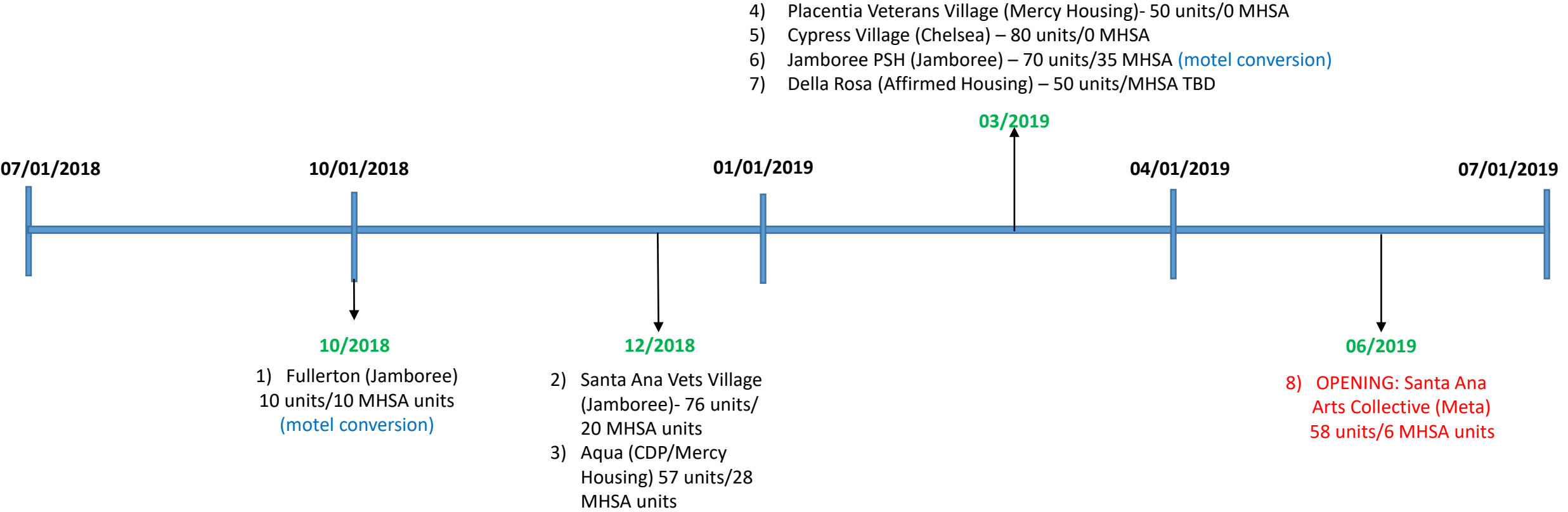


Amended Proposed Mental Health Services Act \$70.5M Permanent Affordable Housing Spending Plan

~~June 12, 2018~~ December 17, 2019

Note: All recommendations in this presentation are subject to Board of Supervisors approval. Some are subject to additional approval such as California Housing Finance Agency or the conclusion of negotiations with developers. The recommendations in this presentation, should by no means, be considered final.

Estimated Construction Dates FY 2018-19 for 11 Current Projects in NOFA and Special Needs Housing Program Pipeline



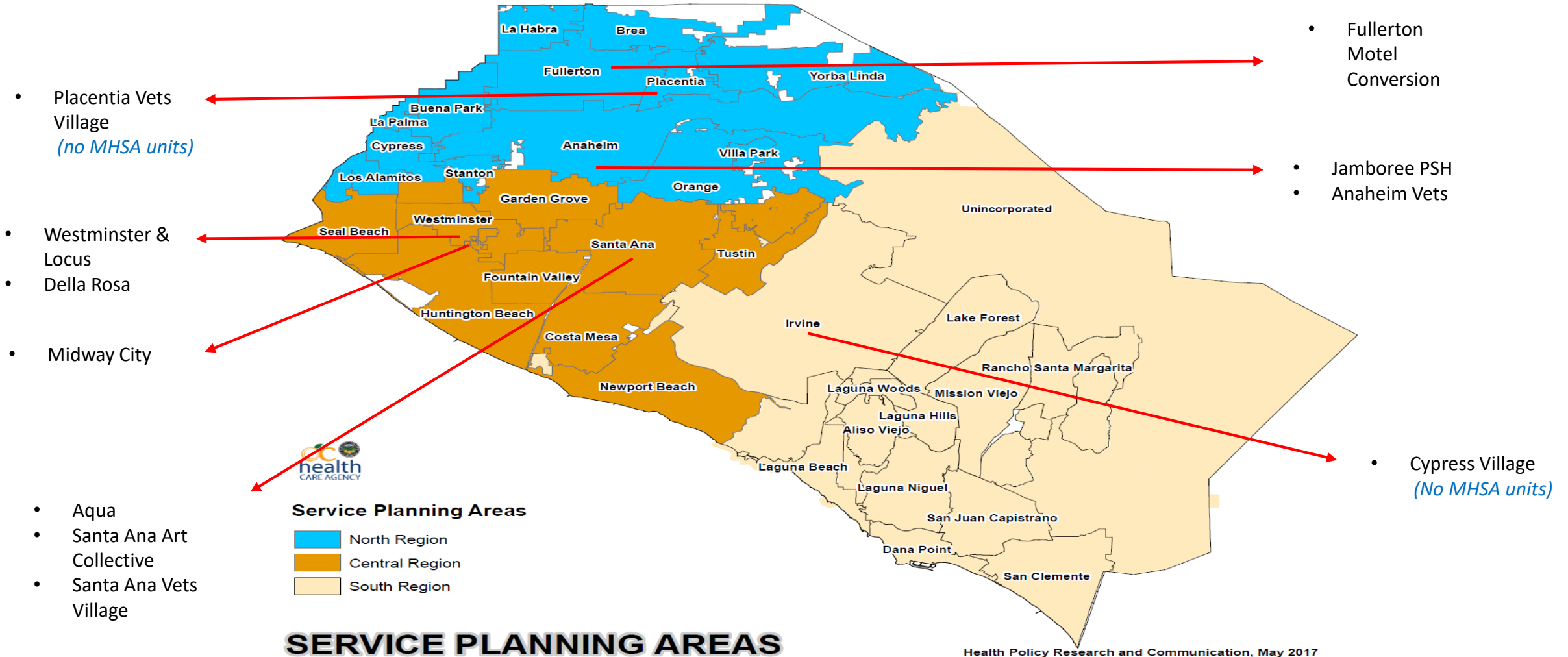
Other Notable Projects (beyond FY 2018-19)

- 9) Anaheim Vets (CDP/Mercy Housing) – Project Construction Date: 08/2019; 28 units (initial MHSA/SNHP request: 8 units)
- 10) Midway City/Jackson Street (American Family Housing) – Might be a navigation center and/or convert to permanent supportive housing (no application yet received)
- 11) Westminster & Locus (Meta)- Project Construction Date: 12/2019 (initial MHSA/SNHP request: 37 units)

TOTAL UNITS OF PROJECTS WITH IDENTIFIED CONSTRUCTION DATES

Housing units:	451 units
MHSA/SNHP units:	99 units

Current Projects Location According to Service Planning Areas



Recommended Strategy

Recommendation 1: Allocate Mental Health Services Act (MHSA) funds to projects that have already have Special Needs Housing Program (SNHP)/MHSA funds and/or submitted NOFA applications and are interested in SNHP funds. Increase allocation to SNHP Program.*

Projects that will not require any MHSA funding	Recommended Additional MHSA Funding
<ul style="list-style-type: none"> • Placentia Vets Village <ul style="list-style-type: none"> • 9% Financing Plan: <ul style="list-style-type: none"> • County - \$2.75M from previously approved NOFA; County Project Based VASH Vouchers; Requesting additional County NOFA funds. • County Ground Lease • City Loans • 4 % Financing Plan: <ul style="list-style-type: none"> • Veterans Housing and Homelessness Prevention (VHHP) grant • Cypress Village <ul style="list-style-type: none"> • Financing Plan: (4% tax credits/bond) <ul style="list-style-type: none"> • Requesting funds from NOFA • County 20 Project Based Vouchers 	<ul style="list-style-type: none"> • Jamboree PSH • Aqua • Santa Ana Vets Village • Santa Ana Arts Collective • Fullerton Motel Conversion <p>TOTAL: \$13,403,200</p>
	Upcoming Projects that may need additional MHSA Funding
	<ul style="list-style-type: none"> • Westminster/Locus • Anaheim Vets • Midway City/Jackson Street • Della Rosa

MHSA Funds Remaining After Allocations to Projects
\$57,096,800

*30-day public notice to allocate initial additional \$15 million to CalHFA for SNHP and/or to OCCR posted on 5-11-18

Recommended Strategy

Recommendation 2: Allocate additional funds to California Housing Finance Agency (CalHFA) under the SNHP program.

Considerations

- SNHP program has a solid process that has resulted in efficient lending for Orange County projects. Examples – Jamboree PSH, Aqua, Santa Ana Vets Village
- SNHP is managed by CalHFA, which alleviates the County from taking on additional administrative/management responsibilities.
- Developers are familiar with SNHP and its process.
- Local criteria could be updated for projects approved by the County to submit for SNHP funds.
- Once assigned to CalHFA for SNHP the funds are considered spent. (No risk of reversion)

Recommendation 3: The County opens a Continuous Request for Information (RFI) that coordinates creation of additional homeless/permanent supportive housing. OC Community Resources advises on financing plans for each project to ensure funding and coordination with County housing strategy.

Considerations

- The County reviews projects coming on-line on a continuous basis and recommendations for funding are made on a continuous basis throughout the year.
- An RFI will help the County gather and gauge interest from the developers and non-profit organizations interested in providing permanent supportive housing. Right now, staff is keeping a list of all projects that have been brought to the County's attention, but more work is needed to analyze and determine the validity of those projects.
- The County would build a criteria that includes, among other things, prioritizing Service Planning Areas and targeting those who are least-served such as Transitional Age Youth, non-MHSA eligible homeless individuals, etc.
- County could identify sources of funding to match with eligible/recommended projects to coordinate applications for funding and future development (i.e. SNHP, Housing Successor, HOME and potential future No Place Like Home, SB 2, and SB 3 funds).
- The process would take time to build but once built, the County will have a process for ongoing evaluation and awarding of funding for permanent supportive housing.

Recommended Strategy

Recommendation 4: Given the County investments in the creation of housing for homeless populations in this initiative, housing referral preference will be given to the Orange County Continuum of Care Coordinated Entry System, for homeless persons who meet project specific eligibility criteria (Veterans, Serious Mental Illness, Seniors, etc) and are prioritized within the Service Planning Area of the projects location. The Coordinated Entry System is now integrated within the Homeless Management Information System software, to ensure effective response coordination of these regional efforts.

Considerations

- This will allow the County to take a strategic approach toward housing the homeless population in the county.
- It will allow for the County to measure performance from point of entry in the Continuum of Care all the way through to permanent supportive housing.
- The data will allow for the County make evidence-based decisions.

Recommended Strategy

Recommendation 5: Allocate funds to the 2020 Supportive Housing Notice of Funding Availability.

Considerations

- OCCR has an existing Supportive Housing Notice of Funding Availability
- Allocating MHSA funds to the 2020 Supportive Housing Notice of Funding Availability will allow for continued investment in supportive housing throughout Orange County.

Recommendation 6: Allocate funds to the Orange County Housing Finance Trust.

Considerations

- Allocating MHSA funding to the Orange County Housing Finance Trust (Trust) will allow the Trust to leverage additional matching funds made available through the Local Housing Trust Fund Program to support development of supportive and affordable housing throughout Orange County.