



**TEHAMA COUNTY
HEALTH SERVICES AGENCY/MENTAL HEALTH
DIVISION**

***MENTAL HEALTH SERVICES ACT (MHSA)
LOCAL GOVERNMENT SPECIAL NEEDS HOUSING PROGRAM
(SNHP)***

EXPRESSION OF INTEREST

***CAPITAL DEVELOPMENT
&
OPERATING SUBSIDY RESERVES***

FUNDING AVAILABILITY

FOR

**DEVELOPING SUPPORTIVE HOUSING PROJECTS FOR PEOPLE
WITH SERIOUS MENTAL ILLNESS**

AVAILABLE ELECTRONICALLY ON THE COUNTY MHSA WEBSITE:

www.tehamacohealthservices.net

INTERESTED PARTIES ARE RESPONSIBLE FOR CHECKING THE COUNTY WEBSITE FREQUENTLY FOR UPDATES OR CHANGES TO INFORMATION OR DOCUMENTS RELATING TO THIS INQUIRY

**MENTAL HEALTH SERVICES ACT (MHSA)
LOCAL GOVERNMENT SPECIAL NEEDS HOUSING PROGRAM (SNHP)**

**CAPITAL DEVELOPMENT
&
CAPITALIZED OPERATING SUBSIDY RESERVES**

1. BACKGROUND

The California Housing Finance Agency (CalHFA) implements the Local Government Special Needs Housing Program (SNHP) on behalf of counties throughout California. This program uses Mental Health Services Act (MHSA) funds to support capital development and capitalized operating subsidy reserves (COSR) for the development of permanent supportive housing, including both rental housing and shared housing, which is restricted for occupancy by individuals with serious mental illness (and their families) who are chronically homeless, homeless or at risk of homelessness. *Shared housing is not a local priority this funding round.*

Tehama County has an allocation of approximately \$848,300 for the development, acquisition, construction and/or rehabilitation of permanent supportive housing. Approximately \$500,000¹ is available for capital expenses and \$300,000² is available to capitalize operating subsidy reserves.

Eligible developers/borrowers and county must jointly submit a CalHFA SNHP Financing Application with a required non-refundable \$2,500 application fee (paid by developer), with a signed Local Government Certification (Attachment A), a draft Supportive Service Plan (Attachment A-1), a signed Developer/Borrower Certification (Attachment B), and a signed and approved SNHP Regulated Unit Occupancy Restrictions (Attachment B-1). CalHFA will conduct an analysis for financial viability of a proposal, and will make a determination and subsequent award.

The Application Submittal Instructions and the SNHP Financing Application and Attachments are available on CalHFA's website:

California Housing Finance Agency (CalHFA):

<http://www.calhfa.ca.gov/multifamily/snhp/>

¹ Recommended maximum 2017 SNHP loan limit is \$145,600 per SNHP regulated unit. Please reference CalHFA's Term Sheet at <http://www.calhfa.ca.gov/multifamily/snhp/> for more details.

² Recommended maximum 2017 COSR limit is \$145,600 per assisted unit. Please note CalHFA will determine the final subsidy amount per unit. Please reference CalHFA's Term Sheet at <http://www.calhfa.ca.gov/multifamily/snhp/> for more details. Only projects with SNHP Capital Development loans are eligible for COSR funds.

2. QUALIFIED DEVELOPERS AND BORROWERS

The minimum experience requirements of the Project Team collectively must meet all the following:

- A. Development, ownership, or operation of Permanent Supportive Housing, or at least two affordable rental housing Projects in the last ten years, with at least one of those Projects containing at least one Unit housing a tenant who qualifies as a member of a special needs population that experiences housing barriers similar to those of the target population, including such barriers as difficulty retaining housing, and mental health or substance use issues;
- B. The lead service provider, which may be the County, shall have three or more years' experience serving persons who qualify as members of one or more special needs populations whose service needs are similar to those of the Target Population. If this experience does not include experience serving persons in Permanent Supportive Housing, it must include experience helping persons address barriers to housing stability or providing other support services related to housing retention; and
- C. The property manager shall have three or more years' experience serving persons who qualify as members of one or more special needs populations whose property management needs are similar to those of the Target Population, including having such barriers as difficulty retaining housing, and mental health or substance use issues.

(Reference from No Place Like Home Program Guidelines, dated July 17, 2017)

The developer must be legally organized as one of the following:

- A limited partnership (LP). The managing general partner of the LP must be a 501(c) (3) corporation or a limited liability company (LLC) whose sole member or members are 501 (c) (3) corporations;
- A 501 (c) (3) corporation; or
- An LLC whose sole member or members are 501 (c) (3) corporations.

The borrower also must be organized as either:

- A single asset entity (in the case of a LP or LLC), or
- A separate legal entity that only holds properties that have SNHP Housing Development Program funding, as appropriate.

3. SUBMISSION PROCESS

For each proposed project, interested parties are to submit one signed original Expression of Interest and one complete copy. Excluding a cover letter and maps, the Expression of Interest

packet shall not exceed three (3) pages. Applicant may provide project narrative on either their agency's letterhead or within electronic form. Faxed copies will not be accepted.

The proposed project must be consistent with both the Tehama County Local Government Application and Approval Process and CalHFA's Term Sheet (Attachments 2 and 3).

Please submit Expression of Interest applications to:

Debbie Villasenor, Housing Consultant
Local Government Special Needs Housing Program (SNHP)
C/O Betsy Gowan, Mental Health Director
Tehama County
P.O. Box 400
Red Bluff, California 96080

This notice, including any amendments with instructions and details of the submission process, will be posted at www.tehamacohealthservices.net on December 15, 2017. Questions regarding this notice should be directed to Debbie Villasenor by e-mail: dvilla64@sbcglobal.net or by telephone: (530) 521-6401.

This notice is **not** a competitive solicitation offered by Tehama County. Acceptance of Expression of Interest applications by Tehama County is no guarantee of a MHSA Special Needs Housing Program loan award by CalHFA. Expression of Interest applications received on an over-the counter basis and accepted until award of all of Tehama County's SNHP funds to eligible projects.

In accordance with the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, it is the policy of Tehama County to assure equal opportunity to all persons. Equal opportunity includes the award and performance of any contract, without regard to race, color, sex, religion, national origin, ancestry, age, marital status or disability.

TEHAMA COUNTY IS NOT LIABLE FOR COSTS INCURRED IN THE PREPARATION OF RESPONSES TO THIS REQUEST. WE RESERVE THE RIGHT TO ISSUE SUPPLEMENTARY INFORMATION OR GUIDELINES RELATED TO THIS REQUEST.

4. EXPRESSION OF INTEREST (APPLICATION)-ATTACHMENT 1

The Expression of Interest, Attachment 1, allows developers/borrowers an opportunity to provide the Tehama County MHSA Housing Committee with a brief description of the SNHP housing project, including but not limited to the following areas:

- Target population(s)
- Location of project (please include location map)

- Type of housing & number of units (please include drawing of design layout, if available)
- Any special features of project
- Status of site control
- Readiness of project
- Relevant affordable housing experience of project developer/property management team (provide a list of recent projects)
- Roles and responsibilities of collaborative partners (Project Team)
- Leverage funding sources
- Total request for SNHP funds (Capital and COSR)

If the Tehama County Board of Supervisors recommends a project for funding, the developer shall prepare and submit a SNHP Financing Application (Universal Application) with the required Attachments and pay the required application fee to CalHFA on behalf of the project.

5. CONSUMER HOUSING SURVEY RESULTS

In the spring of 2017, Tehama County’s Mental Health Division distributed housing surveys to its consumers. The goal of the survey was to learn more about their current housing situation, the types of housing needed, and kinds of services and amenities consumers desire to assist them to achieve self-sufficiency. A copy of the housing survey and results are available on the department’s website at www.tehamacohealthservices.net

6. 2017 TEHAMA COUNTY CONTINUUM OF CARE POINT-IN-TIME COUNT

A copy of the Point-In-Time Count, a survey of homeless individuals and families in Tehama County, is available at the Tehama County Continuum of Care’s website at:

www.tehamacoc.org

7. PRIORITIES OF MHSA HOUSING COMMITTEE

The following are local priorities for the utilization of the SNHP program funds:

Population Served: The project(s) should be available to all eligible SNHP adults, 18 years or older, with serious mental illness that are chronically homeless, homeless or at risk of homelessness.

Housing Options: Fully furnished studio or one-bedroom units are in high demand. Eligible projects are new construction and acquisition/rehabilitation apartment complexes with five or more units. Projects must reserve a minimum of five units for SNHP clients. Preference is for SNHP units within a mixed-income project serving other target populations rather than a 100% SNHP project. *Please Note: Shared housing is not a local priority this funding round, and Master Leasing is not a permitted use of funds.*

Location and Project Amenities: The SNHP projects should be located in safe neighborhoods near services such as grocery store, health care, shopping and public transportation. The housing projects should provide a safe and secure community environment, while providing private facilities for the delivery of supportive services. It is highly desirable for the housing project design to include:

- On-site laundry
- A community garden area
- Accommodations for pets and use of pet friendly building materials i.e., linoleum or Pergo flooring
- On-site Property Manager
- A private meeting room for on-site support services
- On-site vocational and employment opportunities for SNHP tenants
- A community room, communal kitchen, and computers with internet service
- Walkable and/or bicycle distance to services

Supportive Services: Supportive services are essential to help residents maintain their housing. An array of voluntary services should be integrated into the housing opportunities and be comprehensive enough to serve as many of the SNHP residents needs as possible. Individualized service plans are important with the understanding that flexibility is instrumental in responding to changes in service needs throughout tenancy. On-site and off-site supportive services must be made available, as well as information about other support services available in the community.

Rent affordability: The SNHP rents may not exceed 30% of HUD published 30% AMI levels (adjusted for family size). There are no income limits imposed by the SNHP Regulatory Agreement. Income restrictions from other overlaying sources need to be approved by Tehama County (CalHFA Financing Application, Attachment B-1).

Project Based Section 8 Vouchers and utility assistance should be included in the project operations, if possible, to ensure affordability. Housing developers are encouraged to use energy efficient, sustainable products and native landscaping to help reduce energy and water costs for the housing complex.

Attachments:

1. Expression of Interest Application
2. Tehama County Local Government Application and Approval Process
3. CalHFA SNHP Term Sheet for Participating Agencies (dated 12-13-2016. Please check CalHFA's website for updates to this document)