



Legislation Text

File #: 19-947, **Version:** 1

Authorize submission of a competitive grant application of up to \$12 million for the No Place Like Home Round 2 grant program in collaboration with non-profit developer Eden Housing and the City of Vallejo for the development of Vallejo's Sacramento Street project to provide 74 affordable housing units for extremely low- and very low-income households, including 35 units of permanent supportive housing; and Adopt a resolution to accompany the submission

Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Department of Health and Social Services recommends that the Board of Supervisors authorize submission of a competitive grant application of up to \$12 million for the No Place Like Home Round 2 grant program in collaboration with non-profit developer Eden Housing and the City of Vallejo for the development of Vallejo's Sacramento Street project, to provide 74 affordable housing units for extremely low- and very low-income households, including 35 units of permanent supportive housing; and Adopt a resolution to accompany the submission.

SUMMARY:

The No Place Like Home program dedicates up to \$2 billion in bond proceeds to invest in the development of permanent supportive housing for people in need of mental health services and who are either experiencing homelessness, are chronically homeless, or at risk of chronic homelessness. The bonds are repaid by funding from the Mental Health Services Act (MHSA). Funds can be used to acquire, design, construct, rehabilitate, or preserve permanent supportive housing, including a Capitalized Operating Subsidy reserve, for adults with mental illness or children with severe emotional disorders and their families. NPLH funds are issued in the form of an annual noncompetitive allocation as well as annual rounds of competitive proposals.

The recommended competitive grant proposal is due January 8, 2020 and will be prepared in partnership with Eden Housing, a developer of affordable housing in the Bay Area. Eden is working with the City of Vallejo to develop an affordable housing at Sacramento Street with a total of 75 units that include studios, one-bedroom, and two-bedroom apartments with one unit for onsite management. This project is being funded through a variety of sources including tax credit applications and financial commitments and land from the City of Vallejo (Attachment A). With the anticipated project-based Section 8 vouchers, Eden will operate the property and allocate 35 units to those individuals and families with mental illness eligible under the NPLH criteria. The current plan is to begin construction in July 2021 with an anticipated time of 14 months to complete the construction.

Under the NPLH program, the County and developer must commit to providing supportive services to the NPLH residents for a duration no less than twenty year, a common requirement for supportive housing construction programs. Services are viewed as an essential aspect for successfully maintaining housing by this high-risk population. Eden will provide onsite residential services (property management, community development and activities) and the County Department of Health and Social Services, Behavioral Health Division, will provide mental health services (either directly or in the form of a contracted agency) under a permanent supportive housing model for NPLH residents. Solano Behavioral Health will provide adjunct

mental health services, which can be used to provide mental health services that can draw down federal dollars under the Mental Health Plan. These services may vary in intensity based upon the individualized needs and represent the core services that the County is already committed to provide to its target population of individuals with severe mental illness. The required services include: case management, peer support, mental health treatment, substance use services, support in linkage to physical health care, benefits counseling and advocacy, and basic housing retention skills. NPLH also encourages, but does not require, other beneficial services such as: services for co-occurring mental health and physical health issues or co-occurring mental health and substance use disorders not already required, recreational and social activities, educational services, employment services, and assistance in obtaining access to other needed services such as civil legal services.

FINANCIAL IMPACT:

The competitive application could bring nearly \$12 million to Solano County for use in an affordable housing development in Vallejo. The permanent supportive housing services will assist mentally ill individuals in maintaining their housing, which has many direct and indirect cost benefits to the County in terms of other services impacted by homelessness. NPLH funds require a commitment to provide residential services (the developer/owner) and supportive housing mental health services (the County). Funds will be set aside from the NPLH funds received and if needed, these services are also eligible for funding under the Solano County MHSA Plan, which identifies housing and homelessness as one of its highest priorities.

The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2019/20 Adopted Budget.

DISCUSSION:

The NPLH legislation was signed into law by Governor Brown on July 1, 2016. Stalled by litigation regarding the infringement upon the Mental Health Services Act as written and approved by the votes, the initiative was placed on the November 2018 ballot as Proposition 2, the No Place Like Home Act. It was approved by California voters and was followed by the swift announcement of the first round of funding opportunity. Additional details associated with the grant program may be found on the California Department Housing and Community Development's NPLH webpage: <http://hcd.ca.gov/grants-funding/active-funding/nplh.shtml>

All project applications must be submitted by Counties in partnership with a housing developer (unless the County elects to serve as its own housing developer), including the universal application, a Board Resolution, and the current strategic plan for addressing homelessness. The County's strategic plan, posted on the CAP Solano JPA website, was updated in early 2019 to include the elements required by NPLH the County's Round 1 proposal- award was obtained in mid-2019.

HCD issued the Round 2 Notice of Funding Opportunity (NOFA) for the competitive allocation on September 27, 2019. Approximately \$178 million of this amount is available through the HCD Competitive Allocation. For Projects funded under this Competitive Allocation, counties compete for available funds with other Counties of a similar population size. The total allocation for medium size counties (population between 200,000 to 750,000) is \$52,445,511.

Eden Housing is working with the City of Vallejo to develop the project in Sacramento Street. The mission of Eden Housing is to build and maintain high quality, well-managed, service-enhanced affordable housing communities that meet the needs of lower income families, seniors, and persons with disabilities:

1. Eden Housing drives all of the development efforts including planning, design, construction and renovation.
2. Eden Property Management provides the professional property management for the communities they

own or in contract with other non-profit affordable housing communities.

3. Eden Services provides the onsite support programs or contract management of a third party service provider to develop a supportive community.

ALTERNATIVES:

The Board could decide not to approve participation in the No Place Like Home competitive grant allocation. This alternative is not recommended as this program will fund much needed very affordable housing for severely mentally ill individuals and families in Solano County.

OTHER AGENCY INVOLVEMENT:

The NPLH project has been much anticipated by local agencies involved in homelessness and housing. It involves the participants at CAP Solano JPA and, specifically for this set of applications, the City of Vallejo and its Housing Authority. Implementation of NPLH funds and programs will require collaboration with the local Coordinated Entry organization using a standardized assessment tool which prioritizes those with the highest need for permanent supportive housing and the most barriers to housing retention; the Solano County Coordinated Entry (Resource Connect Solano) process already meets this requirement.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION