



## County Executive Office

### Memorandum

December 5, 2019

To: Clerk of the Board of Supervisors

From: Frank Kim, County Executive Officer *for Maguire*

Subject: Exception to Rule 21

RECEIVED  
2019 DEC -5 PM 2:56  
CLERK OF THE BOARD  
ORANGE COUNTY  
BOARD OF SUPERVISORS

*S29E*

The County Executive Office is requesting a Supplemental Agenda Staff Report for the December 10, 2019, Board Hearing.

Agency: Health Care Agency

Subject: Approve No Place Like Home/Special Needs Housing Projects

Districts: 1, 2, 3, 5

**Reason for supplemental:** The County Executive Office is requesting that this item be added to the December 10, 2019, Board agenda as a Supplemental Item to enable the submittal of No Place Like Home project applications and use unencumbered Special Needs Housing Project funds within the state-specified timing requirements. This Agenda Staff Report and attachments were finalized after the filing deadline to the Clerk of the Board.

*Lisa A. Bartlett*

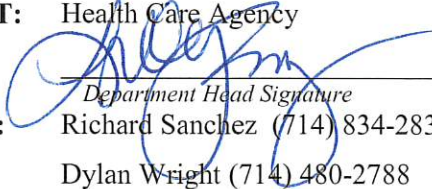
Concur:

Chairwoman Lisa A. Bartlett, Supervisor, Fifth District

cc: Board of Supervisors  
County Executive Office  
County Counsel

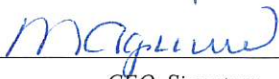



# SUPPLEMENTAL AGENDA ITEM AGENDA STAFF REPORT

**MEETING DATE:** 12/10/19  
**LEGAL ENTITY TAKING ACTION:** Board of Supervisors  
**BOARD OF SUPERVISORS DISTRICT(S):** 1, 2, 3, 5  
**SUBMITTING AGENCY/DEPARTMENT:** Health Care Agency  
**DEPARTMENT HEAD REVIEW:**   
*Department Head Signature*  
**DEPARTMENT CONTACT PERSON(S):** Richard Sanchez (714) 834-2830  
Dylan Wright (714) 480-2788

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2019 DEC -5 PM 2:56  
CLERK OF THE BOARD  
COUNTY OF ORANGE  
BOARD OF SUPERVISORS

**SUBJECT:** Approve No Place Like Home / Special Needs Housing Projects

<b>CEO CONCUR</b>  <i>CEO Signature</i>	<b>COUNTY COUNSEL REVIEW</b> <u>No Legal Objection</u> <i>Action</i>  <i>County Counsel Signature</i>	<b>CLERK OF THE BOARD</b> Discussion  3 Votes Board Majority
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**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:** 09/24/2019 #S38F, 10/30/2018 #S23E, 06/26/2018 #56, 06/12/2018 #1

## RECOMMENDED ACTION(S)

1. Adopt the No Place Like Home County Project Authorizing Resolution for Projects Utilizing Competitive Allocation Funds as contained in Attachment A.
2. Authorize Health Care Agency Director, or designee, to submit a project application to California Department of Housing and Community Development for \$6,508,000 for the No Place Like Home Competitive Notice Of Funding Availability to be used to fund the Casa Paloma project by American Family Housing, located at 15162-15182 Jackson St., Midway City, and authorize Health Care Agency Director or designee to execute related No Place Like Home application documents.
3. Authorize Health Care Agency Director, or designee, to submit a project application to California Department of Housing and Community Development for \$7,110,880 for the No Place Like Home Competitive Notice Of Funding Availability to be used to fund the Westview House project by Community Development Partners, located at 2530 Westminster Ave., Santa Ana, and authorize Health Care Agency Director or designee to execute related No Place Like Home application documents.



4. Authorize Health Care Agency Director, or designee, to submit a project application to California Department of Housing and Community Development for \$6,386,700 for the No Place Like Home Competitive Notice Of Funding Availability to be used to fund the Huntington Beach Senior Housing by Jamboree Housing Corporation, located at 18431 Beach Blvd., Huntington Beach, and authorize Health Care Agency Director or designee to execute related No Place Like Home application documents.
5. Authorize Health Care Agency Director, or designee, to submit a project application to California Department of Housing and Community Development for \$4,882,032 for the No Place Like Home Competitive Notice Of Funding Availability to be used to fund the Villa St. Joseph project by Mercy Housing California, located at 480 S. Batavia St., Orange, and authorize Health Care Agency Director or designee to execute related No Place Like Home application documents.
6. Authorize Health Care Agency Director, or designee, to submit a project application to California Department of Housing and Community Development for \$1,889,772 for the No Place Like Home Competitive Notice Of Funding Availability to be used to fund the Mountain View project by National CORE, located at 24551 Raymond Way, Lake Forest, and authorize Health Care Agency Director or designee to execute related No Place Like Home application documents.
7. Authorize Health Care Agency to utilize any unencumbered Special Needs Housing Project balance of funds to extend affordability for existing Mental Health Services Act Housing or Special Needs Housing Program projects and authorize Health Care Agency Director or designee to execute the Special Needs Housing Program Mental Health Services Act Fund Release and Transfer Authorization form as contained in Attachment B.

#### **SUMMARY:**

Approval to submit projects to apply for No Place Like Home competitive funding and approval to utilize unencumbered Special Needs Housing funds will help the County develop and extend affordability of 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:**

In 2016, Governor Brown signed legislation enacting the No Place Like Home (NPLH) Program, which dedicated \$2 billion in bond proceeds to develop supportive housing for those individuals experiencing homelessness and are eligible for Mental Health Services Act (MHSA) program services. The funding, which will be repaid through MHSA funds, will be available through both a non-competitive allocation to each County and in the form of competitive Notices of Funding Availability (NOFA).

The County is required to be an applicant, or a co-applicant with a development sponsor (housing developer), on any NPLH competitive funding application. The Health Care Agency (HCA) will provide a 20-year supportive services commitment to residents of NPLH units. Projects that leverage other sources of capital and operating subsidies, as well as public capital and vouchers through the County's Permanent Supportive Housing NOFA, will receive more points on the competitive application.

On March 27, 2018, your Honorable Board of Supervisors (Board) directed \$70.5 million from the County's 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).

On June 26, 2018, and October 30, 2018, your Board approved the Orange County Housing Funding Strategy (Housing Funding Strategy) and the NPLH Addendum, respectively. The Housing Funding Strategy and the NPLH Addendum outlined key strategies to maximize housing funding for Orange County in order to stimulate the development of 2,700 unit 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 Special Needs Housing Program (SNHP) funds to projects that are also seeking NPLH funds from the California Department of Housing and Community Development (State HCD).

On September 24, 2019, your Board approved SNHP funding for Villa St. Joseph, Mountain View and Casa Paloma, in order to ensure these projects receive more points on the NPLH competitive application and are financially feasible.

On September 27, 2019, State HCD released the second NPLH competitive NOFA, with applications due January 8, 2020. In this second NOFA, up to \$90.8 million in funding is available for the large counties. Orange County is one of 11 large counties that will compete for this funding.

In order to expedite the development of projects and increase MHSA units, HCA is requesting approval for the following projects as described below.

<b>Name</b>	<b>City</b>	<b>Developer</b>	<b>Requested NPLH units</b>	<b>Requested SNHP units</b>	<b>Total Requested NPLH/SNH P units</b>	<b>Total units in project</b>
Casa Paloma	Midway City	American Family Housing	24	24	24	49
Westview House	Santa Ana	Community Development Partners	26	N/A	26	85
Huntington Beach Senior Housing	Huntington Beach	Jamboree Housing Corp.	20	N/A	20	43
Villa St. Joseph	Orange	Mercy Housing California	18	18	18	50
Mountain View	Lake Forest	National CORE	12	12	12	71
<b>Total</b>			<b>100</b>	<b>54</b>	<b>100</b>	<b>298</b>

The County of Orange has developed and completed 194 MHSA units. With the approval of these projects under NPLH funding, your Board will have approved the development for an additional 396 MHSA units since May 2018, as more specifically described in Attachment C.



On November 4, 2019, California Department of Health Care Services released a notice directing Counties wishing to apply unencumbered SNHP funds to the Capitalized Operating Subsidy Reserves for existing MHSA Housing Program or SNHP project to submit the SNHP MHSA Fund Release and Transfer Authorization Form to California Housing Finance Agency (CalHFA) by January 3, 2020. This is due to the upcoming termination of SNHP. Applying the unencumbered SNHP funds will extend the affordability of existing projects.

HCA requests your Board's approval to submit NPLH project applications, jointly with American Family Housing for the Casa Paloma, Community Development Partners for the Westview House, Jamboree Housing Corporation for the Huntington Beach Senior Housing, Mercy Housing California for the Villa St. Joseph and National CORE for the Mountain View, for competitive NPLH funding, and authorize the HCA Director or designee to execute the NPLH application and all documents required to submit the application as referenced in the Recommended Actions above.

HCA further requests your Board's approval to apply unencumbered SNHP funds to existing projects and authorize the HCA Director or designee to execute the SNHP MHSA Fund Release and Transfer Authorization form and submit to CalHFA as referenced in the Recommended Actions above.

**FINANCIAL IMPACT:**

N/A

**STAFFING IMPACT:**

N/A

**ATTACHMENT(S):**

Attachment A - No Place Like Home County Project Authorizing Resolution for Projects Utilizing Competitive Allocation Funds

Attachment B - SNHP MHSA Fund Release and Transfer Authorization Form

Attachment C - MHSA Housing Projects