County Executive Office

Memorandum

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2019 SEP 20 AM 10: 10
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

September 19, 2019

To: Clerk of the Board of Supervisors

From: Frank Kim, County Executive Officer

Subject: Exception to Rule 21

S38F

The County Executive Office is requesting a Supplemental Agenda Staff Report for the September 24, 2019, Board Hearing.

Agency: Health Care Agency
Subject: Special Needs Housing Projects
Districts: 1, 3, 5

Reason for supplemental: The Health Care Agency is recommending Special Needs Housing Program (SNHP) funding in order to expedite the development of projects applying for No Place Like Home funding and to increase the County's Mental Health Services Act units. This ASR and attachments were finalized after the filing deadline to the Clerk of the Board.

Concur: _____
Chairwoman Lisa A. Bartlett, Supervisor, Fifth District

cc: Board of Supervisors
County Executive Office
County Counsel

Agenda Item S38F
Clerk's Use Only

SUPPLEMENTAL AGENDA ITEM
AGENDA STAFF REPORT

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2019 SEP 20 AM 10: 10
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

MEETING DATE:	09/24/19
LEGAL ENTITY TAKING ACTION:	Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S):	1,3,5
SUBMITTING AGENCY/DEPARTMENT:	Health Care Agency
DEPARTMENT HEAD REVIEW:	*Department Head Signature*
DEPARTMENT CONTACT PERSON(S):	Annette Mugrditchian (714) 834-5026 Jeff Nagel (714) 834-7024

SUBJECT: Special Needs Housing Projects

CEO CONCUR	COUNTY COUNSEL REVIEW	CLERK OF THE BOARD
CEO Signature	Approved to Form *Action* *County Counsel Signature*	Discussion 3 Votes Board Majority

Budgeted: N/A **Current Year Cost:** N/A **Annual Cost:** N/A

Staffing Impact: No **# of Positions:** **Sole Source:** N/A

Current Fiscal Year Revenue: N/A

Funding Source: N/A **County Audit in last 3 years**: No

Prior Board Action: 07/30/2019 #15, 10/30/2018 #S23E, 06/26/2018 #56, 06/12/2018 #1

RECOMMENDED ACTION(S)

1. Approve Villa St. Joseph located at 480 S. Batavia Street, Orange, for Special Needs Housing Program funding for 18 Mental Health Service Act units as more specifically described in Attachment A, and authorize the Health Care Agency Direct or designee to execute the Local Government Certification and Regulated Unit Occupancy Restrictions form for this project as contained in Attachment A.

2. Approve The Groves Senior Apartments located along Camino Capistrano and Junipero Road in San Juan Capistrano, for Special Needs Housing Program funding for 10 Mental Health Services Act units as more specifically described in Attachment B, and authorize the Health Care Agency Director or designee to execute the Local Government Certification and Regulated Unit Occupancy Restrictions form for this project as contained in Attachment B.

3. Approve Mountain View located at 24551 Raymond Way, Lake Forest, for Special Needs Housing Program funding for 12 Mental Health Services Act units as more specifically described in

Attachment C, and authorize the Health Care Agency Director or designee to execute the Local Government Certification and Regulated Unit Occupancy Restrictions form for this project as contained in Attachment C.

4. Approve Casa Paloma located at 15162-15182 Jackson Street, Midway City, for Special Needs Housing Program funding for 24 Mental Health Services Act units as more specifically described in Attachment D, and authorize the Health Care Agency Director or designee to execute the Local Government Certification and Regulated Unit Occupancy Restrictions form for this project as contained in Attachment D

5. Approve WISEPlace PSH located at 1411 N. Broadway, Santa Ana, for Special Needs Housing Program funding for 8 Mental Health Services Act units as more specifically described in Attachment E, and authorize the Health Care Agency Director or designee to execute the Local Government Certification and Regulated Unit Occupancy Restrictions form for this project as contained in Attachment E.

SUMMARY:

Approval of Special Needs Housing Program funding will help the County develop permanent supportive housing for people with serious mental illness who are also experiencing homelessness, and expedite efforts to develop 2,700 units of permanent supportive housing in Orange County.

BACKGROUND INFORMATION:

On September 13, 2016, your Honorable Board of Supervisors (Board) approved the Participation Agreement with the California Housing Finance Agency (CalHFA) for the Special Needs Housing Program (SNHP) for purposes of creating permanent supportive housing for Orange County adult and older adult residents with a serious mental illness who are also experiencing homelessness or at-risk of homelessness. On July 30, 2019, your Board approved the First Amendment to the Participation Agreement with CalHFA for the SNHP. The amended agreement established deadlines for submitting an application to CalHFA due to the upcoming termination of the SNHP, and allowed California Department of Housing and Community Development (State HCD) to perform the underwriting for SNHP Loans made in conjunction with a No Place Like Home (NPLH) Loan or Grant.

On March 27, 2018, your Board directed $70.5 million from the County's Mental Health Services Act (MHSA)/Community Services and Support fund toward the acquisition and/or renovation of properties for permanent supportive housing for individuals living with mental illness. On June 12, 2018, your Board approved the MHSA $70.5 million Permanent Supportive Housing Spending Plan (MHSA Spending Plan) and authorized the Health Care Agency (HCA) to submit project applications to CalHFA for SNHP.

Because of Board actions on June 26, 2018, and October 30, 2018, your Board approved the allocation of $40 million to SNHP, and approved the Orange County Housing Funding Strategy (Housing Funding Strategy) and NPLH Addendum. The Housing Funding Strategy and the NPLH Addendum to the Housing Funding Strategy outlined key strategies to maximize housing funding for Orange County in order to stimulate the development of 2,700 units of supportive housing. One of the key strategies is to commit locally controlled supportive housing funding in order to ensure that projects are financially feasible and that units are developed. In order to achieve this, the NPLH Addendum recommended committing SNHP funds to projects that are also seeking NPLH funds from the State HCD.

In order to expedite the development of projects also applying for NPLH funding and increase MHSA units, HCA is recommending SNHP funding for the following projects as described below. HCA will return to your Board later, to obtain NPLH funding approval for these projects.

Name	City	Developer	Requested MHSA Units	Total Units in Project
Villa St. Joseph	Orange	Mercy Housing California	18	50
The Groves Senior Apartments	San Juan Capistrano	C&C Development	10	75
Mountain View	Lake Forest	National CORE	12	71
Casa Paloma	Midway City	American Family Housing	24	49
WISEPlace PSH	Santa Ana	Jamboree Housing Corporation	8	52
		Total	72	297

The County of Orange has developed and completed 194 MHSA units. With the approval of these projects under SNHP funding, your Board will have approved the development for an additional 230 MHSA units since May 2018, as more specifically described in Attachment F.

HCA requests your Board to approve Villa St. Joseph, The Groves Senior Apartments, Mountain View, Casa Paloma and WISEPlace PSH for SNHP funding and authorize the HCA Director or designee to execute the SNHP Local Government Certification and Regulated Unit Occupancy Restrictions form for these projects as referenced in the Recommended Actions above.

FINANCIAL IMPACT:

N/A

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A – Villa St. Joseph SNHP Financing Application Local Government Certification and Regulated Unit Occupancy Restrictions forms
Attachment B – The Groves Senior Apartments SNHP Financing Application Local Government Certification and Regulated Unit Occupancy Restrictions forms
Attachment C – Lake Forest Project SNHP Financing Application Local Government Certification and Regulated Unit Occupancy Restrictions forms
Attachment D – Casa Paloma SNHP Financing Application Local Government Certification and Regulated Unit Occupancy Restrictions forms
Attachment E-WISEPlace Supportive Housing SNHP Financing Application Local Government Certification and Regulated Unit Occupancy Restrictions forms
Attachment F - MHSA Housing Projects