



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Health Agency		(2) MEETING DATE 11/5/2019		(3) CONTACT/PHONE Megan O'Brien, ASO II 805-788-2723	
(4) SUBJECT Request to: 1) approve a resolution authorizing submittal of two applications to the California Department of Housing and Community Development (HCD) for No Place Like Home (NPLH) funding in the amount up to \$9,000,000, for a one-time payment aimed at providing permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness or at risk of homelessness, and; 2) authorize the Health Agency Director or his designee to sign the standard agreement and all other documents required for participation, acceptance and application that does not increase the level of General Fund support required by the Health Agency. All Districts.					
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Approve and sign a resolution authorizing submittal of two applications to the California Department of Housing and Community Development (HCD) for No Place Like Home (NPLH) funding in the amount up to \$9,000,000, for a one-time payment aimed at providing permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness or at risk of homelessness; and 2. Authorize the Health Agency Director or his designee to sign the standard agreement and all other documents required for participation, acceptance and application that does not increase the level of General Fund support required by the Health Agency. 					
(6) FUNDING SOURCE(S) Bond Funds		(7) CURRENT YEAR FINANCIAL IMPACT \$0.00		(8) ANNUAL FINANCIAL IMPACT \$0.00	
(9) BUDGETED? No					
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)					
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A					
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A				(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A		(15) BUSINESS IMPACT STATEMENT? No		(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date __June 19, 2019_____	
(17) ADMINISTRATIVE OFFICE REVIEW Morgan Torell					
(18) SUPERVISOR DISTRICT(S) All Districts					



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Michael Hill, Health Agency Director
Anne Robin, L.M.F.T., Behavioral Health Administrator

DATE: 11/5/2019

SUBJECT: Request to: 1) approve a resolution authorizing submittal of two applications to the California Department of Housing and Community Development (HCD) for No Place Like Home (NPLH) funding in the amount up to \$9,000,000, for a one-time payment aimed at providing permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness or at risk of homelessness, and; 2) authorize the Health Agency Director or his designee to sign the standard agreement and all other documents required for participation, acceptance and application that does not increase the level of General Fund support required by the Health Agency. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Approve and sign a resolution authorizing submittal of two applications to the California Department of Housing and Community Development (HCD) for No Place Like Home (NPLH) funding in the amount up to \$9,000,000, for a one-time payment aimed at providing permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness or at risk of homelessness; and
2. Authorize the Health Agency Director or his designee to sign the standard agreement and all other documents required for participation, acceptance and application that does not increase the level of General Fund support required by the Health Agency.

DISCUSSION

In 2004, California voters approved Proposition 63, also known as the Mental Health Services Act (MHSA). The MHSA provides funding for various county mental health services by increasing the income tax paid by those with income above \$1 million per year. On July 1, 2016, California Governor Brown signed legislation enacting the No Place Like Home (NPLH) program to dedicate up to \$2 billion in bond proceeds to invest in the development of permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness. In November 2018 voters approved Proposition 2 which allows the State to fund housing projects under the NPLH program by authorizing up to \$2 billion dollars in bonds. To repay the \$2 billion in bonds, Proposition 2 authorizes the State to use up to \$140 million per year of County MHSA funds to repay the bonds.

NPLH has one non-competitive round of funding and several competitive rounds of funding. The County has received NPLH technical assistance funding, but has not yet been allocated funds for development of housing due to a lack of eligible projects. HCD released a Notice of Funding Availability (NOFA) with the second round of competitive funding totaling \$400 million in September 2019 with the initial amount available under round two for medium-sized counties of \$52,445,511. Funding is based on county size. San Luis Obispo is considered a medium sized county and will compete with up to 13 other counties. The Health Agency's Behavioral Health Department is seeking authorization from the Board to approve a resolution authorizing the Department to apply for round two of competitive funds, made available by the HCD.

NPLH provides the opportunity to acquire, construct, design, rehabilitate or preserve permanent supportive housing. A Request for Proposals (RFP) for NPLH was published by the Health Agency in September 2019 with responses due in October 2019 to provide an opportunity for entities to apply for NPLH projects. After a review process by a selection committee, Peoples' Self-Help Housing was selected to provide the NPLH housing and coordinate supportive services if the Health Agency is awarded the funding. A NPLH application deadline of January 8, 2020 has been set by HCD.

Two different applications will be submitted by the County to HCD, both of which were from People's Self Help Housing. The first being the development of a property in Atascadero to include 42 units, comprised of one, two, or three-bedroom apartments. The second application consists of constructing a single-building, two-to-three story multi-family apartment complex in Pismo Beach consisting of 50 units comprised of either one- or two- bedroom units. For both projects, NPLH would fund a portion of each of the projects and its units, and other sources would fund the remaining costs for construction.

The Health Agency will have ongoing roles and responsibilities, including the requirement to fulfill a 20-year minimum commitment to making mental health services available to NPLH tenants, along with the coordination of referrals to other services, including but not limited to, substance use services. The selected contractor will be responsible for construction and management of the housing facility, and would also provide an on-site case manager.

Until a final determination is made by the California Department of Housing and Community Development regarding the award notification, allocation, and signed agreement, a contract will not be established with the selected vendor. A tentative timeline of June 2020 has been established for award notification from HCD.

OTHER AGENCY INVOLVEMENT/IMPACT

Although Behavioral Health is acting as the lead agency for the grant, implementation requires intensive collaboration with several departments and stakeholders. Behavioral Health has been working with Planning, Social Services and the Administrative Office to identify areas of technical assistance needs. The Homeless Services Oversight Committee has been, and will continue to be, presented with information and updates on the NPLH process. The Mental Health Services Act Advisory Committee and Behavioral Health Board stakeholder groups have participated in initial stakeholder sessions and will continue to discuss NPLH activities at regular meetings. Behavioral Health will be meeting with local housing organizations, non-profit providers, developers, and other key partners as the process moves forward.

FINANCIAL CONSIDERATIONS

At the time of this staff report, the budget and grant proposals are still being developed. It is anticipated that Behavioral Health will compete for up to a total of \$9,000,000 in one-time funding for both projects. There is no required match for these funds other than the commitment to provide supportive services for a minimum of twenty years, and if granted, will have no impact on the Health Agency's level of General Fund support budgeted. It is anticipated that NPLH residents will be eligible for Medi-Cal and other funded services. If granted, Behavioral Health will return to the Board for approval of a contract with the selected vendor, which will outline the budget and other project requirements, including the County's and vendor's respective ongoing responsibilities in the project once the building is constructed. While the Health Agency Director will have authorization to sign grant agreements and documents, the contract with the selected vendor will still require Board approval.

RESULTS

As part of the applications, Behavioral Health must submit a detailed budget, along with a supportive services plan including target population, list of services, transportation plan, communication protocols, etc. At the time of this staff report, the applications are still being drafted. If awarded, Behavioral Health will present the plan along with the intended outcomes to the Board.

If awarded, NPLH will help Behavioral Health achieve its mission of working in collaboration with the community to provide housing and services necessary to improve the health and safety of individuals and families affected by behavioral health issues. Providing housing and the most appropriate services to the clients increases the probability of positive treatment outcomes. Furthermore, positive treatment outcomes contribute to the County vision of a safe and health community.

ATTACHMENTS

1. No Place Like Home Resolution