BID NUMBER 012-182311



HEALTH CARE AGENCY
BEHAVIORAL HEALTH SERVICES

LOCAL GOVERNMENT
SPECIAL NEEDS HOUSING PROGRAM (SNHP)

NOTICE OF FUNDING AVAILABILITY AND GUIDELINES FOR APPLICATION

FOR FUNDS TO ACQUIRE, CONSTRUCT, AND/OR REHABILITATE PERMANENT SUPPORTIVE HOUSING FOR HOMELESS INDIVIDUALS WITH SERIOUS MENTAL ILLNESS

March 2018

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We are pleased to announce the following packet of information for parties interested in applying for funding through the Local Government Special Needs Housing Program (SNHP). The SNHP provides funding for the development of permanent supportive housing for individuals with serious mental illness who are homeless or at-risk of homelessness.

The County originally allocated approximately $5 million dollars, and has subsequently authorized an additional $5 million and an additional $15 million (for a total of $25 million) for capital subsidies and Capitalized Operating Subsidy Reserves (COSR) for the development, acquisition, construction and/or rehabilitation of permanent supportive housing.

This packet provides information to interested parties on how to apply for the funds which will be administered by the California Housing Finance Agency (CalHFA) at the State level. If you are interested in applying for this funding, please review the following information and follow the submission process as described in the attached information packet.

We look forward to the successful implementation of this program in Orange County. Should you have any questions, please contact Elizabeth Row, Service Chief I, at (714) 796-0200 or via email at ERow@ochca.com

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Sincerely,

Mary Hale, Director Behavioral
Health Services
Orange County Health Care Agency

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Background

In 2008, the people of the State of California passed Proposition 63, which established the Mental Health Services Act (MHSA) to create new funding for mental health services for unserved and underserved persons with serious mental illness. In 2008, the MHSA housing program was created as a limited-term program to administer MHSA funds set aside to finance permanent supportive housing for individuals with mental illness. Orange County utilized their initial MHSA allocation to create significant new housing opportunities for some of the most vulnerable clients in the County. Unfortunately, the MHSA Housing Program concluded on May 30, 2016, with all of the original funding expended or committed.

However, as homelessness for individuals with serious mental illness continues to be a priority for Orange County, the County Board of Supervisors in consultation with Health Care Agency/Behavioral Health Services (HCA) has decided to utilize the successor-program to the MHSA Housing Program, the Special Needs Housing Program (SNHP). HCA originally allocated $5 million in SNHP funds, followed by an additional $5 million and an additional $15 million allocation for the creation of permanent supportive housing units to support a healthy, safe and thriving community.

The commitment of funds to the SNHP supports the goals outlined in Orange County's 2015-2020 Strategic Plan by providing the necessary resources and services for individuals with behavioral health needs to lead healthy and productive lives. Additional, permanent supportive housing units are expected to promote a safe and thriving community while addressing the priority issue of serving individuals who are both homeless and have a serious mental illness.

The SNHP is administered at the State level by the California Housing Finance Agency (CalHFA). In order to submit an application for funding to CalHFA, the sponsor must first go through a review process with HCA and Housing Community Development & Homeless Prevention (HCD&HP). When HCA signs off on the application, HCA agrees that the development, if successfully approved through CalHFA underwriting, will be appropriate housing for the local client population and that HCA will ensure that appropriate supportive services are provided. These guidelines describe the process for local review prior to submitting the application to CalHFA for funding.

The local review process includes the following four (4) steps:

1. Review of the SNHP application by HCA and HCD&HP to ensure it meets the goals and objectives of the Orange County Health Care Agency and is financially feasible.
2. Posting of noticing for the required 30-day comment period.
3. Approval by Board of Supervisors. By signing off on the application, HCA agrees the project meets local SNHP housing needs. In addition, HCA will ensure that appropriate social services are provided and funded.
4. Submission of the SNHP application (if approved by HCA), on behalf of the sponsor to CalHFA for approval.

Note that sponsors may submit requests for waivers of loan terms (and/or program requirements). Requests will be considered on a case-by-case basis by the County.

Eligible Applicants for the Special Needs Housing Program

An application for SNHP funding may only be submitted to CalHFA by HCA. Once an application has been approved by CalHFA, the funds are distributed to a qualified borrower in the form of a loan and Capitalized Operating Subsidy Reserves (COSR) from CalHFA.

By signing and submitting the application, the County Mental Health Services Director, with Board of Supervisors approval, will signify that the HCA:

- Approves the use of a portion of its allotted SNHP funds for the supportive housing project described in the application,
- Authorizes CalHFA to utilize the corresponding portion of County SNHP funds so CalHFA can administer the SNHP loan,
- Agrees to permit CalHFA to establish the COSR amount, and
- Commits to providing supportive services to the SNHP tenant population of the project for the full term of the SNHP regulatory agreement.

Submission Process

Funding for $25 million in State administered SNHP funds is an open application process. Proposals for funding will be considered on a first-come, first-served application basis and applications will be reviewed by HCA and HCD&HP staff in the order received. Interested applicants are welcomed and encouraged to contact Julia Bidwell of HCD&HP at , julia.bidwell@occr.ocgov.com or Elizabeth Row of HCA at erow@ochca.com with questions, including the remaining amount of SNHP funds available for projects, prior to initiating the application process.

The initial step in the Orange County process for developers interested in applying for SNHP funds is to submit one (1) copy of the information listed below to Julia Bidwell of HCD&HP at julia.bidwell@occr.ocgov.com **AND** one (1) copy to Elizabeth Row of HCA at erow@ochca.com.

The preliminary information consists of the following items:

- The Development Summary Form (Attachment One)
- A maximum two-page narrative description of the proposed project and the experience of the sponsor

After review of the preliminary application information, HCD&HP staff will arrange a meeting between the developer, HCA and HCD&HP to discuss the project concept. If there is mutual agreement between the developer, HCA, and HCD&HP that the project could meet the objectives of the SNHP, the following applies:

- HCA staff will provide to the applicant information on what service provider would be the most suitable to provide supportive services for the proposed development. Suitability will depend upon geography and target population for the project, as well as the level of unmet housing need of each of the County

operated or contracted service provider(s).
- If there is mutual agreement, HCA and HCD&HP staff will work cooperatively to assist in the completion of the CalHFA application.

In addition to completing the CalHFA application and sending to HCA and HCD&HP, the applicant must complete the Development Summary Form, which is Attachment I from CalHFA's application. *Please note that this is a different form than the Development Summary Form found in HCA's guidelines for application*.

The applicant must also complete a narrative Development Description, which is limited to two (2) pages in length. The narrative Development Description must provide a thorough discussion of the development, including, at a minimum, the service goals of the development, characteristics of tenants to be served, the type of housing that will be provided, how the building(s) in which housing and services will be provided (location, building type, layout, features, etc.) will meet the housing and service needs of the tenants, the primary service provider and other development partners, and development financing.

Once the applicant submits the Development Summary Form and Development Description to HCA and HCD&HP, the following information from the application will be reviewed and posted on the HCA website for thirty (30) days for public comment.

- Development Summary Form;
- Development Description;
- Applicable sections of the CalHFA application.

This notice is not a competitive solicitation offered by the County of Orange or HCA. Acknowledgement and posting of the application is not a guarantee that HCA will support an application for funding.

Within the same thirty (30) day posting period, HCA and HCD&HP will do the following:

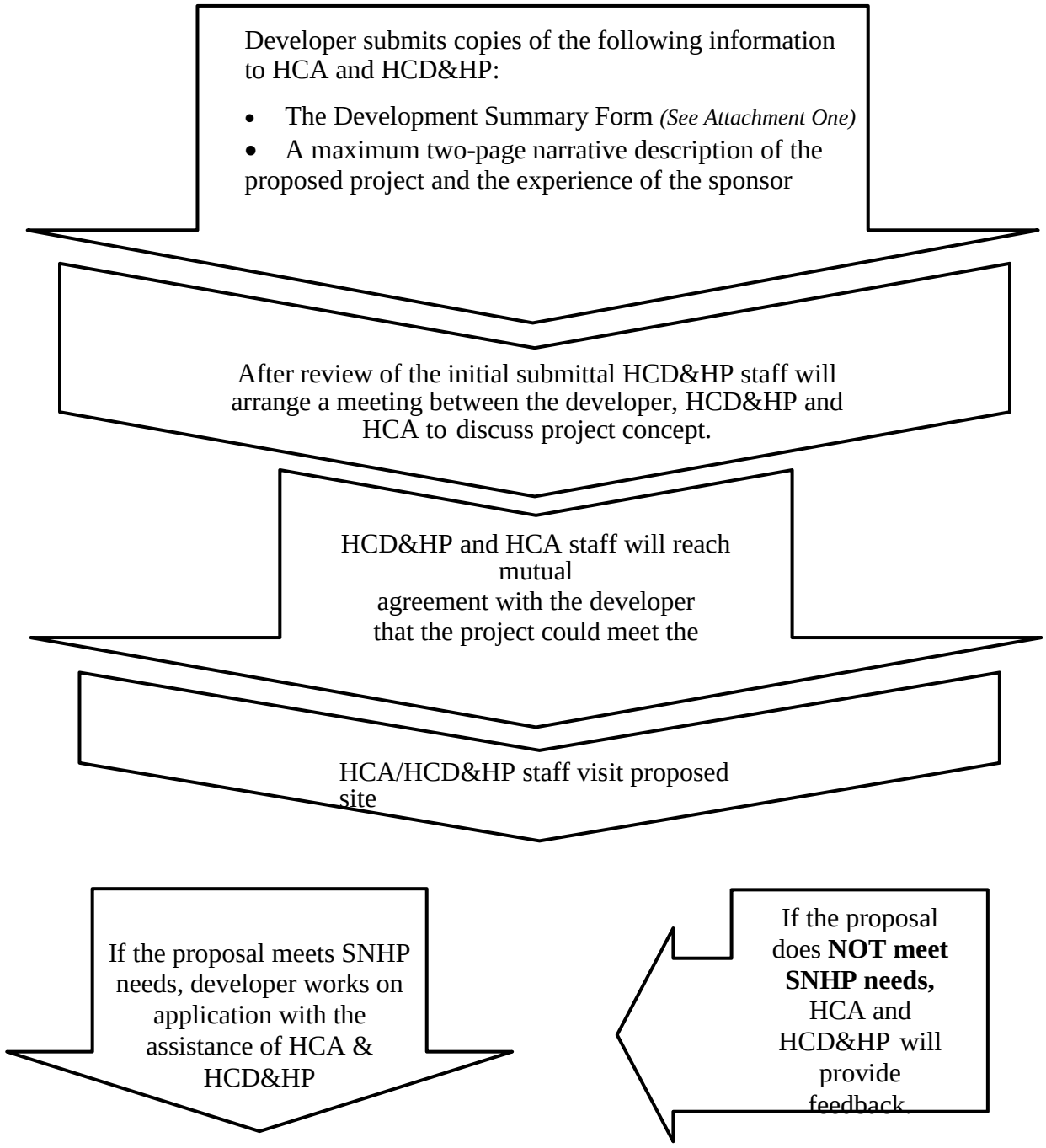
- Provide input and suggested revisions intended to improve the full application; and
- Provide technical assistance to complete the full application

After Board of Supervisor approval, and within a maximum of the thirty (30) day posting period, HCA will either:
- Agree to forward the application to CalHFA for underwriting; or
- Request that the applicant make certain revisions to the application in order to reconsider the application for submission.

The sponsor must respond to requests for revisions or additional information to be considered for SNHP funding. If the sponsor does not respond to requests within thirty (30) days, the application will be considered withdrawn.

Please see the diagram on the following pages, which reviews the application process.

SNHP: Housing Program Application Process



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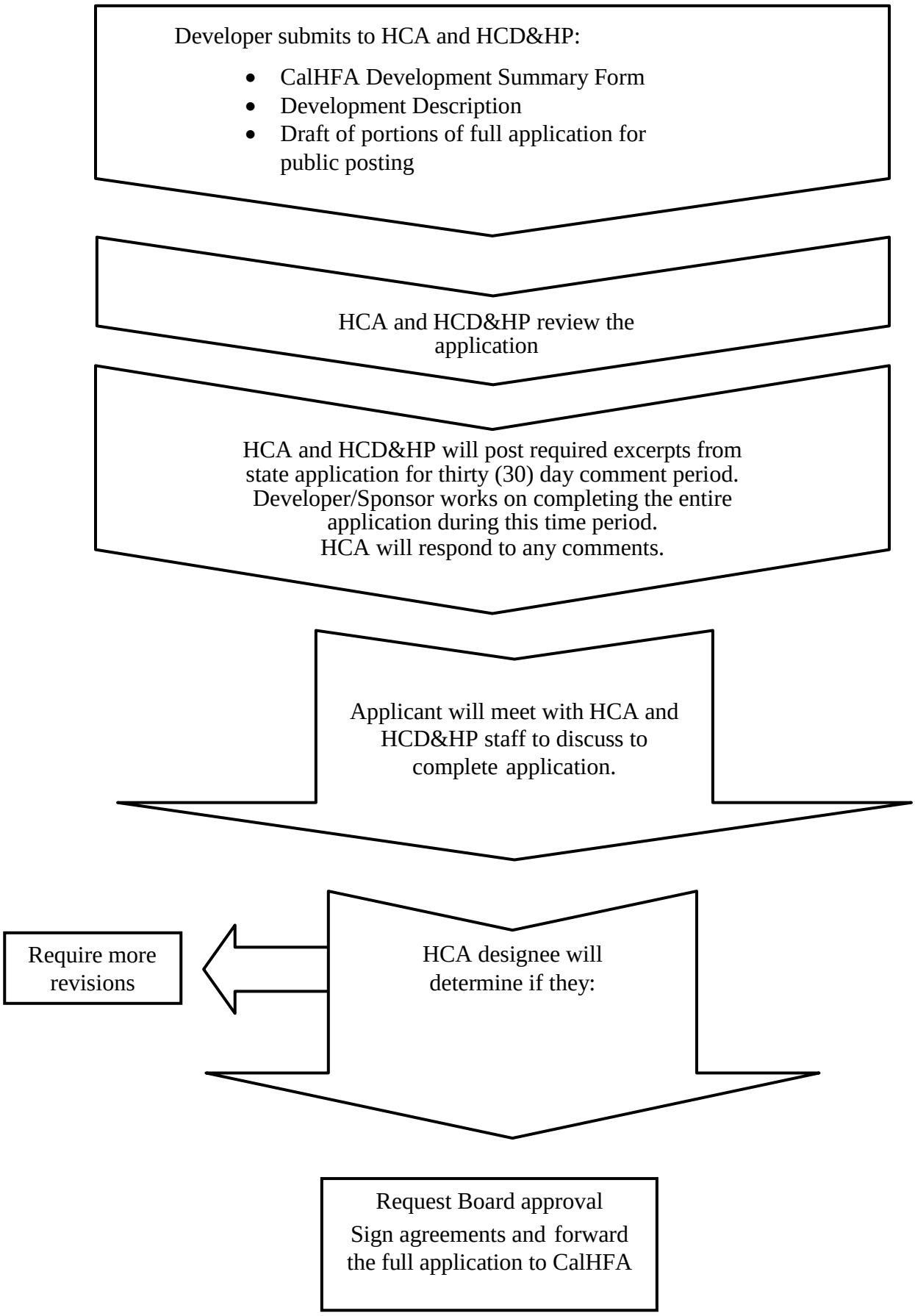
Developer submits to HCA and HCD&HP:
CalHFA Development Summary Form
Development Description
Draft of portions of full application for public posting
HCA and HCD&HP review the application
HCA and HCD&HP will post required excerpts from state application for thirty (30) day comment period.
Developer/Sponsor works on completing the entire application during this time period.
HCA will respond to any comments.
Applicant will meet with HCA and HCD&HP staff to discuss to complete application.
HCA designee will determine if they:
Require more revisions
Request Board approval
Sign agreements and forward the full application to CalHFA

Relationship to Housing Community Development & Homeless Prevention

To assist in expanding supportive housing opportunities using SNHP resources, Orange County Health Care Agency leverages their partnership with Housing Community Development & Homeless Prevention (HCD&HP), the County's affordable housing policy and funding division. Creating successful permanent supportive housing requires knowledge of both the services and housing arena, and affordable housing development and management is an area in which behavioral health departments typically have had limited experience. Housing agencies, on the other hand, typically have limited knowledge about the needs and services available to persons who are mentally ill, and also about the great potential of supportive housing with a focus on wellness and recovery to allow persons with mental illness to live independently. This partnership is designed to bring the knowledge and expertise of both departments together.

HCD&HP administers the review and approval process for applications requesting SNHP and other NOFA funds as outlined on the HCD&HP website. Questions regarding the use and availability of multiple County funding sources in the same project can be forwarded to Julia Bidwell at julia.bidwell@occr.ocgov.com .

ATTACHMENT ONE: ORANGE COUNTY SNHP
DEVELOPMENT SUMMARY FORM

Developer:

Sponsor:

Name of Project:

Project Address (including parcel #):

Supervisor/Council District:

Status of Site Control:

Entitlement Status and Time Estimate to complete Entitlements:

Anticipated Date of Certificate of Occupancy:

Community Planning Group:

Any Contact made yet with local neighbors or planning group? If yes, please specify meeting dates and times.

Community Process Plan including potential meeting dates with community groups:

Total number of units and bedroom types:

Total number of SNHP units and bedroom types:

Square footage by bedroom of SNHP units:

Type of Development:

☐ Rental ☐ Shared ☐ New Construction ☐ Acquisition/Rehab

Type of Building:

☐ Apartment ☐ Shared ☐ Condominium ☐ Single
☐ Other_____

Total Cost of the Development:

Total Cost of SNHP Units:

Amount of SNHP Funds Requesting:

Capital Funds Requesting:

COSR Funds Requesting:

Additional Comments:

Contact Information:

Name: _____

Company: _____

Phone: _____

Fax: _____

Email: _____

ATTACHMENT TWO (2): CONTACTS FOR FORM SUBMITTAL

Please send an e-mail with Attachment One, the development summary form along with a maximum two-page narrative description of the proposed project and the experience of the developer.

Submit to:

Julia Bidwell
Director, Housing & Community Development & Homeless Prevention
julia.bidwell@occr.ocgov.com

Mailing Address:
1300 S. Grand Ave, Bldg.B,
Santa Ana, CA 92705
(714) 480-2991

Submit a copy to:

Elizabeth Row
Service Chief I
ERow@ochca.com

Mailing Address:
405 W. 5th St., Suite 211
Santa Ana, CA 92701
(714) 796-0200

ATTACHMENT THREE (3): ORANGE COUNTY SNHP RECOMMENDATIONS AND REQUIREMENTS

The SNHP Housing program targets the creation of units for transition-age youth, adults and older adults. In order to maximize the dollars available and consumer choice in housing, projects that will follow a range of models will be considered. Models might include projects that will be dedicated units specifically to eligible persons, units incorporated into larger affordable housing projects, and shared housing.

- Mixed Tenancy Projects: The highest priority of this plan is for the creation of mixed tenancy projects; that is projects that integrate special needs units with other affordable housing units. The SNHP Housing program requires no fewer than five (5) units per development.
- Dedicated Projects: As appropriate and feasible, some projects dedicated for SNHP tenants may be considered.
- Shared Housing: Shared housing sites will be considered for each target population. Shared housing developments should include, at a minimum, 1-4 units for SNHP clients who rent a bedroom within a single family home, duplex or tri-plex or four-plex.

Based on consumer preferences, a commitment to achieving a fair share distribution of housing, and the need to tap local resources throughout the county to make development feasible, the plan targets the creation of SNHP housing throughout the County.

Project Requirements and Desirable Features

As needed, the County will issue updated guidance for applications for SNHP housing funds. In order to ensure that the projects developed with Orange County SNHP funds meet the needs expressed by consumers, the following requirements will be applicable to projects:

- All units, except for shared housing, must incorporate full kitchens, full baths, and adequate storage and closet space within each apartment.
- Shared housing units must provide lockable bedrooms for each tenant. Shared housing projects must demonstrate that kitchen and bath facilities are adequate for the number of tenants, and that bedrooms and shared living areas provide adequate personal space.
- Buildings shall be well designed and well maintained, include on-site laundry services, and have cable access and internet/computer access.

- Projects must be located close to transportation, shopping and services.[1]
- To meet consumer need for safety and security, projects applying for funds will be required to document how they incorporate considerations for the safety of tenants on the property and surrounding neighborhood.
- Buildings will include security design features such as architectural and landscape security design configurations, cameras in common areas, and/or security services.
- Project designs shall be non-institutional in feeling and blend in with the community. Designs shall include a case management office and adequate space for resident activities.
- Services must be available either on or off site.
- Projects should include dedicated services space and community rooms, with kitchens if possible.
- All units should include air conditioning.
- All units should have microwave ovens.
- At least 5% of units must be accessible to the physically disabled and at least 2% of units must be accessible to the sensory disabled.
- All units should be furnished with standard furnishings applicable to the unit type.

In addition, the following recommended amenities or features are encouraged:

- Clients prefer to reside in studios or one bedroom apartments.
- There should be both smoking and non-smoking units.
- Studio units are encouraged to be at least 450 square feet.

[1] At minimum, public transit that comes with reasonable frequency must be accessible within 0.5 mile. It is preferred that, where possible, other services be walkable within 0.5 mile (e.g. not including physical barriers that prevent access by foot or public transit).

ATTACHMENT FOUR (4): CalHFA SNHP TERM SHEET

Go to:

http://www.calhfa.ca.gov/multifamily/snhp/local-goverment-info/snhp-termsheet.pdf