homelessness. NPLH funds are administered by the California Department of Housing and Community Development (HCD) in two tranches:

1. Noncompetitive Allocation Funds – Funding available on an “over the counter” basis to specific cities and counties throughout the State. Contra Costa’s allocation is \$2,231,571. The County is required to submit a Noncompetitive Allocation Acceptance Form with a Board approved resolution to HCD no later than August 15, 2019 in order to apply for funds on behalf of specific development projects. A Board Order for the Noncompetitive Funds will be on the February 12, 2019 agenda.

2. Competitive Allocation Funds - Funding available on a competitive per-project allocation basis. These funds will be available through four Notice of Funding Availability rounds over the next four years. The County may apply independently or with a development sponsor. Applications for the first round are due on January 30, 2019.

The funds may be used to acquire, design, construct, rehabilitate, or preserve permanent supportive housing, which may include a capitalized operating subsidy reserve.

During the annual Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) Kick-off meeting, staff announced the potential for No Place Like Home funds if the election was successful. The budgets submitted in the CDBG and HOME applications indicated which projects proposed the use of NPLH funds. The Development Sponsor’s application for the new construction of a 30-unit project located in the City of Pittsburg was the only project ready for the first round of NPLH allocation. The Board of Supervisors approved this project for an allocation of \$1,195,000 in HOME Investment Partnerships Program funds at its December 11, 2018 meeting. The Development Sponsor will be the borrower of record for the loan, however the County will also be a party to documents associated with the application for and award of NPLH funds for the purpose of providing the supportive

services. The maximum loan amount per project is \$20,000,000, and the loan will be secured by a Deed of Trust on the project property.

DCD and HSD will work jointly with the Development Sponsor to apply to HCD for an allocation of NPLH competitive funds. DCD staff will review the project application for development feasibility, competitiveness and eligibility, then participate on behalf of the County in the financing transaction. The Behavioral Health division of HSD, in cooperation with the Development Sponsor, will write the project specific Supportive Services Plan that is included with the application, and enter into a Memorandum of Understanding for the County's 20-year commitment of mental health supportive services of the project's NPLH tenants. HCD will monitor the project for ongoing compliance.

The next NPLH NOFA is expected to be in December 2019.

CONSEQUENCE OF NEGATIVE ACTION:

If not approved, the County's ability to secure permanent supportive housing for persons with a serious mental illness who are Homeless, Chronically Homeless or At-Risk of Chronic Homelessness will be diminished.

CHILDREN'S IMPACT STATEMENT:

Permanent supportive housing supports the following children's outcomes: (1) Children Ready for and Succeeding in School; (2) Children and Youth Healthy and Preparing for Productive Adulthood; (3) Families that are Economically Self Sufficient; (4) Families that are Safe, Stable and Nurturing; and (5) Communities that are Safe and Provide a High Quality of Life for Children and Families.

ATTACHMENTS

Resolution 2019/28