



Office of the City Manager

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CONSENT CALENDAR
January 29, 2019

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Kelly Wallace, Interim Director, Health, Housing & Community Services

Subject: Authorize Participation in State of California No Place Like Home Competitive Funding and Commit Mental Health Services for Future Tenants of the Proposed Berkeley Way Project

RECOMMENDATION

Adopt a Resolution authorizing and directing the City Manager to submit applications to the State of California's No Place Like Home (NPLH) housing program's competitive application and enter into the program's required agreements, and committing to providing mental health services for residents of the funded units for at least 20 years.

FISCAL IMPACTS OF RECOMMENDATION

Staff recommend that the City submit an application to the State NPLH program for BRIDGE/Berkeley Food and Housing Project's Berkeley Way project (specifically the permanent supportive housing component). If it is funded by the State, the City would be required to provide mental health services for the tenants of the 10 resulting NPLH-dedicated apartments in addition to the 6 authorized on December 4, 2018 connected with the City's noncompetitive NPLH funds, for a total of 16. Berkeley Mental Health already provides mental health services to qualifying people with serious mental illness who reside in Berkeley. In addition, the City of Berkeley funds services provided by contractors to homeless individuals who have a mental illness.

CURRENT SITUATION AND ITS EFFECTS

The State's No Place Like Home (NPLH) housing program includes three types of funding: noncompetitive, technical assistance, and competitive. The State has issued a Request for Proposals for \$400M in competitive NPLH funds with applications due on January 30, 2019. Both Berkeley Way and Satellite Affordable Housing Associate's Oxford Senior Apartments are seeking these funds.

Each application to this funding source must include the participation of a local mental health jurisdiction. Projects in Berkeley can either apply with Alameda County or with the City of Berkeley. Projects applying to the State with Alameda County will compete against other projects from large counties for a total of \$93.5M. Projects applying with Berkeley will compete against other projects from small counties for a total of \$32M.

After consultation with the project sponsors and Alameda County, staff believe that Berkeley projects are more likely to be funded if they apply in collaboration with the City because the small counties funding pool is likely to be undersubscribed. This will require the City to provide mental health services for tenants for 20 years. Additionally, the City's support of these applications will preserve the City's option to require a local preference for applicants who live or work in Berkeley.

Unfortunately, the NPLH program guidelines limit the state to funding only one project per funding round from cities that are mental health jurisdictions (as opposed to counties). Therefore the City is unable to submit both the Berkeley Way and Oxford Senior Apartment project to the State in this funding round. Alameda County's analysis of the applications found the Oxford Senior Apartment project to score more highly, which means that it may compete better in the large counties funding pool. For that reason, and because the Council has indicated that Berkeley Way is its first priority for City funding, staff intend and have discussed with the applicants and the County that the City will submit Berkeley Way as a Berkeley project, and the County will submit Oxford Senior Apartments.

BACKGROUND

The State's No Place Like Home (NPLH) housing program includes three types of funding: noncompetitive, technical assistance, and competitive. As a mental health jurisdiction, the City automatically received allocations of noncompetitive funds (which will be administered by the State for a locally-selected housing development) as well as technical assistance funds.

On December 4, 2018, the Council authorized the City to submit an application to the State for the City's noncompetitive fund and to award \$65,000 in technical assistance funds to the Berkeley Way project.

ENVIRONMENTAL SUSTAINABILITY

There are no environmental impacts directly associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

Sponsoring Berkeley Way's application for NPLH will make the project eligible for about \$6.5M in State funds, including some funds to support its operations. Staff expect that the City's involvement, rather than the County's will increase the project's chances of being funded and will allow the City to apply a local preference for tenants. The City Council has previously committed predevelopment funds and reserved development funds for the Berkeley Way project, after selecting BRIDGE and BFHP to develop the site. The project received its land use approvals in December 2018. The State released in RFP in late 2018, with the applications due January 30, 2019, making this decision time sensitive.

ALTERNATIVE ACTIONS CONSIDERED

These projects could apply to No Place Like Home through Alameda County, if the County agreed to be the service provider. In that case, the County would not allow a Berkeley live/work preference for the permanent supportive units. In addition, the projects would need to compete with many more projects for the NPLH "large county" pool of funds, possibly diminishing chances of success.

CONTACT PERSON

Amy Davidson, Senior Community Development Project Coordinator, Health, Housing & Community Services, (510) 981-5406

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

AUTHORIZATION TO PARTICIPATE IN THE NO PLACE LIKE HOME PROGRAM

WHEREAS, the State of California, Department of Housing and Community Development (“Department”) issued a Notice of Funding Availability, dated October 15, 2018 as amended on October 30, 2018 (“NOFA”), under the No Place Like Home Program (“NPLH” or “Program”) authorized by Government Code section 15463, Part 3.9 of Division 5 (commencing with Section 5849.1) of the Welfare and Institutions Code, and Welfare and Institutions Code section 5890;

WHEREAS, the NOFA relates to the availability of approximately \$400 million in Competitive Allocation funds under the NPLH Program; and

WHEREAS, the City of Berkeley is a County and an Applicant, as those terms are defined in the NPLH Program Guidelines, dated July 17, 2017 (“Guidelines”).

NOW, THEREFORE, BE IT RESOLVED, that the Council of the City of Berkeley does hereby determine and declare as follows:

BE IT FURTHER RESOLVED that the City is hereby authorized and directed to apply for and if awarded, accept the NPLH Program funds, as detailed in the NOFA, up to the amount authorized by the Guidelines and applicable state law.

BE IT FURTHER RESOLVED that the City Manager, or his or her designee, is hereby authorized and directed to act on behalf of the City in connection with an award of NPLH Program funds, and to enter into, execute, and deliver any and all documents required or deemed necessary or appropriate to evidence the loan of NPLH Program funds, the City’s obligations related thereto, and the Department’s security therefore. These documents may include, but are not limited to, a State of California Standard Agreement (“Standard Agreement”), a regulatory agreement, a promissory note, a deed of trust and security agreement, and any and all other documents required or deemed necessary or appropriate by the Department as security for, evidence of, or pertaining to the NPLH Program funds, and all amendments thereto (collectively, the “NPLH Program Documents”).

BE IT FURTHER RESOLVED that the City shall be subject to the terms and conditions that are specified in the Standard Agreement; that the application in full is incorporated as part of the Standard Agreement; that any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement; and that the City will use the NPLH Program funds in accordance with the Guidelines, other applicable rules and laws, the NPLH Program Documents, and any and all NPLH Program requirements.

BE IT FURTHER RESOLVED that the City will make mental health supportive services available to each project’s NPLH tenants for at least 20 years, and will coordinate the

provision of or referral to other services (including, but not limited to, substance use services) in accordance with the City's relevant supportive services plan, and as specified in Section 202(n)(1) of the Guidelines.

