

# October 3<sup>rd</sup> Board Motion: Enhancing the Pool of Funds to Increase the Supply of Affordable Housing Countywide



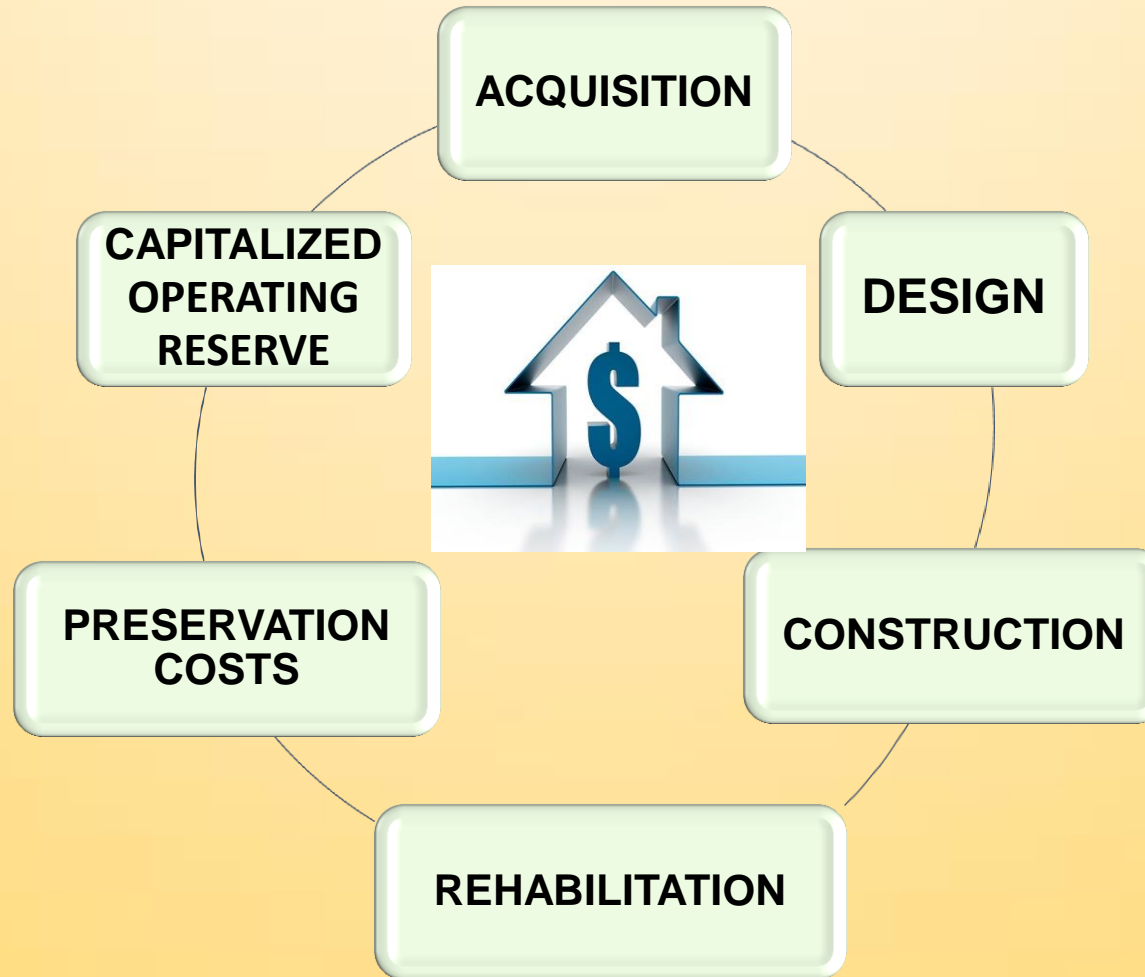
- Directs DMH to:
  - Report back to Board within 30 days identifying potential sources of funding for an allocation of \$50 million in FY 2017-18 to be administered County-wide through Community Development Commission's (CDC) Notice of Funding Availability
  - Work with CDC to develop an MOU and delegates authority to enter into the MOU and for the Auditor Controller to transfer the funds to CDC
  - Report back within 90 days with a proposed funding level to be allocated to the CDC for permanent supportive housing and affordable housing in future fiscal years

# Background to Motion



- No Place Like Home (AB 1618) signed into law on July 1, 2016
- Authorization of \$2 billion in bond proceeds to finance the capital costs and Capitalized Operating Subsidy Resources of Assisted Units in rental housing developments for persons who have a mental illness and are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness
- Allocations are based on homeless population -- Los Angeles is estimated to receive a total of approximately \$700 million
- The bonds are repaid through Mental Health Services Act (Proposition 63) revenues

# NPLH Program Eligible Uses



# NPLH Target Population



- Chronically Homeless (HUD Definition at 24 CFR 578.3)
- Homeless (HUD Definition at 24 CFR 578.3)
- At risk of Chronic Homelessness (NPLH Definition)
  - Persons exiting institutions that were homeless prior to entering the institution
  - Transition Age Youth experiencing homelessness or with significant barriers to housing stability including one or more convictions and history of foster care or involvement with the juvenile justice system
- Adults living with a diagnosed Serious Mental Disorder or children or adolescents with a Serious Emotional Disturbance as defined under MHSA (WIC Section 5600.3)

# NPLH Key Features



- Program administered by Housing Community and Development (HCD) and bonds released by California Health Facilities Financing Authority
- Counties with over 5% of share of state homeless population can apply to be an Alternative Program County which would allow them to administer their own NPLH funds (LA, San Francisco, San Diego and Santa Clara)
  - This option provides more flexibility and local control
  - County Board of Supervisors has authority to make this decision
    - Board offices support applying for the Alternative Program which would be jointly administered by Community Development Commission (CDC) and DMH

# NPLH Key Features



- Funding is to develop permanent supportive housing that must utilize:
  - Low barrier tenant selection practices that prioritize vulnerable populations (e.g. Coordinated Entry System)
  - Offer flexible, voluntary, and individualized supportive services
  - A housing first approach
- Counties must commit to provide mental health services and help coordinate access to other community-based supportive services.

# NPLH Timeline



August 24, 2017	HCD Completion of Program Guidelines and Approval by California Health Facilities Financing Authority of a resolution that authorized the issuance of revenue bonds
September 12, 2017	California Attorney General's Office filed a validation action seeking a judgement to determine validity of the revenue bonds CHFFA authorized to be issued and sold for the purposes of funding for the NPLH Program
Spring 2018	Lower Court Decision Expected (could take up to 2 years)
Summer 2018	Solicitation of Interest for Alternative Program Counties (subject to court decision)
Summer 2018	Release of HCD NOFA (subject to court decision)
Fall 2018	Issuance of County NOFA / Call for Projects (subject to court decision)

# DMH Housing Investments and Outcomes





# DMH Funding Invested in Housing

One-Time Funding/Capital Development/Operating Subsidy	Investments from 2008 to Date
<b>MHSA Housing Program (2008 – May 2016)</b>	
Original Amount	\$115,571,200
Additional Amount	\$7,000,000
TAY Operating Subsidy	\$1,270,473
<b>Total</b>	<b>\$123,841,673</b>
<b>Special Needs Housing Program (May 2016-present)</b>	
Original Amount	\$19,200,000
Additional Amount	\$10,000,000
TAY Operating Subsidy	\$1,270,473
<b>Total</b>	<b>\$30,470,473</b>
<b>Grand Total One-Time Funding</b>	<b>\$154,312,146</b>
On-Going Funding	Fiscal Year 2017-18
<b>Interim Housing Program</b>	
Original Amount	\$2,071,179
Additional Amount	\$11,000,000
<b>Total</b>	<b>\$13,071,179</b>
<b>Housing Assistance Program</b>	
<b>Total</b>	<b>\$1,986,980</b>
<b>Interim Funding</b>	
<b>Total</b>	<b>\$2,314,418</b>
<b>TAY Enhanced Emergency Shelter Program</b>	
<b>Total</b>	<b>\$1,078,853</b>
<b>Grand Total On-Going Funding</b>	<b>\$18,451,430</b>

# MHSA Housing/Special Needs Housing Program



- \$139 million committed
- 53 projects countywide with 1,131 MHSA units
- Family (12), TAY (9), Adult (24) and Older Adult (8) projects
- 35 open projects with 794 units ranging from studios to 4 bedroom units

# MHSA Housing/Special Needs Housing Program



## Commitments by Supervisorial District

Supervisorial Districts	Number of Projects	Number of MHSA Units	Local Funding Commitments	Percentage of Total MHSA Funding Committed	2017 Homeless Count Data
1	12	225	\$ 22,054,280	16%	22%
2	19	477	\$ 69,117,506	49%	32%
3	12	294	\$ 32,033,431	23%	21%
4	5	90	\$ 10,959,813	8%	11%
5	5	47	\$ 5,655,521	4%	14%
	<b>53</b>	<b>1133</b>	<b>\$ 139,820,551</b>	<b>100%</b>	<b>100%</b>

## Commitments by Service Area

Service Areas	Number of Projects	Number of MHSA Units	Local Funding Commitments	Percentage of Total MHSA Funding Committed	2017 Homeless Count Data
1	2	21	\$ 2,998,371	2%	8%
2	9	216	\$ 23,364,989	17%	13%
3	1	10	\$ 1,000,000	1%	7%
4	16	422	\$ 55,730,222	40%	26%
5	3	44	\$ 4,823,442	3%	10%
6	11	212	\$ 29,169,396	21%	16%
7	6	118	\$ 11,774,318	8%	9%
8	5	90	\$ 10,959,813	8%	11%
	<b>53</b>	<b>1133</b>	<b>\$ 139,820,551</b>	<b>100%</b>	<b>100%</b>

# DMH Housing Inventory



RESOURCE	Permanent Housing Units	Shelter Beds
Homeless Section 8 (since 2011)	315	
Homeless Veterans Initiative	50	
Tenant-Based Supportive Housing Program	325	
Shelter + Care	1,361	
MHSA Housing Program	1,133	
MHSA Housing Trust Fund/ICMS (Supportive Services)	459	
Flexible Housing Subsidy Pool	49	
TAY Enhanced Emergency Shelter Program		33
Interim Housing Program - Single Adults		305
Interim Housing Program - Families		72
<b>TOTAL</b>	<b>3,692</b>	<b>410</b>