

MOTION BY SUPERVISORS MARK RIDLEY-THOMAS AND SHEILA KUEHL

March 26, 2019

Further Enhancing the Pool of Funds to Increase the Supply of Affordable Housing Countywide

On October 3, 2017, the Los Angeles County (County) Board of Supervisors (Board) delegated authority to the Director of the Department of Mental Health (DMH) to enter into a Memorandum of Understanding (MOU) with the Community Development Commission (CDC), for Countywide activities related to the funding and operation of permanent supportive and affordable housing, including, without limitation, administration and allocation of up to \$50 million of available funding identified by DMH to be administered through the CDC’s Notice of Funding Availability (NOFA) process.

On January 16, 2018, the MOU was amended to authorize the use \$43.75 million of the \$50 million identified in the October 3, 2017 Board action to be allocated through the CDC’s NOFA 23A and \$6.25 million to be allocated by the CDC to support the development of projects that are not subsidized with traditional Low-Income Housing Tax Credits. On May 29, 2018, the Board approved a motion directing the Director of DMH to again amend the MOU and allocate up to \$15 million to the CDC for the funding and operation of permanent supportive and affordable housing to be targeted for homeless veterans with mental illness. These funds were also to be administered through the CDC’s NOFA process.

MOTION

SOLIS	_____
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HAHN	_____

In response to the planned termination of the Mental Health Service Act (MHSA) Special Needs Housing Program, which has allowed DMH to invest in affordable housing for MHSA-eligible clients through the California Housing Financing Agency, DMH desires to continue proactively subsidizing the development of supportive housing for MHSA-eligible clients and to ensure the timely expansion of housing resources to meet the County's supportive housing deficit until the issuance of No Place Home Funding is available through the State of California.

WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Delegate authority to the Director of the Department of Mental Health (DMH), in consultation with County Counsel, to execute amendments to the Memorandum of Understanding (MOU) with the Community Development Commission (CDC), for Countywide activities related to the funding of permanent supportive and affordable housing, including, without limitation, administration and allocation of up to \$50 million of available funding identified by DMH pursuant to the above directive to be administered as follows:
 - a. An expenditure of \$37.5 million through the CDC's Notice of Funding Availability (NOFA) Round 24-A; and
 - b. An expenditure of \$12.5 million, administered through the CDC, to support the development of alternative housing models that are not subsidized with traditional Low-Income Housing Tax Credits; and
2. Authorize the Auditor-Controller to transfer up to \$50 million of Mental Health Services Act (MHSA) Community Services and Supports funding to the CDC during Fiscal Year 2018-2019 in accordance with the terms of the MOU.

**WE FURTHER MOVE THAT THE BOARD OF SUPERVISORS, ACTING AS
THE BOARD OF COMMISSIONERS OF THE COMMUNITY DEVELOPMENT
COMMISSION:**

1. Delegate authority to the Executive Director, or her designee, to execute amendments to the MOU with the County of Los Angeles, through DMH and subject to approval as to form by County Counsel, for the administration and allocation of up to \$50 million of MHPA Community Supports and Services funding, to be administered by the CDC in the 2018-2019 Fiscal Year with the objective that the funds be allocated through the CDC's NOFA process as well as to support the development of alternative housing model projects that are not subsidized with traditional Low-Income Housing Tax Credits in order to provide increased public subsidy to projects that include MHPA-eligible residents; and
2. Delegate authority to the Executive Director, or her designee, to accept and incorporate up to \$50 million in MHPA Community Services and Supports funds into the CDC's Fiscal Year 2018-2019 Budget following the execution of the amendment to the MOU.

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