

## Round 3 Competitive and Non-Competitive Allocation Bidders Conference Notes

Welcome

Kara Douglas: NPLH began in 2016 with 2 Billion in State-wide bond proceeds. Concern by counties that since funds were drawn from MHSA allocations they would be responsible for debt service whether or not the county receives funds. Counties wanted to be assured that there would be a county share. That's where the non-competitive allocation originated. The term non-competitive means that the counties do not have to compete for the funds, they are guaranteed a certain amount, but once the counties have a hold of the funds, it is a competitive process for the developers to access those funds.

NPLH funds are a special source of funds to benefit individuals with a severe mental health diagnosis who are also experiencing homeless, chronic homelessness or at risk of chronic homelessness. The purpose of this call is to brief Contra Costa County's process, not to get into the eligible beneficiaries and developer requirements. All of this information is provided on the NPLH website.

- Funds available are for multi-family rental projects with 5 or more units of permanent supportive housing. This can be used potentially, and would need to confirm with HCD, for contiguous sites. Example: North Richmond has a lot of former housing authority duplexes, there's a possibility that 3 duplexes, or 6 units on contiguous lots may also be eligible.
- In addition to funds being used to acquire a site, construct or rehabilitate, funds may also be used to develop a capitalized operating subsidy reserve. Please see NPLH site for additional details. Non-competitive funds are still subject to the same requirements described for the competitive.
- Timing is awkward for the County. County must submit the application for the non-competitive funds no later than February 15<sup>th</sup> 2021. We understand that developers may want to use Non-Competitive funds as a leverage source for competitive funds in their Round 3 NOFA, which is not expected until later in October. The County is trying to coordinate with the State timeline without full knowledge of the State timeline.
- Contra Costa has approx. \$2.2 million in non-competitive. This is the County's only NOFA so the goal is to allocate the entire amount and have applications ready for February.
- Behavioral Health Services is the lead agency.
- Participants can apply in three ways: for the non-competitive in any amount up to \$2.2 million, non-competitive in combination with the competitive round 3, or solely for the competitive round 3. Important to note that whatever amount of funds you are eligible for under the guidelines that your project is eligible for is the total amount of NPLH funds you can be awarded in any combination of the non-competitive and competitive funds. Example, if you determine that you are eligible for 6 million dollars, that's going to be \$6 million and you received \$2 million from the County, you would only be eligible to receive \$4 million from the state. The advantage of the County funds will be the leverage score.

- If you are only applying for the state competitive allocation, the county will need to see the applications and coordinate with you regarding your services plan.

Adam

- Services plan: the County is willing to take an approach to work with you and your chosen service provider or work with you to integrate supportive services into our Full Service Partner service provision structure. FSPs are wraparound service providers that operate under a “whatever it takes” attitude towards treatment services that may include: housing subsidies and service coordination. Full service suite of treatment options. There will also be connections with the regional County clinics. We have been using the term “MHSA eligible” which means the expectation is that the clients being admitted have a severe and persistent mental health diagnosis. Units and services may be for both adults as well as children with a diagnosis and families. Multi-bedroom units are okay and desired. We’ll work with you through the process and use templates from prior round submissions. We can negotiate specifically with your organization as we get further down the application process. That said, this in no way precludes you working with a service provider that you feel comfortable working with. Our priority is that you are engaging with the targeted population. CCBHS is flexible in our approach and prepared to provide services to the appropriate clients but each approach will be reviewed on a case by case basis.
- Coordinated Entry or alternate process is a requirement of NPLH. CCBHS will help to facilitate connections with H3, which will be the source of referrals and identification of clients that are appropriate for your developments.
- We are focused on units and we will work with you to the best of our ability to put services around the clients (with cost considerations). We are flexible with our approach and want housing for the community.

Kara

- The County is a co-applicant for these funds and if awarded the State will provide their “Standard Agreement” which is fairly non-negotiable. The role of the County is ensuring that there is a good service plan and a good service provider. The County is not interested in being a developer. Will not be commenting about the details of the developer’s preference for architect, planning, construction or management for example. The idea of the County as a co-applicant is really a State construct. County is not looking to get into the development business. When the Standard Agreement comes out “sponsor” is defined as both the developer and the County with equal responsibility. An MOU will be required to further clarify these roles; the County is really interested in ensuring the services are provided but not the management of the project.
  - Question: Will the County help identify sites?
    - No, the county does not have the resources to do that. The closest support would be that each jurisdiction in the County has a housing element. There are lists of sites that the planners in each jurisdiction have identified as appropriate

for housing, but the County does not maintain these and is unaware if these sites are available. These lists do not identify if there is a willing seller or not, just appropriateness for housing by looking at the current use, size of the site, and current zoning and perhaps if the site is underutilized. Again, the County does not maintain these lists; they are made by each jurisdiction.

- Adam: There has been some discussion for future rounds about the possibility of looking at surplus property but those discussions are highly preliminary and will not be available for this round of funding.
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- The schedule. Applications are due October 9<sup>th</sup>. We recognize that this is a fairly tight schedule but as we discuss the application you'll see that the County is not requiring everything the State requires for the completed application. Once received, applications will be reviewed by Kara and Adam and we intend to put together a review committee with various county staff with expertise. Scoring will happen towards late October or November. Some of the dates may be moved around a little bit depending on when the State NOFA is released so that we can best align the projects and not create double work for you. We absolutely have to have everything in place for the non-competitive by February 15, 2021. Last year, State applications were due in January.
  - The RFP explains how to submit the information to Adam.
  - What are we looking for:
    - Cover page – The state application is not very direct in explaining the details of the project. Please include: your funding request, what pool of money you are hoping to apply for, what you anticipate your State request might be (please verify what the per unit subsidy amounts are), a brief project description, number of units, what other funding sources you anticipate, how many units for identified special populations. Please provide enough information so that reviewers can get a good sense of what you are intending to do.
    - We will review for threshold requirements. If the project does not meet threshold on the day of submission to the County, please explain how the project will meet the threshold requirements on by the time the project is to be submitted to the State. The detail on threshold requirements is on the NPLH website.
    - Please explain how you plan to provide supportive services.
    - The HCD Universal Application and the NPLH Supplemental Application are on the NPLH website. We tried to streamline the information required to the County as much as possible, but this will all need to be done at some point. Reviewers will not be looking for all of the supportive documentation that the State requires at this time but we would like all of pages on the spreadsheets. The reviewers may come back to request additional documentation as necessary.
      - Question: If you are only applying for the State funding do we still need to submit this application on October 9<sup>th</sup>?

- Yes, because the County is a co-applicant, and will need to be comfortable with it. However, if it is your intention to apply only the State funds, the bar will be a bit lower. We'll work with you as a co-applicant as long as you are meeting threshold and review panel is comfortable with the project. The non-competitive allocation will be reviewed more closely.
    - If your project does not appear to meet threshold requirement and if it is determined that that is unlikely to happen before submission requirement, there will be little point in reviewing that application further.
    - The non-competitive funds will be scored and ranked by some of the State requirements, but not all of it. Some of the State guidelines do not make sense from the County perspective. For example, the State is interested in your maximizing local funds for max benefit from the State perspective, whereas the County would be more interested in maximizing State dollars brought to the County so leverage will not be a ranking criteria.
    - Tie breakers will be based on the total number of NPLH units.
    - We advise giving yourself plenty of time to review the lengthy State application.
  - Question: Does the County have a preference on the type of projects we are interested in working on? Like are you interested in funding new projects or projects that are mostly already funded?
    - Adam: Projects that are mostly funded are going to be more competitive at the State level and will also help create a stronger application if you are applying for the non-competitive. However, ultimately we are looking for units. We're relying on you to bring your expertise to the table. We're open to different ideas, approaches and models. Again, funding isn't mandatory but it will create a better project.
    - Kara: If you are only applying for State funds, you'll need to consider that project readiness is a State scoring metric. We'll have to review for the non-competitive if there is an expenditure deadline. There's no prohibition to this being the first money in, but we only have one chance at award, and we will need to be confident that the project will happen as we won't have a chance to reallocate.
- Written questions will be accepted and passed along to the group.

Meeting Ended