

**LOCAL GOVERNMENT SPECIAL NEEDS HOUSING PROGRAM ("SNHP")
SNHP FINANCING APPLICATION**

**ATTACHMENT A
LOCAL GOVERNMENT CERTIFICATION**

MENTAL HEALTH AGENCY NAME ("MHA"): San Bernardino County Department of Behavioral Health

DEVELOPMENT NAME ("PROJECT"): Liberty Lane

SITE ADDRESS: Southwest Corner of W. Lugonia Ave and Texas Street, Redlands, CA 92374

- ☒ Rental Housing Project (5+ units); or
☐ Shared Housing (1-4 units where bedrooms are individually leased)

Number of SNHP Regulated Units (or bedrooms if Shared Housing): 9

Total rental units in this development proposal (including SNHP Regulated Units): 80

SECTION A: MHA RECOMMENDED FINANCING

SNHP Financing Offered by MHA	Maximum Dollar Amount	\$ Amt. per SNHP Regulated Unit	Approx. Term (years)
Capital Loan (20 - 55 yr. term)	\$ 1,050,000	\$ 116,666.67	20
Capitalized Operating Subsidy Reserve (COSR)* (17+ years)	\$ 0	\$ 0	0

*CalHFA requires each COSR to be sized to last a minimum of 17 years and the Developer is expected to fund any shortfall (unless waived by the MHA and described below in Section G). Show only a "COSR Approx. Term" if the Developer is required to fund the entire COSR. Leave the COSR line blank if no COSR is provided or required to subsidize the rents of the SNHP Regulated Units.

SECTION B: OPERATING SUBSIDIES AVAILABLE TO SNHP REGULATED UNITS

Summary of SNHP Regulated Unit Subsidies - by Unit Size	Enter the Number of Units by Size			
	Studio or Single Bedroom	One Bedroom	Two Bedroom	Three Bedroom
COSR Assisted Regulated Units:	N/A	N/A	N/A	N/A
Other - Describe:				

SECTION C: MHA REQUIRED FEES AND RESERVES (IF APPLICABLE):

1% Local Government Application Fee (due at loan closing): Required ☐ Not Required ☒

Developer shall fund a 3 year MHSA Client Rent & Utility Reserve*: Required ☐ Not Required ☒

*Not necessary if SNHP units are subsidized by other than COSR funds or if the MHA has other funds available to cover minimum rent and utility payments while MHSA residents wait to get qualified for SSI/SSP.

SECTION D: DEVELOPMENT PROPOSAL ANALYSIS:

The MHA has reviewed the Project development proposal and prior to recommending financing, has analyzed, evaluated, or addressed each of the following:

- We have reviewed the entire Development team and Property Management firm's experience developing, operating, or managing permanent supportive housing;
- We have reviewed the proposed Project design to ensure it meets the needs of the proposed population (i.e. Project amenities, furnishings, onsite supportive service offices or areas, and community space with handicap bathrooms – if applicable);
- We have confirmed the SNHP unit rents won't exceed 30% of Area Median Income (unless special circumstances warrant a waiver as described below in Section G);
- We have advised the Developer and they understand that SNHP units subsidized by COSR require minimum rent payments that are the higher of a) 30% of SSI/SSP - less utilities unless included in rent; or b) 30% of household income; - less a utility allowance unless included in the rent;
- We have confirmed the SNHP Regulated Units include living, sleeping, and kitchen areas, and full bathroom(s) consisting of a toilet, sink and shower and/or bathtub. The kitchen area, at a minimum, has a sink, refrigerator, cupboard space, counter area, microwave and/or oven (depending on unit size), and a two-burner stove or built-in cook top. We have also advised the Developer whether they need to furnish the SNHP regulated units;
- We have advised the Developer that any SNHP regulated units operated as shared housing, require lockable bedrooms as bedrooms are rented individually to MHSA eligible clients;
- We will regularly verify the MHA's fund account balance with CalHFA and maintain our own fund balance reports and track Project specific allocations of funds. Prior to submittal of this SNHP Application to CalHFA, we verified that CalHFA has sufficient funds in our SNHP account to cover the proposed financing for this Project and all previously submitted and active SNHP financing requests.

SECTION E: COMMITMENT TO PROVIDE MENTAL HEALTH SERVICES:

For the duration of the SNHP Loan the MHA commits to provide, or contract and pay for, the mental health supportive services described in our approved Supportive Service Plan for the MHSA eligible clients occupying SNHP regulated units in this Project (a draft of which is attached hereto as Attachment A-1 to the SNHP Financing Application).

The Project's final approved Supportive Service Plan shall include:

1. A detailed Project description with unit amenities and a description of any special design requirements necessary to meet the needs of the targeted MHSA residents;
2. A description of the eligible MHSA client population (TAY, Family or Seniors);
3. A description of any permissible occupancy **preferences** that may be given to a particular sub-class of MHSA eligible clients (i.e. (i.e. veterans, the chronically homeless, etc.);
4. A description of any permissible occupancy **restrictions** that may overlap the SNHP Regulated Units and impose more stringent occupancy requirements to a specific sub-class of MHSA clients (i.e. veterans, the chronically homeless, etc.);
5. A tenant selection plan and tenant eligibility certification requirements;
6. A waiting list referral process and parameters for establishing new or updated waiting lists; and
7. A summary of the mental health supportive services funded by MHA for the Project's MHSA residents.

SECTION F: FAIR HOUSING CERTIFICATION:

The MHA has selected and approved financing for this Project and acknowledges and understands the following:

- That CalHFA is not reviewing the Project or proposal for compliance with state or federal fair housing or non-discrimination laws, including without limitation the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act, which may apply to the Project.
- That state and federal fair housing and non-discrimination laws may impact occupancy restrictions imposed by the SNHP, or other funding regulatory provisions that the MHA has agreed to allow the Developer to overlay the SNHP regulated units (per Attachment B-1 to the SNHP Application).
- Changes in interpretations or enforcement of state or federal fair housing or non-discrimination laws or regulations may result in CalHFA making changes to the SNHP loan documents to ensure compliance.
- Unless required by the MHA, such changes to the SNHP loan documents will not trigger a request by CalHFA for an early loan payoff of either principal or accrued interest.

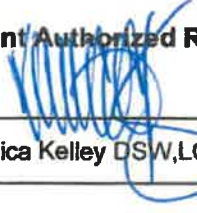
SECTION G: PROJECT COMMENTS / WAIVERS / OR CONDITIONS OF FUNDING:

NONE

SECTION H: MHA FINAL CERTIFICATION:

I hereby certify under penalty of perjury that I am the official responsible for the administration of local Behavioral or Mental Health Services ("Local Government"), that this proposal does not result in the supplantation of funds as set forth in Welfare and Institutions Code Section 5891, and that to the best of my knowledge and belief, all statements on this form are true and correct.

Local Government Authorized Representative:

By:  Date Signed: 12/2/19

Name: Dr. Veronica Kelley DSW, LCSW

Title: Director

Agency Name: Department of Behavioral Health

Attachment: A-1 - Draft Supportive Service Plan (final required prior to SNHP Loan closing)

LOCAL GOVERNMENT SPECIAL NEEDS HOUSING PROGRAM ("SNHP")

SNHP FINANCING APPLICATION

ATTACHMENT A-1 COVER SHEET

PROJECT NAME: LIBERTY LANE

DRAFT SUPPORTIVE SERVICE PLAN

(ATTACHED HERETO)

**NOTE: THE FINAL SUPPORTIVE SERVICE PLAN MUST BE SUBMITTED PRIOR TO THE
SNHP LOAN CLOSING**

ATTACHMENT A – SECTION E

Liberty Lane Draft Supportive Services Plan

The Project's final approved Supportive Service Plan shall include:

- 1. A detailed Project description with unit amenities and a description of any special design requirements necessary to meet the needs of the targeted MHSA residents**

The County of San Bernardino Department of Behavioral Health (DBH) will provide Supportive Services within a Housing First model to individuals in 9 SNHP MHSA housing units who are homeless living with a serious mental illness disability..

Redlands Supportive Housing L.P.
3701 Wilshire Blvd., Suite 700
Los Angeles, CA 90010

Liberty Lane will have 80 units of affordable housing for households whose income does not exceed 60% of the area median income (AMI), of which 9 will be leased to eligible MHSA clients. Income for the eligible households occupying the SNHP MHSA units within the development shall not exceed 30% AMI

Each apartment will be equipped with energy star appliances and large closets. Permanent supportive housing units will include bedroom furniture, a dining table and chairs. All units will be wired for internet and cable television.

- 2. A description of the eligible MHSA client population (TAY, family or seniors)**

- Eligible MHSA client population is:
- Transitional Aged Youth 18-25 (TAY), adults (26-59), and older adults (60+) diagnosed with serious mental illness and children with severe emotional disorders and their families.
- Those qualifying for housing in the program will be "extremely low income" with an annual income not to exceed 30% of the Area Median Income (AMI). At the time of entrance into the housing, it is anticipated that many individuals may have no income and/or may be receiving Social Security benefits.
- The priority population is:
 - Homeless living with a serious mental illness disability

- 3. A description of any permissible occupancy preferences that may be given to a particular sub-class of MHSA-eligible clients (i.e., veterans, the chronically homeless, etc.)**

Chronically Homeless or at-risk of homelessness:

- A person is considered homeless only when he/she:
 - resides in places not meant for human habitation, e.g., cars, parks, sidewalks, abandoned buildings, on the street, an emergency shelter, and transitional or supportive housing for homeless persons who originally came from the streets or emergency shelters

- In any of the above places but is spending up to 90 consecutive days in a hospital or other institution
- A person is considered at-risk of homelessness when he/she:
 - is being evicted within a week from a private dwelling unit and no subsequent residence has been identified and lacks resources and support networks needed to obtain housing
 - Is being discharged within a week from an institution, such as mental health or substance abuse treatment facility or a jail/prison, in which the person has been a resident for more than 90 consecutive days, and no subsequent residence has been identified, and the person lacks the resources and support networks needed to obtain housing

Literally Homeless

- Individual or family who lacks a fixed, regular and adequate nighttime residence meaning:
 - Has a primary nighttime residence that is a public or private place not meant for human habitation
 - Is living in a publicly or privately operated shelter
 - Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution

At-Risk of Homelessness

- An individual or family who:
 - Has an annual income below 30% of median family income for the area; and
 - Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter, and
 - Meets one of the following conditions:
 - Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance, or
 - Is living in the home of another because of economic hardship, or
 - Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance, or
 - Live in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room, or
 - Otherwise lives in housing that has characteristics associates with instability and an increased risk of homelessness
- 4. **A description of any permissible occupancy restrictions that may overlap the SNHP Regulated Units and impose more stringent occupancy requirements to a specific sub-class of MHSA clients (i.e., veterans, the chronically homeless, etc.)**

None

- 5. **A tenant selection plan and tenant eligibility certification requirements**
 - DBH will be responsible for determining applicant eligibility for an SNHP MHSA

funded unit. Individuals and families must meet the eligibility and priority criteria in Question 2 and the person must be chronically homeless, literally homeless or at-risk of homelessness as defined in Question 3.

- All vacancies will be filled via the Coordinated Entry System (CES)
- Tenants shall be accepted regardless of sobriety, participation in services or treatment, history of incarceration, credit, or history of eviction in accordance with practices permitted pursuant to WIC Section 8255 or other federal or State Project funding sources

Eligibility shall follow the "Housing First" model, meaning prospective tenants are not required to agree to participate in services before entering the housing nor can service participation be a requirement of tenancy. Tenants can be required to adhere to a standard market lease, and their tenancy should be supported by eviction prevention strategies, including the engagement of services as appropriate

- Property Manager will only determine rental eligibility.
- Tenant Selection
 - Property Manager's tenant selection criteria, as reviewed by the parties, shall be used in the initial and ongoing rent up of the Development
 - Property Manager will provide DBH and Service Provider(s) with a copy of such tenant selection criteria at within ten (10) days of the date hereof
 - In the event Property Manager desires to modify the tenant selection criteria, Property Manager shall provide written notification to DBH and Service Provider(s) prior to making such modifications and provide the modifications in a timely manner

6. A waiting list referral process and parameters for establishing new or updated waiting lists

- All vacancies will be filled via the process described in Question 5. All referrals will come through the CES and be determined eligible by DBH.
- Property Managers will notify DBH of any vacancies, in writing, as soon as possible after they are made aware of the vacancy.
- The Coordinated Entry System is the waiting list

7. A summary of the mental health supportive services funded by MHA for the Project's MHSA residents

- Provide intensive case management and on-site mental health services to residents that are experiencing an identified situation or crisis that jeopardizes the stability of their housing.
- Will provide 24 hour support to residents with on-site and remote support.
- Will provide behavioral health and case management services to assist in identifying and removing barriers to residents successfully becoming employed, housed or educated to the level needed to achieve self-sufficiency.
 - All supportive services are voluntary. The length of on-site behavioral health and case management services depends on the resident needs.
- Ensure residents receive appropriate behavioral health services and other services as needed either by direct service from a County clinic/program, referral to a contracted community based organization or through linkages to other social services. Services shall include, but are not limited to:
 - Mental Health Services and/or Treatment

- Substance Use Disorder Services and/or Treatment
 - Crisis Stabilization
 - Inpatient Psychiatric Hospitalization
 - Crisis Residential Treatment
- Residents will obtain services from a clinic or other program, when the transition to off-site services is appropriate. Residents will continue to have access to on-site case management services after they transition from on-site services to clinic based services.
- Accept referrals from Property Management for conflict resolution, behavioral health evaluations and treatment.
- Develop a Client Recovery Plan for all program participants.
- Obtain a Health Insurance Portability and Accountability Act (HIPAA) compliant release of information for each referred resident prior to any discussions with Property Management on resident's progress and concerns.
- Provide or arrange transportation on a case-by-case basis for residents to attend appointments and utilize resources as outlined in the residents' case plan.
- Provide behavioral health and case management services to all referred residents.
 - Frequent and on-going contact with each family, ranging from daily to weekly, depending on level of need and progress, via phone and/or in-person, to determine the effectiveness of services provided to participating residents and family members, as determined by DBH staff.
 - Assess the stability of the resident's living situation, physical and emotional health and safety.
 - Assess progress toward goals and make necessary changes to improve resident's success in meeting these goals.
 - Provide appropriate referrals and linkage for services needed to assist the resident.
 - Monitor each resident's progress toward making the necessary changes to achieve stability in housing and overall community functioning.
 - Participate in case coordination meetings with the OWNER.
 - Make every effort to engage residents who are not making adequate progress.
- Provide quarterly reports to Property Manager/Owner that include the following:
 - The total number of participants served through the program,
 - The total number of participants who became employed through the program,
 - The total number of participants who discontinued the program,
 - Participate in outcome data research request with resident's informed consent in accordance with privacy laws and regulations, and within DBH's existing data and research obligation with DHCS and MHSA regulations.



LOCAL GOVERNMENT SPECIAL NEEDS HOUSING PROGRAM ("SNHP")
SNHP FINANCING APPLICATION

ATTACHMENT B
DEVELOPER/BORROWER CERTIFICATION

Directions: This form is to be completed and signed by the President, Executive Director, or other party that has been designated authority to represent the Developer or Borrower.

I certify that I am an authorized representative of Redlands Supportive Housing, L.P. (the Development Company or Borrowing Entity Name) ("Developer" or "Borrower") and that Developer/Borrower has applied for SNHP financing for the affordable housing Project known as Liberty Lane ("Project"). Developer/Borrower intends to develop the Project and, in exchange for the requested SNHP financing, to restrict Nine (9) rental units for occupancy by Mental Health Services Act eligible clients. Developer/Borrower further certifies:

- All land use, development financing, or subsidy related occupancy restrictions that overlay the SNHP regulated units and further restrict the SNHP Regulated Units to a specific sub-class of MHSA clients are accurately represented in Attachment B-1 (attached hereto and updated over time to reflect any changes negotiated with the Local Government or other lenders prior to the SNHP Loan closing);
- Developer/Borrower acknowledges that CalHFA is not reviewing the Project or development proposal for compliance with state and federal fair housing or non-discrimination laws, including without limitation the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act, which may apply to the Project and may affect occupancy restrictions imposed by the SNHP;
- That CalHFA has advised the Developer / Borrower to seek legal counsel as necessary, given the Borrower is ultimately responsible for the Project and the cumulative funding sources and associated occupancy restrictions being in compliance with all fair housing and non-discrimination laws or regulations;
- Changes in or interpretations of federal or state laws or regulations, including fair housing or non-discrimination laws and regulations, may result in CalHFA making necessary changes to the SNHP Loan Documents to ensure compliance. That unless required by the Local Government, such changes to the SNHP Loan Documents will not trigger a request by CalHFA for an early loan payoff of either principal or accrued interest;
- When required by the Local Government (per the SNHP Financing Application - Attachment A), we agree to pay the Local Government 1% Application Fee at SNHP Loan closing and provide CalHFA evidence of the funding of any required MHSA Client Rent & Utility Assistance Reserve prior to occupancy of the SNHP Regulated Units.

I hereby certify under penalty of perjury, that I have the delegated authority to represent the Developer/Borrower and certify that to the best of my knowledge and belief, all statements on this form are true and correct.

BY: [Signature] Date: 11/13/2019

Name/Title: Dora Leong Gallo, Pres. & CEO, ACOF, Sole Member Manager, SHLLC, MGP, Redlands Supportive Housing, L.P.

Email / Phone: dgallo@acof.org, (213) 480-0809 Ext. 230

Company/Borrower Name: Redlands Supportive Housing, L.P.

ATTACHMENT: ATTACHMENT B-1 – SNHP REGULATED UNIT OCCUPANCY RESTRICTIONS

LOCAL GOVERNMENT SPECIAL NEEDS HOUSING PROGRAM ("SNHP")
SNHP FINANCING APPLICATION
ATTACHMENT B-1
SNHP REGULATED UNIT OCCUPANCY RESTRICTIONS

Local Government and Borrower are required to submit this form at the time of initial Application and any time any of the below information changes prior to the SNHP Loan closing. Local Government approved occupancy preferences for sub-classes of the below described "Occupancy Class Restrictions" (e.g. veterans; chronically homeless, or local residents) shall be described in detail in the Project's Supportive Service Plan.

Item 1: PERMISSIBLE SNHP OCCUPANCY RESTRICTIONS

Summary of SNHP Regulated Unit "Occupancy Class Restrictions"	Enter the Number of Units by Bedroom Count			
	Studio or Single Bedroom	One Bedroom	Two Bedroom	Three Bedroom
A. Transition Age Youth restricted unit mix:				
Local Government: Are TAY permitted to remain in the unit once they turn 25?	0	0	0	0
B. Individuals / Families (any age) restricted unit mix:	0	9	0	0
C. Senior restricted unit mix: Minimum Age:	0	0	0	
TOTAL REGULATED SNHP UNITS:	0	9	0	0
Local Government: wants the option to rent this number of 2 or 3 bedroom units to multiple individual MHSA eligible clients, each renting a bedroom ("Shared Housing") when MHSA eligible families are not available to rent the units. <i>Note: This is not an option for units subsidized by Project Based Section 8 vouchers or when prohibited by other lenders regulating the same units.</i>				
	0	0	0	0

ITEM 2: MORE RESTRICTIVE OCCUPANCY TYPES IMPOSED BY OTHERS:

The Local Government approves the below more stringent Occupancy Class Restrictions imposed by other lenders or rental subsidies that are permitted to overlay the SNHP regulated units (ie., ground lease local residency preference requirements). **NOTE: the permissible use of VASH Vouchers or overlay of HCD VHHP regulatory provisions on SNHP regulated units means those SNHP units will be rented to Veterans.**

Source of Regulatory Provisions That will Overlay the SNHP Regulated Units	# of SNHP Units Affected	More Restrictive Occupancy Class Description
☐ HCD – VHHP Funding	_____ units	Veterans who are In-eligible for VA Benefits
☐ _____	_____ units	_____
☐ _____	_____ units	_____

DEVELOPER / BORROWER CERTIFICATION:

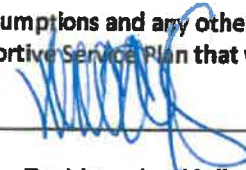
I hereby certify under penalty of perjury, that I have the delegated authority to represent the Developer / Borrower and certify that to the best of my knowledge and belief, all statements on this form are true and correct as of the below date.

BY:  Date: 11/13/2019
Name/Title: Dora Leong Gallo Pres. & CEO, ACOF, Sole Member Manager, SHLLC,
MGP, Redlands Supportive Housing, L.P.
Email / Phone: dgallo@acof.org, (213) 480-0809 Ext. 230
Company/Borrower Name: Redlands Supportive Housing, L.P.

LOCAL GOVERNMENT CONSENT / APPROVAL:

The Local Government approves the above Item 1 SNHP occupancy class restrictions by unit size, and any sub-class occupancy restrictions imposed by other lenders or subsidy providers described in Item 2 above.

The Item 1 assumptions and any other sub-class occupancy preferences we agree to, will be described in detail in the final Supportive Service Plan that we will provide prior to the SNHP loan closing.

BY:  Date: 12/2/19
Name/Title: Dr. Veronica Kelley, DSW, LCSW / Director
Email / Phone: vkelly@dbh.sbcounty.gov / (909) 388-0820
Agency Name: Department of Behavioral Health