



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: December 17, 2019

Subject: Authorization to Participate in the No Place Like Home Program/Competitive Allocation

RECOMMENDATION(S):

ADOPT Resolution No. 2019/660 authorizing the Department of Health Services Department Director to apply for and if awarded, accept loan funds from the State of California's No Place Like Home Program (NPLH)/Competitive Allocation, Round 2, as a sole applicant or 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 Health Services Director (HSD) to apply for and if awarded, accept NPLH funds, as the sole applicant or with one or more affordable housing developers (Development Sponsor) and enter into, execute and deliver all documents required or deemed necessary to accept the funds;
2. Acknowledging that the County and Development Sponsor, if any, shall be subject to the terms and conditions included in the State of California Standard Agreement to be entered into 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
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **12/17/2019** ☒ 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: December 17, 2019

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

Contact: Suzanne Tavano, Ph.D.,
925-957-5201

By: June McHuen, Deputy

RECOMMENDATION(S): (CONT'D)

3. Authorizing the Health Services Department, to make mental health supportive services available to the project's NPLH tenants for a minimum of twenty years, and to coordinate the provision of referrals to other services pursuant to the County's Supportive Services Plan, including substance use services.
4. Authorizing the Health Services Department to execute a Memorandum of Understanding between the County and Development Sponsor, to include the County's commitment to providing mental health supportive services to the project's NPLH tenants for a minimum of twenty years.

FISCAL IMPACT:

The NPLH Competitive Allocation funds will be loaned directly to the Development Sponsors, in the case of a joint application, or directly to the County if a sole applicant. The NPLH Competitive Allocation funds will be 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 HSD.

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 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 submitted its Noncompetitive Allocation Acceptance Form to HCD and has these funds available to use for a future project.
2. Competitive Allocation Funds - Funding available on a competitive per-project allocation basis. These funds will be available through three Notice of Funding Availability rounds over the next three years. The County may apply independently or with a development sponsor. Applications for the second round are due on January 8, 2020.

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

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 long-term 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.

If authorized, DCD and HSD will work jointly with the Development Sponsor to apply to HCD for an allocation of NPLH competitive funds for one or more projects. DCD staff will review project applications for compliance with threshold requirements, development feasibility, competitiveness and eligibility, and 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 regarding 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.

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.

ATTACHMENTS

Resolution 2019/660