



**Contra  
Costa  
County**

To: Board of Supervisors  
From: Anna Roth, Health Services Director  
Date: January 5, 2021

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

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**RECOMMENDATION(S):**

ADOPT Resolution No. 2021/23 authorizing the Department of Health Services Department Director to apply for and accept loan funds from the State of California's No Place Like Home Program (NPLH)/Competitive Allocation, Round 3, as a sole applicant or 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 Health Services Director (HSD) to apply for and accept NPLH funds with one or more affordable housing developers, or as the sole applicant (the "Development Sponsor") 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

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Action of Board On: **01/05/2021** ☒ 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 5, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Suzanne Tavano,  
925-957-5201

3. Authorizing a commitment by the Health Services Department to make mental health supportive services

### RECOMMENDATION(S): (CONT'D)

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 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 four Notice of Funding Availability rounds over the next four years. The County may apply independently or with a development sponsor. Applications for the third round are due on January 29, 2021.

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 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.

HSD will work jointly with the Development Sponsor to apply to HCD for an allocation of NPLH competitive funds for one or more projects. 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 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.

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 2021/23