

# NO PLACE LIKE HOME GRANT SUMMARY

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## Background

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On August 15, 2018, the **Department of Housing and Community Development (HCD)** released the Notice of Funding Availability (NOFA) for the Noncompetitive Allocation of the No Place Like Home (NPLH) Program. The NOFA for the first round of the Competitive Allocation is yet to be released and is expected in Fall 2018. All NPLH funding is conditional and dependent upon voter approval of the No Place Like Home Act of 2018, which will appear as Proposition 2 on the November 2018 statewide ballot. Assuming its passage, the Program will provide \$2 billion in funding for the development of permanent supportive housing.

## Purpose

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Loans underwritten by HCD will be used to acquire, design, construct, rehabilitate, or preserve permanent supportive housing. Projects under this Program are referred to as “Rental Housing Developments” consisting of a multifamily structure or set of structures, which provide supportive housing and have the same financing, ownership, and property management.

## Target Population

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The Program’s target population is persons who are:

1. Chronically homeless, homeless, or at-risk of being chronically homeless, and
2. Have a serious mental illness.

## Eligible Applicants

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Counties may apply as a single County or as a joint County partnership and are considered the “Development Sponsor” by the NPLH Program.

## Funds Available

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The Program offers funds to Counties in two primary ways:

1. **Noncompetitive Allocations** – not to exceed \$200 million in total; awarded to Counties proportionately based on population size groups and Point-in-Time (PIT) Counts of individuals living homeless.
  - a. Yolo County’s Noncompetitive Allocation is \$625,048.
2. **Alternative Process Allocations and Competitive Allocations** – not to exceed \$1.8 billion combined total.
  - a. **Alternative Process Allocations** - only available to Counties with at least 5% of the State’s overall homeless population, they are:
    - i. Los Angeles County,
    - ii. San Diego County,
    - iii. San Francisco County, and
    - iv. Santa Clara County.
  - b. **Competitive Allocations** - \$1.8 billion *minus* funds that are issued as Alternative Process Allocations
    - i. The amount of funds available to individual Counties will be determined by the County Group in which the individual Counties fall.
    - ii. County Groups are determined by County population size and are defined as Small (less than 200,000), Medium (200,000 to 750,000), and Large

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(greater than 750,000).

- iii. Total funds for each County Group will be determined based on the aggregate Point-In-Time (PIT) Counts as compared to the State's total homeless population, and the proportion of Extremely Low-Income renter households (paying more than 50% of their income for rent).
- iv. Yolo County is considered a Medium-sized county and, will compete against other Medium-sized counties.

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### Eligible Uses

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Funds may be used to:

1. Finance capital costs of Assisted Units in Rental Housing Developments, including but not limited to, the acquisition, design, construction, rehabilitation, or preservation of said Assisted Units,
2. Capitalize operating subsidy reserves only when no other funding assistance is available pursuant to Section 209 of the NOFA, and
3. Rehabilitate existing affordable housing projects.

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### Noncompetitive Allocation – Project Threshold Requirements

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1. Eligible Project applications submitted under the **Noncompetitive** NOFA must be multi-family rental projects of five or more units.
2. The **County** must complete the following within 12 months of the initial NOFA:
  - a. Submit a Board of Supervisors resolution that the County will submit 1 or more Noncompetitive applications within 30 months of the initial NOFA,
  - b. Submit certification that the project will meet all requirements under Article II, III, or IV of the NOFA, and
  - c. Submit a County plan with goals, strategies, and activities (both in progress or future) to prevent and/or reduce homelessness, that:
    - i. Must have been created through a collaborative process including all stakeholders, and
    - ii. Must be less than 5 years old at the time of application submission.
3. Must **prioritize mental health services** for persons living homeless, chronically homeless, or at-risk of being chronically homeless.
4. **Financial Feasibility** – must meet requirements in Sections 206 & 207 of NOFA and prove Fiscal Integrity
5. **Experience** – the minimum experience requirements of the Project team include:
  - a. Development, ownership, or operation of Permanent Supportive Housing (PSH) within the last 10 years, where at least one unit meets the Target Population.
  - b. Lead Service Provider (may be County) must have three or more years of experience serving the Target Population, if not through PSH, such experience must include helping people overcome barriers to housing.
  - c. Property Manager must have at least three years of experience serving the Target Population.
6. **Site Control** – the Development Sponsor must have “site control” of the Rental Housing Development pursuant to Uniform Multifamily Regulations (UMR), 25 CCR Section 8303.
7. **Integration** – the Target Population must be integrated with the general public.
  - a. Assisted Units cannot be isolated to specific floors or areas of the building,

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- b. For Projects of more than 20 units, HCD will fund no more than 49% of total units as NPLH Assisted Units,
  - c. Community building activities or architecture that encourages tenant interaction, and
  - d. Service Plan and Property Management Plan must include Policies and Procedures that promote community participation and do not restrict Assisted Unit households any more than the general public.
8. **Scattered Site Housing** - allowed with the following conditions:
- a. Single owner and single property manager for all sites,
  - b. Single set of NPLH Policies and Procedures with consistent service standards,
  - c. If the Rental Housing Development has a Capitalized Operating Subsidy Reserve (COSR), there will only be one for all sites,
  - d. One lender for all sites with payments senior to HCD's loan,
  - e. Single audit and annual report,
  - f. Development Sponsor's obligations secured for all sites, and
  - g. HCD must be named on the insurance policies for all sites.
9. **Relocation** – the Development Sponsor is solely responsible for the displacement of tenants due to demolition and construction.
- a. All tenants displaced are eligible to relocation benefits and assistance, and
  - b. The Development Sponsor must develop relocation plans (subject to review and approval by HCD prior to construction).
10. **Applications** – must include:
- a. Board of Supervisors resolution to provide at least 20 years of mental health supportive services to project participants,
  - b. An initial plan for providing supportive services,
  - c. A Property Management Plan that utilizes a low-barrier, housing-first approach and includes Policies and Procedures to prevent evictions and facilitate reasonable accommodations, and
  - d. The County's plan to combat homelessness.
11. **Supportive Services Plan** – collaborative agreement between County, Project Sponsors, Service Providers, and Property Manager that must follow these guidelines:
- a. NPLH tenant participation is voluntary and housing availability may not be dependent on participation,
  - b. Required mental health services to be provided by the County or a sub-contractor for a minimum of 20 years:
    - i. Case management,
    - ii. Peer support,
    - iii. Mental health care,
    - iv. Substance use treatment,
    - v. Support linkages to physical health care,
    - vi. Benefits counselling and advocacy, and
    - vii. Housing retention skills.
  - c. Encouraged supportive services:
    - i. Co-occurring disorder specific services,
    - ii. Recreational or social activities,
    - iii. Educational support,

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- iv. Employment support, and,
- v. Access to other services such as legal assistance, food, and clothing.
- d. Draft written agreements or memoranda of understanding (MOUs) must be provided which identify the roles and responsibilities of the County, the project owner, other services providers, and the property manager.

### Shared Housing Option

Counties may choose to implement a Shared Housing program with some or all of their **Noncompetitive Allocations**; Competitive Allocations may not fund Shared Housing.

1. Shared Housing Projects may be comprised of no more than one to four units.
2. Up to 10% of the Noncompetitive Allocation (for Shared Housing) may be used to cover administrative costs associated with Shared Housing
3. The County commits to:
  - a. Project underwriting (not HCD),
  - b. Monitoring of all work performed,
  - c. Loan servicing,
  - d. Provision of mental health services, and
  - e. Long-term monitoring.
4. Shared Housing may be used for predevelopment, construction, or post-construction financing. However, if predevelopment or construction financing is used, it must convert to post-construction financing.

### Timeframes

<b>Noncompetitive Allocation</b>	
<b>June 27, 2018</b>	HCD releases the Designation Forms for the Noncompetitive Shared Housing Allocation
<b>August 15, 2018 – (Month Zero)</b>	HCD released initial Noncompetitive NPLH NOFA.
<b>August 15, 2019 – (12 months)</b>	County submits: <ol style="list-style-type: none"> <li>1. Resolution committing to submit proposed project application(s) within 30 months of initial NOFA release,</li> <li>2. Certification that project(s) will meet program requirements, and</li> <li>3. Plan to Combat Homelessness.</li> </ol>
<b>August 27, 2019</b>	Optional Shared Housing Designation forms due to HCD.
<b>February 15, 2020 – (18 months)</b>	HCD awards Noncompetitive Allocations to Counties based on approval of documents submitted.
<b>February 15, 2021 – (30 months)</b>	County submits: <ol style="list-style-type: none"> <li>1. Multifamily application(s) to HCD complying with NPLH Program requirements.</li> <li>2. Shared Housing project applications must be submitted to the County and not HCD.</li> </ol>
<b>August 15, 2023 – (60 months)</b>	County must expend Noncompetitive Allocation Funds.
<b>Competitive Allocation</b>	
<b>Fall, 2018</b>	First Round Competitive NOFA expected to be released.
<b>Winter, 2018-2019</b>	First Round Competitive Applications expected to be due.