



**Contra
Costa
County**

To: Board of Supervisors
From: Anna Roth, Health Services Director
Date: January 18, 2022

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

RECOMMENDATION(S):

1. ADOPT Resolution No. 2022/11 authorizing the 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 4, as a joint applicant with a Resources for Community Development (RCD), as development sponsor, for a loan in an amount not to exceed \$20 million to fund a portion of an affordable permanent supportive housing project on Ygnacio Valley Road in Walnut Creek for persons with a serious mental illness who are homeless, chronically homeless or at-risk of chronic homelessness, including:

- a.** Authorizing the Department of Health Services Director (HSD) to apply for and accept NPLH funds with the affordable housing developer, Resources for Community Development, as a joint applicant (the "Development Sponsor") and execute documents necessary to accept the funds;
- b.** 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
- c.** Authorizing a commitment by the Health Services Department to make mental health supportive services available to the project's NPLH tenants for at least twenty years.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **01/18/2022** ☒ 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 18, 2022

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

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

By: Antonia Welty, Deputy

2. ADOPT Resolution No. 2022/34 authorizing the 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 4, as a joint applicant with Community Housing Development Corporation, as a development sponsor, for a loan in an amount not to exceed \$20 million to fund a portion of an affordable permanent supportive housing project on Fred Jackson Way in Richmond for persons with a serious mental illness who are homeless, chronically homeless or at-risk of chronic homelessness, including:

RECOMMENDATION(S): (CONT'D)

- a.** Authorizing the Department of Health Services Director (HSD) to apply for and accept NPLH funds with the affordable housing developer Community Housing Development Corporation, as a joint applicant (the "Development Sponsor") and execute documents necessary to accept the funds;
- b.** 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
- c.** Authorizing a commitment by the Health Services Department to make mental health supportive services available to the project's NPLH tenants for at least twenty years.

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 made its selection as part of the Round 3 Request for Proposals and Noncompetitive Allocation has been awarded by HCD to the selected bidder.
- 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 with the current Round 4 being the last of the expected competitive rounds. The County may apply independently or with a development sponsor. Applications for the fourth round are due on January 19, 2022. 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. As a joint sponsor, the County shall be jointly and severally liable for all obligations of the Development Sponsor as set forth in the Standard Agreement.

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 Services 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 two projects are known as 699 YVR on Ygnacio Valley Road in Walnut Creek with Resources for Community Development (RCD) and Legacy Court on Fred Jackson Way in Richmond with Community Housing Development Corporation (CHDC) and Eden Housing.

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 2022/11

Resolution No. 2022/34