



Legislation Text

File #: 23-1692, **Version:** 1

Health and Human Services Agency (HHSA) recommending the Board:

- 1) Adopt and authorize the Chair to sign Resolution **006-2024**, which replaces and supersedes Resolution 107-2019, and delegates authority to the Director of HHSA, or HHSA Chief Assistant Director, to act on behalf of the County in connection with the funding from the California Department of Housing and Community Development (HCD) Notice of Funding Availability (NOFA) for the No Place Like Home Noncompetitive Allocation in an amount not to exceed \$836,801;
- 2) Adopt and authorize the Chair to sign Resolution **007-2024**, which replaces and supersedes Resolution 218-2019, and delegates authority to the Director of HHSA, or HHSA Chief Assistant Director, to act on behalf of the County in connection with the funding from the HCD NOFA for the No Place Like Home Competitive Allocation in an amount not to exceed \$2,588,482; and
- 3) Delegate authority to the Director of HHSA, or HHSA Chief Assistant Director, to execute any resulting agreements, amendments, or subsequent administrative documents required by HCD for the No Place Like Home Competitive and Noncompetitive Allocations, including fiscal and programmatic reports, which do not increase Net County Cost, contingent upon County Counsel and Risk Management approval.

FUNDING: 100% State HCD funding from the No Place Like Home Program. No matching funds are required.

DISCUSSION / BACKGROUND:

On July 1, 2016, Governor Brown signed legislation enacting the No Place Like Home (NPLH) Program for the development of permanent supportive housing and authorized HCD to administer the NPLH Program for California counties. The purpose of the NPLH Program is to acquire, design, construct, rehabilitate, or preserve permanent supportive housing for persons who are experiencing homelessness, chronic homelessness or who are at risk of chronic homelessness, and who are in need of mental health services.

On August 29, 2017, the Board authorized the HHSA Director to apply to and accept (if awarded) a Technical Assistance Grant in the amount of \$75,000 for the NPLH Program, which was subsequently awarded to the County via Agreement 17-NPLH-11757, for the purpose of technical assistance and application preparation assistance related to future funding opportunities for the NPLH Program (Legistar 17-0888 and 18-0759). Consequently, the County was strategically equipped to apply to two additional NPLH NOFAs, a Competitive and Noncompetitive Allocation opportunity, expected for future release by HCD.

On October 30, 2018, HCD released the final NOFA for the NPLH Program Noncompetitive Allocation. On September 27, 2019, HCD released the final NOFA for Round 2 of the NPLH Program Competitive Allocation. In accordance with each NOFA, the NPLH Program provides deferred payment loans to counties applying independently as a Development Sponsor, as well as to counties applying jointly with another entity as a Development Sponsor. HHSA chose to engage with Mercy Housing California, L.P. (Mercy Housing) as their NPLH Program Development Sponsor to support

Mercy Housing's El Dorado Haven housing project proposal that intends to provide permanent housing for persons with serious mental illness.

The Allocation Acceptance Form for the NPLH Noncompetitive Allocation was due to HCD on August 15, 2019, and the application for the NPLH Competitive Allocation was due on January 8, 2020. With each submission, HCD required County Board of Supervisors (Board) approved resolutions; therefore, HHSA sought and received Board adoption and signature on two HCD resolution templates, Resolution 107-2019 (Legistar 19-1905) for the Noncompetitive Allocation, and Resolution 218-2019 (Legistar 19-1179) for the Competitive Allocation.

Resolution 107-2019 for the Noncompetitive NPLH Allocation authorized the HHSA Director to apply for and accept the NPLH Allocation Award up to the amount authorized in the NPLH Guidelines, to act on behalf of the County in connection with the award, and to enter into, execute, and deliver all documents required and necessary for the County to be awarded the allocation. Thereafter, in accordance with the NPLH Program Noncompetitive NOFA, HHSA submitted the NPLH Allocation Acceptance Form with Mercy Housing as the Development Sponsor in July of 2019. Subsequently, on June 25, 2020, HCD awarded the County of El Dorado and Mercy Housing \$836,801 for Mercy Housing's El Dorado Haven housing development project for permanent supportive housing for people with serious mental illness, who are homeless, chronically homeless or at-risk of chronic homelessness.

Resolution 218-2019 for the Competitive NPLH Allocation authorized the HHSA Director to apply for the NPLH Competitive Program Funds, up to the amount in the NPLH Guidelines, and if awarded, return to the County Board to enter into, execute, and deliver any and all documents required and necessary for the County to be awarded the allocation. Therefore, in accordance with the NPLH Program Competitive NOFA, HHSA submitted its application with Mercy Housing as the Development Sponsor in December of 2019. Subsequently, on June 25, 2020, HCD awarded the County of El Dorado and Mercy Housing \$2,558,482 for Mercy Housing's El Dorado Haven housing development project for permanent supportive housing for people with serious mental illness, who are homeless, chronically homeless or at-risk of chronic homelessness.

Both the Noncompetitive and Competitive Allocations are provided in the form of deferred payment loans directly to Mercy Housing as the Development Sponsor, with initial terms of 55 years between HCD and Mercy Housing. The County will not be a party to the loans, therefore, will not be held to loan obligations or protections. However, the County is required to sign the forthcoming Standard Agreements as a commitment to the provision of supportive services to its mental health clients that become tenants, to oversee the project in areas required by program guidelines such as tenant referral through the Coordinated Entry System, and to submit the required client data. HHSA will also collaborate with Mercy Housing on the project development.

Mercy Housing's El Dorado Haven housing project consists of five multi-unit residential buildings to be located at 6500 Pleasant Valley Road/State Route 49 in the town of El Dorado. The development will consist of a 65-unit apartment complex, including 136 off-street parking spaces, children's play area, landscaping, signage, and open space/common area. The County of El Dorado, Planning Commission approved the Design Review Permit on June 10, 2021 (Legistar 21-0912) with a deed restriction that requires that 100% of the units to be affordable for households at or less than 80% of the Area Median Income for a 55-year term. The project was considered under the approval process of Senate Bill 35 which streamlines affordable housing construction for eligible jurisdictions.

Construction is planned to begin in April/May of 2025 and to be completed by July 2026, with 100% occupancy by December 2026.

Once constructed, these units are specifically held aside for persons who have been screened through both the Coordinated Entry System for High-Vulnerability Homelessness and the Behavioral Health Full-Service Partnership to support those who are exiting homelessness into permanent housing, including individuals exiting the Navigation Center. This housing will offer a low-income supportive exit destination, long-term tenancy, and mental health services to support the individual in maintaining their housing status. This project will offer a low-income supportive housing destination while reducing returns to homelessness for persons exiting the Navigation Center.

At this time, Mercy Housing is prepared to finalize their NPLH loans directly with HCD. For this to be accomplished, HCD requires updates to the original Board approved Noncompetitive and Competitive Resolutions; 107-2019 and 218-2019, respectively. The proposed updated Resolutions now include the awarded allocation amounts not included in the original Resolutions, have removed the previous HHSA Director's name, have identified the HHSA Chief Assistant Director as an alternate signer, and have clarified the County's responsibility in relation to the Standard Agreements. Further, the proposed Resolutions do not require HHSA to return to the Board with the forthcoming Standard Agreements for either the NPLH Noncompetitive or Competitive Allocations and authorizes the HHSA Director, or HHSA Chief Assistant Director, to accept the awards, and to execute the Standard Agreements, contingent upon County Counsel and Risk Management approval. The proposed updated Resolutions will replace and supersede the previously authorized Resolutions.

HHSA requests the Board adopt and authorize the Resolution for the NPLH Noncompetitive Round 2 Allocation in the amount of \$836,801 and adopt and authorize the Resolution for the NPLH Competitive Round 2 Allocation in the amount of \$2,558,482.

ALTERNATIVES:

Should the Board decline to adopt the proposed Resolutions, Mercy Housing will not be eligible to finalize their loans with HCD and will have to obtain alternate funding their El Dorado Haven permanent housing project. Additionally, much needed permanent supportive housing for County mental health clients will be delayed.

PRIOR BOARD ACTION:

- 1) 08/29/17, 17-0888, HHSA NPLH Grant Resolution and Application
- 2) 06/05/18, 18-0759, HHSA No Place Like Home TA
- 3) 07/23/19, 19-0905, HHSA NPLH Resolution
- 4) 12/17/29, 19-1179, HHSA NPLH Rounds 2 Resolution

OTHER DEPARTMENT / AGENCY INVOLVEMENT:

Approved by County Counsel.

CAO RECOMMENDATION:

Approve as recommended.

FINANCIAL IMPACT:

There is no Net County Cost associated with this Agenda item. The NPLH Competitive/Noncompetitive Allocations will be issued directly to Mercy Housing from HCD as

deferred payment loans in which the County will not be a party to.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) Clerk of the Board to obtain signature of Chair on one original of each Resolution; and
- 2) Clerk of the Board to return two fully executed Resolutions to hhsa-grants@edcgov.us.

STRATEGIC PLAN COMPONENT:

Healthy Communities

CONTACT

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