



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 19-1210

Board Meeting Date: 12/10/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health
Scott Gilman, Director, Behavioral Health and Recovery Services

Subject: Authorization to Apply for No Place Like Home Program Funding

RECOMMENDATION:

Adopt a resolution delegating authority to the County Manager, or designee, to apply on behalf of the County, in partnership with non-profit housing developers, for the No Place Like Home Program loan funds, and to execute, amend, or terminate a standard agreement with the State of California, Department of Housing and Community Development for the delivery of mental health services for 20 years.

BACKGROUND:

On July 1, 2016, the state of California approved a bond measure to fund \$2 billion over a four-year period to create the No Place Like Home (NPLH) program. NPLH seeks to address the unmet need of the homeless population with severe mental illness, including adults, older adults, children, and transitional aged youth. Voters approved the bond measure, Proposition 2, on November 8, 2018. The California Department of Housing and Community Development (HCD) issued a notice of funding availability and issued its second installment of NPLH funds on September 27, 2019 for \$622 million. Approximately \$178 million of this amount is available through the HCD Competitive Allocation. The remaining \$444 million (including possible advances of Round 3 funds) is available under the Alternative Process County Allocations. Competitive applications are due on January 8, 2020. Application guidelines require the County Board of Supervisors to adopt a resolution in support of funding applications submitted by the County and its housing development sponsors. HCD will loan construction funds to the housing developer. The funded units will be maintained by the developer for the target population for 55 years.

DISCUSSION:

Behavioral Health and Recovery Services (BHRS) anticipates submitting multiple applications to the State for the development of housing units for the chronically homeless, at risk of homelessness, and severely mentally ill population including transitional aged youth. BHRS has been working in close coordination with the Department of Housing (DOH) to identify potential affordable housing projects

in the development pipeline that would be appropriate and competitive for NPLH funding. Based on discussions between DOH and BHRS, BHRS plans to apply with each of the following nonprofit housing development partners that have expressed strong interest in NPLH funding: Mercy Housing, MidPen Housing and EPA CAN DO, and LINC Housing Corporation. DOH will continue to assist BHRS and the nonprofit housing developers through the NPLH application process to ensure applications are submitted.

Mercy Housing proposes to provide approximately 20 NPLH units at its Middlefield Junction project, which consists of 179 units of affordable housing, located in Unincorporated North Fair Oaks. The project is anticipated to be completed in 2023. MidPen Housing and EPA CAN DO propose to provide approximately 15 NPLH units at their 965 Weeks Street project, which consists of 136 units of affordable housing, located in East Palo Alto. The project is anticipated to be completed in 2022. LINC Housing Corporation proposes to provide approximately five to eight NPLH units at its Belmont Affordable Housing project, which consists of 37 units of affordable housing, located in Belmont. The project is anticipated to be completed in 2022.

Awarded NPLH funds for construction and operations will be loaned by the State directly to each developer. Projects are required to have a minimum affordability period of 55 years, which is the term of the loan.

Pursuant to program requirements, BHRS must provide services to the individuals occupying the funded units for a minimum of 20 years. It is anticipated that 31 to 33 of the NPLH resident population will already be active BHRS clients whose cost of services, with the exception of on-site housing support services, is already included in the annual BHRS budget. BHRS is projecting that a range of 10 to 12 NPLH residents will be new to BHRS services at the time of unit leasing. BHRS has estimated the additional cost of annual community-based services for NPLH residents, including the on-site housing support services, to be \$11,741 to \$12,579 per client, per year. Actual costs may be lower depending on the level of care, intensity and frequency of services needed by each client over the 20-year period.

The agreement and resolution have been reviewed and approved by County Counsel as to form.

It is anticipated that 90% of individuals will remain stable in housing for at least one year.

PERFORMANCE MEASURE:

Measure	FY 2018-19 Actual	FY 2022-24 Projected
Percentage of individuals that remain stable in housing for at least one year	N/A*	90% *

* This is a new service, data will be available at a later date.

FISCAL IMPACT:

The application for NPLH loan funding will provide housing developers with funding, which is variable and dependent upon the total number of NPLH units approved for development. The estimated cost of services provided to NPLH clients will range from \$11,741 per client per year (for a minimum of 33 existing BHRS clients and 10 new BHRS clients) to \$12,579 per client per year (for a combination of 31 existing and 12 new BHRS clients). Funding for the required services will come from Medi-Cal,

Realignment, and MHSA funding. There is no Net County Cost. Funds for these services will be included in the BHRS FY 2022-23 Recommended Budget.