California has the Highest Percentage of People Experiencing Homelessness in the Nation

California Lags Behind the Rest of the Nation in Combating Homelessness

**California**

- **Overall Homelessness**: 4%
- **Veteran Homelessness**: 21%
- **Chronic Homelessness**: 5.5%
- **Family Homelessness**: 12%

**United States**

- **Overall Homelessness**: 11%
- **Veteran Homelessness**: 36%
- **Chronic Homelessness**: 22%
- **Family Homelessness**: 19%
NPLH Background

• Signed into law on July 1, 2016.

• Authorization of $2 billion in bond proceeds to invest in the development of permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness.

• The bonds are repaid through Mental Health Services Act revenues.
Key Features

- Counties will be eligible applicants (either solely or with a housing development sponsor).
- Funding for permanent supportive housing must utilize low barrier tenant selection practices that prioritize vulnerable populations and offer flexible, voluntary, and individualized supportive services.
- Counties must commit to provide mental health services and help coordinate access to other community-based supportive services.
Policy Goals and Considerations

• Promote integration of target population within projects and within community.
• Utilize a Housing First Approach
• Provide incentives for encouraging integration of NPLH units into existing, higher income affordable housing and the use of 4% low income housing tax credits.
• Build capacity at local level in overall approach to homelessness.
  – Use of coordinated entry systems
  – Creation or updating of local plan for homelessness
Stakeholder Outreach

• Approximately 40 interviews/meetings with stakeholders prior to drafting of Framing Paper.

• Two rounds of in-person public workshops in January (Sacramento, San Francisco, Redding, Los Angeles, Fresno, San Diego) and May (Redding, Riverside, Oakland, Sacramento, Visalia) and webinars

• Nearly 1000 specific comments through workshops or submitted written comment from over 80 separate entities
NPLH Advisory Committee

- Comprised of 15 members, including State agencies, and Governor and legislative appointees. The Advisory Committee will assist and advise HCD in the implementation of the program, review and make recommendations on program guidelines, and review the progress in distributing awards.
  - Director of Housing and Community Development, Chair
  - Director of Health Care Services or Designee
  - Department of Health Care Services Additional Representative
  - Secretary of Veterans Affairs or Designee
  - Director of Social Services or Designee
  - State Treasurer or Designee
  - Chair of the Mental Health Services Oversight and Accountability Commission or Designee
  - Chief Administrative Officer or Member of a County Board of Supervisors, Small County
  - Chief Administrative Officer or Member of a County Board of Supervisors, Large County
  - Director of a County Behavioral Health Department
  - Administrative Officer of a City
  - Resident of Supportive Housing
  - Representative of a Local or Regional Continuum of Care Organization
  - Mental Health Organization
  - Representative of an Affordable Housing Organization
Some Differences with CalHFA MHSA Program

• Construction financing not available

• Counties with over 5% of share of state homeless population can take funds and administer on own (LA, SF, SD, and Santa Clara)

• Trying to take lessons learned
  – Capitalized Operating Subsidy Reserve
  – 20-Year Commitment to Provide Supportive Services to NPLH Tenants
## Program Components

| Investment: | Authorization of $2 billion  
|             | • $1.8 billion Competitive/Alternative Program  
|             | • $200 million Non-Competitive / Over-the-Counter  
|             | • $6.2 Million in Technical Assistance Grants |
| Applicants: | Counties (alone or in partnership with Developers) |
| Beneficiaries: | Seriously Mentally Ill Persons  
|             | • Homeless  
|             | • Chronically Homeless  
|             | • At-risk of Chronic Homelessness |
| Policy Goals: | Addressing the Need  
|             | • Deep Targeting of Hardest to House  
|             | • Expanding Pool of Developers  
|             | • De-concentration and Integration |
Program Components Overview and Timeline

Competitive Program:

- Up to $1.8 billion
- Allocated to regions of counties based on population-size
- Formula-based allocations

Los Angeles County

Large Counties
- Population Size >750,000

Medium Counties
- Population Size 200,000-750,000

Small Counties
- Population Size <200,000
- 8% is set aside within the competitive program

NPLH County Groupings
Program Components Overview and Timeline

Non-Competitive / Over-the-Counter Funds:
- Up to $200 million available to all counties
- Allocation formula is based on HUD Point in Time Count Data
- Minimum allocation of $500,000 per county
- Funds available continuously for first 18 months

Technical Assistance:
- $6.2 million
- Grants to counties based on population size
- Money available over the counter April 10, 2017 through September 30, 2017
Key Definitions
Target Population

Persons who are Homeless, Chronically Homeless, or At Risk of Chronic Homelessness who are:

- An adult or older adult with a Serious Mental Disorder or
- Seriously Emotionally Disturbed Children or Adolescents

- Includes persons with co-occurring mental and physical disabilities or co-occurring mental and substance use disorders.
Key Definitions

At-Risk of Chronic Homelessness:
An adult or older adult with a Serious Mental Disorder or Seriously Emotionally Disturbed Children or Adolescents who meet one or more of the criteria below:

- Persons exiting institutionalized settings who were homeless prior to admission; or

- Transition-aged youth experiencing homelessness or with significant barriers to housing stability, including one or more evictions or episodes of homelessness, and a history of foster care or involvement with the juvenile justice system; or

- Persons, (including transition-aged youth), who were homeless prior to entering an institution, and will be homeless unless they can access the NPLH-assisted housing.
Key Definitions
At-Risk of Chronic Homelessness (cont.)

Covered Institutions

• state hospital
• hospital behavioral health unit
• hospital emergency room
• institute for mental disease
• psychiatric health facility
• mental health rehabilitation center
• skilled nursing facility
• developmental center
• residential treatment program
• residential care facility
• community crisis centers
• prison, parole, jail or juvenile detention facility, or
• foster care.
Key Definitions

At-Risk of Chronic Homelessness (cont.)

• Length of stay in institution does not matter

• At-Risk of Chronic Homeless includes persons exiting to shelter, transitional housing, interim bridge housing, hotels, motels, as well as places mentioned in HUD Homeless definition
“Permanent Supportive Housing” or Supportive Housing means:

• Housing with no limit on length of stay, that is occupied by the Target Population, and linked to onsite or offsite services that assist the supportive housing resident in retaining housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community
Definitions
“Permanent Supportive Housing” or “Supportive Housing”

Does not include any:

- “Health facility” (H&S Code Section 1250)
- “Alcoholism or drug abuse recovery or treatment facility” (H&S Code Section 11834.)
- “Community care facilities” (H&S Code Section 1502)
- “Mental health rehabilitation centers” (WIC Section 5675)
Competitive Program: Threshold Requirements

• **Eligible Applicant:**
  o County as sole applicant if it is a development sponsor, or jointly with a separate entity as a development sponsor.

• **Development Team Capacity:**
  o Two affordable rental housing projects funded in the last 10 years, one must include 1 PSH unit for Homeless, Chronically Homeless, or those At-Risk of chronic homelessness.

  o 3 years experience of Lead Service Provider and Property Manager in serving NPLH Target Population.

  o Collaboration among entities is imperative.
Competitive Program: Threshold Requirements

- **Project must be integrated**
  - Projects of 20+ units, no more than 49% of the units will be restricted as NPLH units.
    - Projects of 20 or fewer units can restrict more than 49%
  - NPLH units integrated with other project units
  - Encourage social interaction
    - Community building activities
    - Architectural design
    - No special restrictions on guests
Competitive Program: Threshold Requirements

• **Project Financial Feasibility**
  - Conform with HCD Uniform Multifamily Regulations
  - Tenant incomes cannot exceed 30% Area Median Income
  - Rents restricted from 15%-30% Area Median Income
  - Tenant pays no more than 30% of income in units with Capitalized Operating Subsidy Reserves or rent subsidy.
Competitive Program:
Threshold Requirements

• Eligible Housing Types
  o Minimum 5 units
  o Can be single developments, scattered-site, or shared housing
  o Common ownership, financing, and property management
  o Each tenant signs a lease
  o Permanent foundation, meet State and local codes, minimum sq. footage requirements.
Competitive Program: Threshold Requirements

• **20-yr Supportive Services**
  - County commits to provide mental health services & coordinate provision/referral to other services, including but not limited to substance use treatment services.
  - County-Approved Supportive Services Plan
  - Required Services include:
    - Case management;
    - Peer support services;
    - Mental health care, such as assessment, crisis counseling, individual and group therapy, and peer support groups;
    - Substance use services, such as treatment, relapse prevention, and peer support groups;
    - Support in accessing physical health care, routine and preventive health and dental care, medication management, wellness services; Benefits counseling and advocacy, including assistance in accessing SSI/SSP, enrolling in Medi-Cal, and obtaining other needed services;
    - Housing retention skills (such as unit maintenance and upkeep, cooking, laundry, and money management)
Supportive Services

Service Plan Requirements must include a description of:

• Target Population to be served, and any additional subpopulation targeting.

• Tenant outreach, engagement, and retention strategies to be used.

• Services offered; anticipated frequency; service providers.

• Means for addressing communication barriers, cultural competency.

• Coordination with property manager around eviction prevention, harm reduction practices and reasonable accommodations.
Competitive Program: Threshold Requirements

- **Low-Barrier Tenant Selection Practices**
  - Tenants shall be selected through use of a Coordinated Entry System (CES) or other similar system for those At-Risk of Chronic Homelessness and in compliance with Housing First requirements.
  
  - Housing First Practices
    - Participation in services cannot be a condition of tenancy
    - All tenants have their own lease
  
  - Eligibility not limited to clients of County Mental Health Department, as long as the tenant has a qualifying diagnosis under MHSA.
    - Adults – Serious Mental Illness
    - Children/Adolescents – Serious Emotional Disturbance
Competitive Program: Threshold Requirements

• **County Homelessness Plan**
  - Local Continuum of Care Plan
  - MHSA Plan addressing homelessness
  - Other County Plan
  - Subject to public input, publically approved, easily accessible/available.
  - May use NPLH Technical Assistance funds to develop
For Alternative Program counties to administer their own funds they must:

- Have a minimum of 5% of the State’s homeless population as measured through HUD Point In Time Count data.

- Demonstrate the capacity to directly administer loan funds for permanent supportive housing serving the Target Population.

- Have the ability to prioritize those with mental health needs who fit the Target Population criteria consistent with program requirements.

Counties participating in the Alternative Program shall not be eligible for funds available through the Competitive Program funding pool.
Anticipated Timeline

Initial Research, Stakeholder Outreach, Advisory Committee Recruitment

Release of Framework Paper and Start of Public Comment Period

Advisory Committee Meetings Begin

Release of Draft Guidelines for Comment

Completion of Guidelines/Beginning of Program Validation in Courts

Release of Notice of Funding Availability

*Subject to completion of the court validation process
Current Status

• Validation Action
  – The validation action was filed with the California Superior Court in Sacramento on September 12, 2017 by HCD’s legal counsel: California Attorney General’s Office.
  – While the validation action is pending, HCD will be unable to answer any questions regarding the proceedings. However, the validation action is on file at the Superior Court Case #2017-00219002 for any member of the public to check on the status of the case.
How to Become Involved

- Remember—County is applicant!
- Learn about your county’s Coordinated Entry System that prioritizes most vulnerable
- Participate in any planning process on homelessness your county engages in
- Ask your county how it plans to use its NPLH noncompetitive funds, and if it has projects in the pipeline for NPLH competitive funds
- Get involved in, and learn about, your local Homeless “Continuum of Care”
More information on HCD website at www.hcd.ca.gov

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