



SAN MATEO COUNTY
HEALTH DEPARTMENT

MENTAL HEALTH SERVICES ACT HOUSING PROGRAM

REQUEST FOR APPLICATIONS

FUNDING AVAILABILITY

FOR

CAPITAL DEVELOPMENT & OPERATING SUBSIDIES TO
ACQUIRE, CONSTRUCT, AND/OR REHABILITATE
PERMANENT SUPPORTIVE RENTAL HOUSING FOR PEOPLE
LIVING WITH SERIOUS MENTAL ILLNESS

September 2008

SAN MATEO COUNTY

Department of Health
Behavioral Health and Recovery Services
2000 Alameda de las Pulgas, Suite 240
San Mateo, CA 94403

Department of Housing
Housing and Community Development
264 Harbor Blvd., Bldg A
Belmont, CA 94002

September 18, 2008

TO ALL INTERESTED PARTIES:

San Mateo County is pleased to announce the availability of funds through the Mental Health Services Act for the construction and operation of housing for people living with serious mental illness. Please find attached a Request for Applications for this funding.

Background

The passage of the Mental Health Services Act (MHSA) in November 2004 created the first opportunity in many years for the California Department of Mental Health (DMH) to provide increased funding, personnel and other resources to support county mental health programs. The Act addresses a broad continuum of prevention, early intervention and service needs and the necessary infrastructure, technology and training elements that will effectively support this system.

The MHSA Housing Program component of the Act was signed into law in May 2006 – with the stated goal of creating 10,000 additional units of permanent supportive housing for people with serious mental illness. This is a collaborative program administered by the California Housing Finance Agency and the State Department of Mental Health. Funding and program requirements were released in August 2007, and applications are now being accepted by the State.

In San Mateo County, the Behavioral Health and Recovery Services Division of the Health Department has initiated a collaboration with the Department of Housing to plan and carry out the MHSA Housing Program in San Mateo County. Implementation of the program will also be carefully coordinated with the County Human Services Agency, which is leading the County's efforts to end homelessness through its 10 Year Plan, entitled *HOPE* (Housing Our People Effectively).

San Mateo County recently conducted a stakeholder input process in order to identify local MHSA Housing priorities. Mental health consumers, family members and service providers were engaged in this process. Project proposals for MHSA Housing funds will be evaluated according to their ability to meet these priorities as described in the attached document. The overall State requirements for MHSA-funded housing projects may be found at: <http://www.calhfa.ca.gov/multifamily/mhsa>

Submission process

Applications for the funding are now being accepted by San Mateo County for review. The attached guidelines describe the process for local review

prior to submitting an application to the State of California for funding. Please note: the State will not approve applications that are not first approved by the County through the process described in this document.

In order to qualify for MHSA Housing funds, projects must be located within San Mateo County and must conform to all of the requirements delineated in the State MHSA Housing Program Application, including:

- ◆ Housing Type: Only permanent shared housing and rental housing projects are eligible for MHSA funds.
- ◆ Target Population: The target population for MHSA units must be low-income adults, or older adults, with serious mental illness, and children with severe emotional disorders and their families who, at the time of assessment for housing services, meet the criteria for MHSA services in their county of residence and are homeless or at risk for homelessness as defined by the MHSA Housing Program application.
- ◆ Developer experience: Developer must have a track record of successful housing development and either a history of serving the target population or a contract/MOU with a qualified service provider and property manager.

Interested parties should submit the required information as described in the solicitation document. Applications are being accepted on an “over-the-counter” basis and will be accepted up until the point that all funds have been allocated.

If you have any questions about the application or selection process, please contact Judy Davila at (650) 802-5057 or jdavila@co.sanmateo.ca.us

Sincerely,

Chris Coppola
Behavioral Health and Recovery Services
San Mateo County Health Department

Janet Stone
San Mateo County Department of Housing

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REQUEST FOR APPLICATIONS FOR MENTAL HEALTH SERVICES ACT HOUSING PROGRAM

SAN MATEO COUNTY HEALTH DEPARTMENT BEHAVIORAL HEALTH AND RECOVERY SERVICES DIVISION

This Request for Applications (RFA) is not a commitment or contract of any kind. The San Mateo County ("County") reserves the right to pursue any and/or all ideas generated by this request. Costs for developing the applications are entirely the responsibility of the applicants and shall not be reimbursed. The County reserves the right to reject any and all applications. The County reserves the right to waive any requirements of this RFA when it determines that waiving a requirement is in the best interest of the County.

General Provisions Regarding Public Nature of Applications. Government Code Section 6250 et. seq., the Public Records Act, defines a public record as any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics. The Public Record Act provides that public records shall be disclosed upon request and that any citizen has a right to inspect any public record, unless the document is exempted from disclosure.

Applicant's Rights regarding Confidentiality of Applications. The County cannot represent or guarantee that any information submitted in response to the RFA will be confidential. If the County receives a request for any document submitted in response to this RFA, it will not assert any privileges that may exist on behalf of the person or business submitting the application. If an applicant believes that a portion of its application is confidential and notifies the County of such in writing, the County may, as a courtesy, attempt to notify the applicant of any request for the application. However, it would be the sole responsibility of that applicant to assert any applicable privileges or reasons why the document should not be produced, and to obtain a court order prohibiting disclosure. The applicant understands that the County is not responsible under any circumstances for any harm caused by production of a confidential application.

County's Rights Regarding Confidentiality of Applications. To the extent consistent with applicable provisions of the Public Records Act and applicable case law interpreting those provisions, the County and/or its officers, agents and employees retains the discretion to release or to withhold disclosure of any information submitted in response to this RFA.

Background

The Mental Health Services Act (MHSA) created new funding for mental health services for unserved and underserved persons with serious mental illness. Many unserved and underserved persons with mental illness are homeless or at risk of homelessness. Addressing their mental health needs appropriately requires also assisting them to move into stable housing. The MHSA Housing Program was created to address this need, as the availability of appropriate and affordable housing for this population is extremely limited.

The California Department of Mental Health (DMH) and the California Housing Finance Agency (CalHFA) are administering housing funds under the MHSA to finance the capital costs of development, acquisition, construction and/or rehabilitation of permanent supportive housing for individuals with mental illness and their families. The MHSA Housing Program will also make available a specific amount of operating subsidies for those projects that are approved for capital funding. San Mateo County has an initial 3-4 year funding distribution of \$6,762,000, of which a maximum of \$2,254,000 can be used for operating subsidies.

During the application review and evaluation process, CalHFA will underwrite requests for capital funds and capitalized operating subsidies, while DMH will evaluate each applicant's proposed target population and supportive services plan. Once funds are awarded, CalHFA will oversee all housing and financial aspects of the development and DMH will oversee the provision of services.

Under the MHSA Housing Program, capital funds may be used for either rental housing developments or shared housing developments. For rental housing developments, applicants will also be required to obtain additional capital funding. MHSA funds will pay up to 1/3 of the development costs for MHSA targeted units up to a maximum of \$100,000 per unit. The balance must be obtained from other federal, state or local sources. However, for Shared Housing Developments, funds from this new program may be used to cover all capital costs up to the funding limits specified in this application.

In order to submit an application for funding to the State, the sponsor must first go through a review process by the county mental health agency (in this case, the San Mateo County Department of Health, Behavioral Health and Recovery Services Division - hereafter referred to as "BHRS"). By signing off on the application, the County agrees that the development, if successfully approved, will be an appropriate housing development for the local client population and that BHRS will ensure that appropriate services are provided. ***These guidelines describe the process for local review prior to submitting the application to the State of California for funding. Please note: the State will not approve applications that are not first approved by the County through the process described in this document.***

Electronic versions of the MHSA and Universal Applications are available at <http://www.calhfa.ca.gov/multifamily/mhsa>

MHSA Planning in San Mateo County

The passage of the Mental Health Services Act in November 2004 created the first opportunity in many years for the California Department of Mental Health (DMH) to provide increased funding, personnel and other resources to support county mental health programs. The Act addresses a broad continuum of prevention, early intervention and service needs and the necessary infrastructure, technology and training elements that will effectively support this system.

In 2005, the San Mateo County Mental Health Services Division (now BHRS) initiated a large and inclusive community planning process leading to its MHSA Community Services and Supports Plan, which was approved by the State Department of Mental Health in 2006. The Mental Health Services Division conducted an intensive community outreach process to assure there would be substantial, meaningful input from consumers, family members, and representatives of populations that have been historically under-served by the Mental Health Services Division. The Mental Health Services Division partnered with numerous community stakeholders to conduct over 100 focus groups and community meetings targeting un/under-served populations, which were held in all communities in the County between March and June, and input was received from over 1,000 individuals. The two Youth Commissioners serving on the Mental Health Board also conducted a mental health awareness survey of high school students that generated over 1,000 responses. Housing was clearly identified as the most significant need for adult, senior and transitional age youth members of the MHSA target population.

On-going implementation of MHSA in San Mateo County is overseen by the MHSA Steering Committee, which is comprised of a broad cross section of community leaders that includes consumers and family members. Steering Committee workgroups meet regularly to work on issues specific to different MHSA subpopulations and service types.

The MHSA Housing Program component of the Act was signed into law in May 2006 with the stated goal of creating 10,000 additional units of permanent supportive housing for this population. Developed in collaboration with the California Mental Health Directors Association and other stakeholders, this program is anticipated to receive MHSA funding for the next 20 years--if successful. Funding and program requirements were released in August 2007, and applications to the state are now being accepted. Counties are required to provide ongoing support services as well as authorize CalHFA to serve as the fiscal agent for these funds.

BHRS is collaborating with the Department of Housing to plan and carry out the MHSA Housing program in San Mateo County. Implementation of the program will also be carefully coordinated with the County Human Services Agency, which is leading the County's efforts to end homelessness through its 10 Year Plan, entitled *HOPE* (Housing Our People Effectively).

In order to gather further information on the type of housing that would be most beneficial to the target population, BHRS launched a supplemental community process June and August of 2008. BHRS hosted focus groups specifically for consumers and their family members to collect information on their needs and preferences related to housing. On-line surveys were made available and the links were widely distributed to mental health service providers and family members of mental health consumers. All of these efforts assisted BHRS in creating guidelines for MHSA housing that are responsive to and promote consumer choice.

Housing Principles

San Mateo's MHSA planning process identified a common need for supportive housing across all MHSA subpopulations. Generally, supportive housing is community-based housing that is affordable to clients on a permanent basis, provides all the rights and responsibilities of tenancy, and is accompanied by appropriate, voluntary services that assist clients to retain their housing.

The guidelines below reflect consumer-identified priorities, along with affordable housing development "best practices" applicable to San Mateo County that will inform the selection and design of MHSA housing projects. Projects that do not meet these guidelines may still be considered for funding if exceptions are justified with reference to limitations posed by cost, the local housing market, and other constraints.

Specifically, BHRS is seeking projects that are consistent with the following housing principles:

1. Because of greater cost effectiveness, rental housing projects are strongly preferred over shared housing.
2. MHSA units may be in projects that are 100% targeted for MHSA clients and/or in mixed-population projects serving other target populations. To ensure client choice, BHRS will seek to achieve a mix of project types over time.
3. Rental Housing projects must have a minimum of five MHSA units. In developments of five to 100 units, at least 10% of the units must be set aside for the MHSA target population. In projects over 100 units, at least 10 units

must be set aside for the MHSA target population. When feasible, it is preferable to have at least 10 MHSA-designated units in a project in order to efficiently provide services for MHSA clients.

4. A range of unit sizes to accommodate different size households for MHSA units is desirable, with emphasis on studio and one-bedroom units.
5. Housing developments should be located close to public transportation, with access to health services, groceries, and other daily living necessities.
6. Rents for MHSA units should be set at the lowest possible level, and tenants should pay no more than 30% of their income for housing, consistent with accepted federal standards of affordability.
7. Housing developments should offer common spaces and amenities that enable and encourage tenant engagement, positive interactions among tenants, and a healthy living environment. Such spaces may include community rooms, courtyard areas, and communal kitchens/dining areas.
8. Housing should include extra safety features (examples might include security cameras, extra lighting, security fences, locked entry-ways and intercom systems, and on-call staff for emergencies outside of regular business hours).
9. Housing developments should offer designated office space for services staff (either visiting or stationed on-site) to interact confidentially with tenants (number of offices/square footage commensurate with size of building).

Eligible Applicants

A formal MHSA Housing Program Application for funding may be submitted to the State once approved by BHRS. Once an application has been approved at the State level, the funds are distributed to the qualified borrower in the form of a loan (and in some cases, as capitalized operating subsidies). Therefore, the prepared application must be reviewed and signed by BHRS and the developer.

By signing and submitting the application, the Director of BHRS will signify that BHRS:

- Approves the use of a portion of its allotted MHSA Housing Program funds for the supportive housing project described in the application,
- Agrees to permit CalHFA to establish the capitalized operating subsidy amount, and
- Commits to providing supportive services to the MHSA tenant population of the project for the full term of the MHSA Housing Program loan.

In addition, the Director of BHRS will be required to sign Attachment H, the County Mental Health Department Sponsorship and Services Verification Form, specifically committing support and services to the development.

The MHPA application specifies that the following types of developers/development teams will qualify for consideration:

1. Developers with a track record of successful housing development and a history of serving the target population.
2. Developers with a track record of successful housing development but with no history of serving the target population, but with a strong contract/Memorandum of Understanding with a qualified service provider and property manager, and the assistance of qualified consultants with a history of successfully working with developers to house the target population.
3. A qualified supportive services provider with a joint venture developer partner with a history of successful development, who has entered into a contract/Memorandum of Understanding (acceptable to CalHFA) with a qualified property manager and has the assistance of qualified consultants who have a history of successfully working with similar joint venture partners to house the target population.
4. A qualified supportive services provider with a qualified development team that has a history of successful development and that has entered into a contract/Memorandum of Understanding (acceptable to CalHFA) with a qualified property manager.

In addition to CalHFA requirements, the developer/development team must demonstrate to BHRS and the project review team that it has the current capacity to successfully oversee the development process and operate the project over time. This may include a review of staffing and staff qualifications as well as the submission of additional information on selected project partners and consultants (see Attachment 2). It is the sole determination of BHRS and the project review team as to whether the proposed development team has demonstrated adequate capacity to participate in the program.

Submission Process

BHRS will post this notice, including any amendments with instructions and details of the submission process, on its website:

www.smhealth.org/bhrsrfps

The initial step in the San Mateo County process for developers applying for MHSA funds is to submit the information listed below to BHRS. Interested parties are to provide four (4) copies of the following:

- The Development Summary Form (Attachment 1)
- The Project Description & Developer Qualifications Statement (Attachment 2)

The requested information may be entered directly onto the forms included at the end of this document as Attachments 1 and 2.

Please submit the above information to:

Kelly Sheridan
Adult/Older Adult Services
Behavioral Health and Recovery Services Division
San Mateo County Health Department
2000 Alameda de las Pulgas, Suite 240
San Mateo, CA 94403

BHRS will convene a project review team consisting of County staff as well as at least one consumer and/or family member.

Within 10 business days of receiving the above information, BHRS staff will arrange a meeting between the developer and the project review team to discuss the project concept. BHRS and the project review team will first determine that the project is likely to meet the objectives of the MHSA program and that the developer meets the eligible applicant standards. If the proposed project meets minimum criteria and funding priorities, BHRS will invite the project sponsor to further develop the housing project concept in collaboration with BHRS and the Department of Housing (DOH).

If the proposed project fails to meet minimum criteria and/or funding priorities, the applicant will be given guidance as to how the proposal or the development team must be amended in order to receive further consideration. The project sponsor may resubmit the application correcting any such deficiencies.

For project proposals that are suitable to move forward, if the developer has not already identified a suitable service provider partner, the developer will be provided with information regarding possible service provider partners that would

be the most suitable to provide supportive services for the proposed development. Service providers may include Full Service Partnerships (FSPs) or other Intensive Case Management teams funded by the county. Suitability will most likely depend upon geography and target population for the project, as well as the level of unmet housing need. BHRS and the project review team must be satisfied that the partnership is viable, and that services are sustainable based on funding availability. A list of county-funded FSPs and Intensive Case Management Teams is provided in Appendix 1.

The next step is for the applicant to contact a service provider identified in coordination with BHRS, and determine if the Full Service Partnership or other Intensive Case Management team can provide services for the proposed development. Once agreement is reached between the service provider and the applicant, then both parties will work cooperatively on completing the MHSA application.

Given the importance of timely decisions and notifications, it is the intention of BHRS to complete the initial steps of the application process within thirty (30) days following receipt of the application materials.

Once the project concept has been fully developed as described in the above process, the applicant will then complete and submit the entire draft MHSA application to BHRS for review by the project review team. The following sections of the application, when approved, will be posted on the BHRS website for 30 days in compliance with the public posting requirement:

- Development Summary Form (Attachment I of the MHSA application);
- Development Description;
- Sections D.1. through D.5. of the MHSA application.

During the 30-day public posting period, BHRS will request that the Department of Housing review the application with special attention to the budget and financial exhibits. Following the 30-day public posting period, BHRS will either:

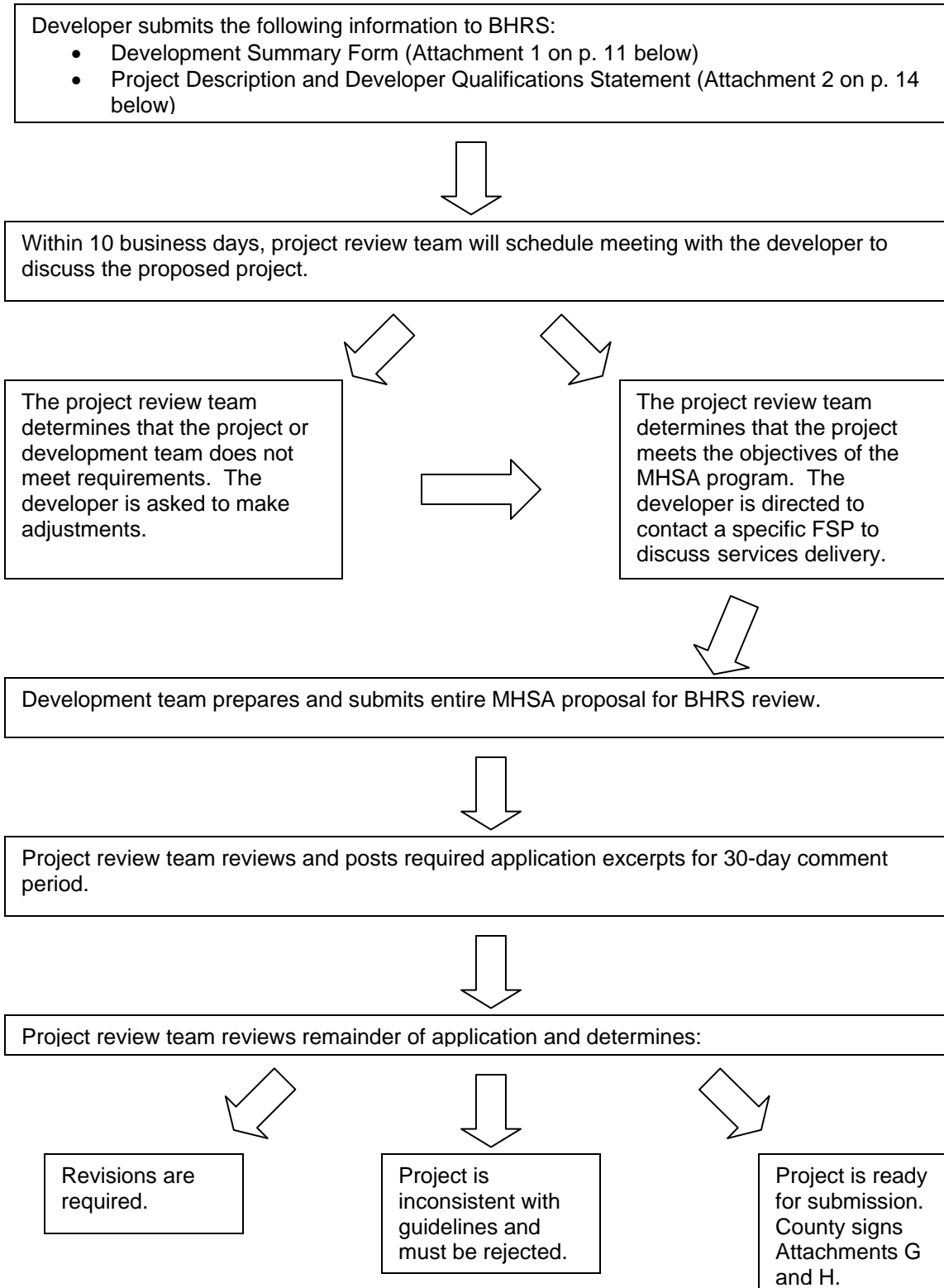
- Reject the current proposal as not consistent with local plan and priorities;
- Approve the proposal and sign Attachment H;

OR

- Request that the applicant make certain revisions to the application in order to reconsider the application for submission.

Please see the diagram on the following page, which reviews the application process.

Mental Health Services Act San Mateo County Housing Program Application Process



An applicant whose application is rejected may submit a written protest to the Director of BHRS. Such written protest must be submitted within five (5) days after receipt of the notification informing the applicant that their application was not selected. **The protest must be in writing.**

The Director of BHRS or designee will respond to the protest within ten (10) working days of receipt of the written protest. The Director of BHRS or designee may establish a meeting with the applicant in order to discuss the protest. The decision of the Director of BHRS or designee is final.

Please note: This RFA is not a competitive solicitation offered by San Mateo County or BHRS. Acknowledgement and posting of the application is not a guarantee that BHRS will support an application for State DMH funding.

Questions regarding this RFA should be directed to:

Judith Davila
Program Manager
Behavioral Health and Recovery Services Division
San Mateo County Health Department

(650) 802-5057

E-mail: jdavila@co.sanmateo.ca.us

Depending on the nature of the questions, they may be routed to the County Department of Housing, Housing and Community Development.

Attachments:

Development Summary Form

Project Description and Developer Qualifications Narrative

Appendices

Full Service Partnerships and Intensive Case Management

Teams List

**San Mateo County MHA Housing Program
Attachment 1: Development Summary Form**

1. Lead Entity and Collaborative Partners

Project Sponsor's Entity Name:

Executive Director:

Project Sponsor's Contact Person:

Contact Info (Address, phone, e-mail):

Developer Entity Name (if different from Sponsor):

Executive Director:

Developer Contact Person:

Contact Info (Address, phone, e-mail):

Property Manager Entity Name:

Executive Director:

Property Manager Contact Person:

Contact Info (Address, phone, e-mail):

Primary Service Provider (if known):

Executive Director:

Service Provider Contact Person:

Contact Info (Address, phone, e-mail):

Long Term Owner (if different from Developer or Project Sponsor):

Executive Director:

Owner Contact Person:

Contact Info (Address, phone, e-mail):

2. Project Information

Note: For this section, please describe an identified project site if it has been identified or there is site control. If no project site has been identified but the developer wishes to present a development concept as a way of demonstrating interest in participating in the San Mateo County MHSAs Housing Program, please indicate "Conceptual Proposal" for the Project Address and provide as much additional information about the development concept as possible, including a conceptual project proforma.

Project Address (if known):

Total number of units and bedroom types:

Total number of MHSAs units and bedroom types:

Target MHSAs population:

- Children/Youth and their Families
- Transition Aged Youth
- Adults
- Older Adults/Medically Fragile Transition Aged Adults

Type of Development

- Rental
- Shared
- New Construction
- Acquisition/Rehab

Type of Building

- Apartment
- Shared
- Condominium
- Single Family Home
- Other _____

Total Cost of Development:

Total Cost of MHSAs Units:

Amount of MHSA Funds Requested:

Requesting MHSA Capitalized Operating Subsidy:

Project Proforma: (Please attach Development and Operating proforma)

In submitting this Application, I certify that I have read the Request for Applications, and that I understand that it is not a competitive solicitation offered by San Mateo County or BHRS. I also understand that acknowledgement and posting of the application is not a guarantee that BHRS will support an application for State DMH funding.

Signature: _____

Name (please print): _____

Title: _____

Date: _____

San Mateo County MHSa Housing Program
Attachment 2: Project Description and Developer Qualifications Statement

In three (3) pages or less, please provide brief answers to the following. Please also indicate the primary contact person for the development and what percentage (in full-time equivalent or FTE) of their time will be devoted to this project.

Additional supporting documentation, such as a list of relevant past projects, may be attached, up to a total of ten (10) pages of supporting documentation.

- 1) Briefly describe the proposed development or development concept.
- 2) Briefly summarize the Project Sponsor's relevant experience, including developing and/or managing housing for the target population:
- 3) If different from Project Sponsor, briefly summarize the Project Developer's relevant experience, including developing housing for the project's proposed population:
- 4) Briefly summarize the proposed supportive services plan for the project, including types of services and programs, service provider(s) and provider experience servicing that target population. If the service provider(s) have not been identified, please so indicate:
- 5) Briefly describe the status of project site control, zoning, public approvals or any other significant issues that may be required to proceed with the project acquisition/ construction. If a particular site has not been identified, please describe how you would go about identifying a suitable site and securing site control:
- 6) Briefly describe the development financing plan for the project and indicate whether any funding commitments have been secured.

**San Mateo County MHSa Housing Program
Appendix 1: Full Service Partnership and Intensive Case Management
Teams**

FSP/ICM Team	TARGET POPULATION	SERVICE AREA
Mateo Lodge Inc.	Adults	County-Wide
Caminar	Adults	County-Wide
Mental Health Association of San Mateo County	Adults	County-Wide
Telecare Corporation	Adults/Older Adults/Medically Fragile	County-Wide
Edgewood Center for Children and Families	Children, Youth, Transition Aged Youth	County-Wide