



No Place Like Home Program

Annual Report for Fiscal Year 2022-23

California Department of Housing and Community Development



Introduction

This report is the required annual report submitted to the California Health Facilities Financing Authority pursuant to subdivision (d) of the Welfare and Institutions Code Section 5849.11. The report reflects the accomplishments of the **No Place Like Home (NPLH) Program** through the 2022-23 fiscal year, as well as other current data as noted within the report.

Front Cover

Front cover left photo: Mesa Terrace is a 46-unit development located in San Jose, CA and has 22 units that are serving NPLH-eligible Transition-Aged Youth. The remaining units will be rented to families. Photo courtesy of credit Jeff Peters, Vantage Point Photography.

Front cover right photo: Orchard Commons is a 46-unit, 100% affordable housing community that has 10 units that are serving NPLH-eligible residents, and is located in Santa Rosa, CA. Photo courtesy of The Danco Group.

The report includes the following to the extent that this data is currently available:

1. Processes established for distributing funds.
2. Distribution of funds among counties.
3. Information on supportive housing developments funded through the program, including:
 - Location of projects
 - Number of units assisted
 - Occupancy restrictions
 - Number of individuals and households served
 - Related income levels
 - Homeless, veteran, and mental health status
4. Recommendations for future program modifications to improve program efficiency or to further the goals of the program.

NPLH Outcomes at a Glance

Cumulative through Fiscal Year 2022-23

- Awarded: **\$1.9 billion**
- Projects Funded as of October 1, 2023¹: **248**
- NPLH Units Funded as of October 1, 2023²: **6,406**
- Total NPLH Units Projected³: **7,702**
- Projects Under Construction: **124**
- NPLH Units Under Construction: **3,389**
- Projects Completed: **64**
- NPLH Units Completed⁴: **1,634**
- NPLH Units Occupied⁵: **1,389**
- Number of Reported NPLH Occupants⁶: **1,541**



¹ This number does not include remaining project awards to be made by the Alternative Process Counties by June 30, 2024.

² This number does not include remaining NPLH units to be funded by the Alternative Process Counties by June 30, 2024

³ This number does not include a portion of remaining NPLH units to be funded by the Alternative Process Counties by June 30, 2024.

⁴ The number does not include Balance of State projects that were not required to submit an annual report in FY 2022-23

⁵ This number includes only those projects that had an approved annual report from the Department for FY 2022-23 as of October 13, 2023.

⁶ This number includes only those projects that had an approved annual report from the Department for FY 2022-23 as of October 13, 2023.

Unique Features of the No Place Like Home (NPLH) Program

Population Targeting

The NPLH program funds permanent supportive housing units exclusively for children and adults who are living with a serious mental illness who are homeless or exiting institutions with a history of homelessness prior to entry into the institution. All NPLH tenants must have a serious mental illness as set forth under the Mental Health Services Act (MHSA). They must be homeless or exiting institutions with a history of homelessness, and they all must be Extremely Low Income.

Dedicated Long-Term Funding for Project Operations and Supportive Services

In addition to providing funds for construction or rehabilitation activities, NPLH funds HCD-administered or county-administered project operating reserves, (Capitalized Operating Subsidy Reserves or COSRs), sized to help support project operations for the NPLH units for a minimum of 20 years. In addition, counties must commit to making mental health services available to NPLH tenants and coordinating or

directly providing other needed services for NPLH tenants, for a minimum of 20 years.

Low General Fund Impact

The debt service on the bonds sold to generate all program funding is paid for by Proposition 63 Mental Health Services Act revenues; therefore, NPLH has no ongoing costs to the state General Fund. Interest payments to bondholders and other debt service costs are capped at no more than \$140 million per year.



Sage Commons is a new permanent supportive housing facility with 29 units serving NPLH-eligible residents located in Santa Rosa, CA. Photo courtesy of The Danco Group.

Active County Participation

In addition to taking the lead on supportive services issues, counties are the direct applicants for NPLH funds. Because of the program's connection to MHSA, county behavioral health departments forge active long-term partnerships with local city and county housing agencies, coordinated entry systems for homeless persons, and affordable housing developers to ensure that all program obligations are carried out.

Broad Access to Available Funding

A portion of NPLH funds are available non-competitively to all 58 counties, as well as to cities that are direct recipients of MHSA funds. In addition, where a competitive process is used to allocate funds, counties compete in groups based on their population size, which helps small and medium-sized counties to more successfully access NPLH funds. Counties with 5 percent or more of the state's homeless population can also be approved by the Department to directly administer their own allocations of NPLH funds, giving them a greater role in project selection, underwriting, and long-term monitoring.

Talisa Apartments is a 49-unit permanent supportive housing development serving homeless families in the County of Los Angeles, including 33 units for NPLH-eligible residents. Photo courtesy of Domus GP LLC and LA Family Housing.



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SECTION I

Background

In 2016, California enacted Assembly Bills 1618 (Chapter 43, Statutes 2016) and 1628 (Chapter 322, Statutes 2016) that created the NPLH program. The program was created to increase the supply of permanent supportive housing and build upon existing programs to combat homelessness among persons in need of mental health services. Additionally, these statutes authorized the California Health Facilities Financing Authority to issue up to \$2 billion in revenue bonds to provide funding for the development of permanent supportive housing for persons living with a serious mental illness who are in need of mental health services and are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness as these terms are defined under the NPLH [program guidelines](#). Finally, in November 2018, California voters approved Proposition 2, which authorized the existing NPLH program and bond sale, to construct permanent supportive housing for the target population and to capitalize operating reserves with annual debt service payments limited to \$140 million per year.

Eligible program activities include development costs associated with the design, acquisition,

new construction, rehabilitation, or preservation of multifamily rental housing units provided as permanent supportive housing for the program's target population. In addition, funds may be used for capitalized operating reserves to address building operating revenue shortfalls attributable to the housing units rented to extremely low-income households meeting the tenant eligibility criteria for the program. NPLH funds for development costs are provided as deferred payment residual receipts loans with a minimum loan term and project affordability period of 55 years. Capitalized Operating Subsidy Reserves (COSRs) awarded to NPLH projects after 2020 by the California Department of Housing and Community Development (hereafter referred to as the Department or HCD) must be provided in the form of a grant. Under the NPLH program guidelines, these COSRs are sized to remain available for use by individual projects for a minimum of 20 years.

Welfare and Institutions Code (WIC) Sections 5849.8 and 5849.9 provide the authority for three allocations under the program:

- 1 Alternative process county (APC) allocation
- 2 Competitive allocation
- 3 Noncompetitive allocation



Alternative Process Counties

Funds allocated directly to counties with at least 5% of the state's homeless population AND that demonstrate capacity to administer program funds. Includes a share of noncompetitive allocation funds.

Competitive

Funds distributed through a competitive process for non-APC (Balance of State) counties announced through an annual Notice of Funding Availability.

Noncompetitive

Awarded Over-the-Counter to projects proportionate to the number of homeless persons within each county, with a minimum of \$500,000 available in each county. Can be combined with competitive allocation funds.

The fund distribution process and program outcomes to date for each of these allocations is discussed in Sections II-IV.

SECTION II

Alternative Process County Allocation

APCs are counties with 5 percent or more of the state's homeless population that demonstrate the capacity to directly administer loan funds for permanent supportive housing serving the NPLH target population. Formula allocations to the APCs come from both the noncompetitive allocation and the competitive allocation as discussed under **Eligibility Requirements and Designation**. Amounts to the APCs from the competitive allocation are calculated prior to determining how much is available in the competition for funds among the remainder of the counties in the balance of the state.

Eligibility Requirements and Designation

The NPLH statute, Welfare and Institutions Code 5849.8 (b), requires the Department to consider the following when qualifying eligible counties to participate as APCs:

- Demonstrated ability to finance permanent supportive housing with local and federal funds, and monitor requirements for the life of the loan
- Past history of delivering supportive services to the NPLH target population in housing
- Past history of committing project-based vouchers to supportive housing
- Ability to prioritize the most vulnerable within the target population through a coordinated entry system (CES)

In addition, the statute directs the Department to address any program parameters for the alternative county process in the NPLH program guidelines, including, but not limited to, the following:

- the county's NPLH project selection process;
- eligible use of funds;
- loan terms, rent, and occupancy restrictions;
- provision of supportive services;
- reporting and monitoring requirements.

In October 2018, the Department designated four counties as APCs in accordance with the above requirements and as further detailed in Article III of the NPLH [program guidelines](#). Together, these counties comprised 55 percent of the state's homeless population based on the most recent Point-in-Time (PIT) Count data released by the U.S. Department of Housing and Urban Development (HUD) for both sheltered and unsheltered homeless persons since the release of the Department's last NPLH NOFA in 2021⁷.

⁷ Due to the dangers posed by the COVID-19 pandemic and difficulties in social distancing, 2019 is the most recent year of available data since NPLH published its last NOFA in 2021 where HUD has required that a full PIT be conducted of both sheltered and unsheltered homeless persons.

TABLE 1 – 2019 POINT-IN-TIME COUNT DATA

COUNTY	2023 PIT COUNT	PERCENTAGE OF STATEWIDE TOTAL
Los Angeles	58,190	38.46%
San Diego	8,102	5.36%
San Francisco	8,035	5.31%
Santa Clara	9,706	6.42%
Total	84,033	55.55%



Casa Anita Apartments, a new construction infill project located in San Diego, CA, provides 96 units for households earning 60% AMI or less; 24 units are services enriched supportive housing units set aside for NPLH-eligible residents earning 30% AMI or below. Photo courtesy of Wakeland Development.

Funds Distribution

As of August 31, 2022, \$1,070,149,587 billion has been awarded to APCs. Amounts awarded are based on formulas for determining amounts available for noncompetitive allocation and competitive allocation funds discussed below and found in Section 103 of the NPLH [program guidelines](#). There are no more planned NOFAs for NPLH unless additional funds become available to the program.

The allocations and awards in Table 2 below reflect an advance of FY 19-20 funds to each of the APCs to enable more projects to be funded based on current demand in their existing affordable housing

development pipelines. Consequently, awards to APCs for FY 20-21 were reduced by the amounts advanced. However, awards in FY 21-22 were augmented by additional amounts that became available in May and August of 2022.

Each APC selects projects to receive these funds, underwrites each NPLH loan, and acts in the capacity of lender and long-term monitor of NPLH projects over the 55-year minimum required loan term/period of affordability. In turn, the Department provides technical assistance and monitors the ongoing implementation of each APC program in accordance with the approved program design.

TABLE 2 – APC FUNDS AWARDED AS OF AUGUST 31, 2022

ALTERNATIVE PROCESS COUNTY	NONCOMPETITIVE ALLOCATION	ROUND 1 COMPETITIVE ALLOCATION AWARDS	ROUND 2 COMPETITIVE ALLOCATION AWARDS	ROUND 3 COMPETITIVE ALLOCATION AWARDS	ROUND 4 COMPETITIVE ALLOCATION AWARDS	TOTAL
Los Angeles	\$75,259,413	\$155,230,056	\$310,460,112	\$0	\$203,954,296	\$744,903,877
San Diego	\$12,713,886	\$28,069,001	\$40,000,000	\$12,262,010	\$34,810,435	\$127,855,332
San Francisco	\$9,519,091	\$18,250,554	\$36,501,108	\$322,157	\$26,711,719	\$91,304,629
Santa Clara	\$10,262,970	\$20,478,901	\$40,957,802	\$2,023,046	\$32,363,030	\$106,085,749
Total	\$107,755,360	\$222,028,512	\$427,919,022	\$14,607,213	\$297,839,480	\$1,070,149,587

Commitments and Expenditures

The NPLH program (WIC 5849.8 (b)) requires that allocations awarded by the Department to APCs that are not committed to supportive housing developments within two years following award shall be returned to the Department for reallocation under the competitive program. To date, all APCs have met their 24-month project commitment deadlines or are on schedule to meet them.

Once the Department awards funds to an APC, the APC can begin drawing down NPLH funds to award to a project. The Department will disburse up to four draws per year to the APC if the Department has received all of the following:

- 1 An award letter or other evidence of commitment of NPLH funds by the APC to the specific project(s) for which funds are being requested
- 2 A cash flow analysis which indicates how much the APC is projected to need for awarded projects for the specific period of time for which funds are being requested
- 3 A certification that the APC awarded the funds to the specific project(s) in accordance with the APC's project selection process approved by the Department

If the project awarded is not utilizing NPLH funding for pre-development or construction period activities, but rather the funds are being used to pay off the construction loan, then those funds will not be disbursed until construction is complete and the NPLH units are occupied (i.e., the start of the permanent financing period).

Below are APC NPLH fund disbursements as of October 1, 2023. The data below reflects all rounds of available NPLH funding.

**TABLE 3 – APC NPLH FUND DISBURSEMENTS
AS OF OCTOBER 1, 2023**

APC	AWARDED	DISBURSED	PERCENTAGE DISBURSED
Los Angeles	\$744,903,877	\$473,745,480	64%
San Diego	\$127,855,332	\$100,270,428	78%
San Francisco	\$91,304,629	\$50,049,884	55%
Santa Clara	\$106,085,749	\$68,953,909	65%

Dollars and overall percentage of expended funds by the APCs has continued to increase over the last year. The County of San Diego has had the biggest percentage increase, from 39 percent to 78 percent, followed by Santa Clara, from 40 percent to 65 percent, and San Francisco from

36 percent to 55 percent. Los Angeles' continues to have the most funds disbursed, over \$473 million, which accounts for 64 percent of their available funds, an increase from 56 percent. Expenditure rates are expected to continue to increase over the next year for all APCs as additional APC projects begin construction. Construction activity data is summarized in Section V below.

SECTION III

Competitive Allocation

The competitive allocation offered up to \$1.8 billion (less amounts for Department administration, default reserve, and bond issuance costs), to counties qualifying as APCs, and other counties, hereafter referred to as the Balance of State (BOS) counties. Funds provided to the BOS counties were provided through a competitive process administered by the Department. The remainder of this section on the competitive allocation will discuss that process, and the distribution of awards made to the BOS counties.

Allocation Methodology

In accordance with statutory requirements, BOS counties are grouped together based on county population size to compete for available funds:

- **Large counties** (population greater than 750,000)
- **Medium counties** (population between 200,000 to 750,000)
- **Small counties** (population less than 200,000)

Funds available to each population group and to the APCs are based on a formula, which accounts for the following:

- proportionate share of homeless persons among the counties within each group based on the most recent PIT Count of both sheltered and unsheltered homeless persons as published by HUD, and as compared to the state's total homeless population. This factor is weighted at 70 percent; and
- proportionate share of extremely low-income renter households that are paying more than 50 percent of their income for rent using HUD's Comprehensive Housing Affordability Strategy dataset. This factor is weighted at 30 percent.

Notwithstanding the above calculation, the small county allocation cannot have available to it less than 8 percent of the total funds made available in any given funding round. The Department can also shift unrequested funds from one allocation to another to fund other projects that score high enough to be funded and are financially feasible. Amounts reallocated from an under-subscribed county population group will be made available to that same county population group in the following round so that this county population group is “made whole.”

Notice of Funding Availability (NOFA) Status

Program statute requires that the Department offer at least four rounds of competitive allocation

funds, with each round of awards no more than 12 months apart. As of December 30, 2021, four rounds of competitive allocation funds have been offered through four separate NOFAs.

The NOFAs were issued October 2018, September 2019, October 2020, and October 2021, with awards made by the following June each year. The Round 4 NOFA released in October 2021 made a minimum of approximately \$254 million available to APCs, and \$231 million available to the BOS counties. In April 2022, the State

The Starling, a new construction project, consists of 70 units in which 21 of these units are set-aside for NPLH-eligible residents. The Starling is part of the redevelopment of the former Naval Air Station in Alameda, CA.



Treasurer's Office completed the sale of the remaining available NPLH bonds under the program's existing \$2 billion bond authority (\$1,050,000,000). Subsequently, HCD adjusted the amount of funds available for award to account for actual bond financing costs, addition of unawarded noncompetitive allocation funds, reduced or returned from prior awards, and interest earnings on the funds. As a result, HCD was able to award \$569.6 million for Round 4 (\$297.8 million APC counties and \$271.8 million BOS counties). The total awarded through the competitive allocation is \$1,733,035,818 across the four funding cycles. Appendix 4 is a summary of all amounts committed under each allocation. Appendix 4 also notes cumulative unallocated amounts of approximately \$2.1 million due to individual post-award project financing adjustments made since August 2022. There are no more planned NOFAs for NPLH unless additional funds become available to the program.

The Villas at 4th Street is a 94-unit permanent supportive housing site in San Jose CA for the 55+ community, of which 46 units are reserved for NPLH-eligible residents. Photo courtesy of the County of Santa Clara, Office of Supportive Housing.

Balance of State Application Evaluation Criteria

In addition to the project threshold and financial feasibility requirements discussed below for noncompetitive allocation funds, competitive allocation projects funded by the Department must also score high enough to be funded among other projects within its county population pool. Application scoring criteria are summarized below. Additional detail on these scoring criteria can be found in Section 205 of the NPLH [program guidelines](#).



TABLE 4 – APPLICATION EVALUATION CRITERIA

Rating Category	Maximum Points	Summary
Percentage of Total Project Units Restricted to the Target Population	65	Percentage of total project units restricted as NPLH units, and use of CES, to refer NPLH-eligible households to available units and/or use of an alternate similar system to refer persons at-risk of chronic homelessness to NPLH units
Leverage of Development Funding	20	Ratio of the NPLH loan to other sources of committed development funding attributable to the NPLH units. Noncompetitive allocation funds may count as leveraged funds
Leverage of Rental or Operating Subsidies	35	Percentage of NPLH units that have committed non-HCD project-based or sponsor-based operating subsidies with terms substantially similar to that of other project-based rental or operating assistance
Readiness to Proceed	50	Percentage of total construction and permanent financing committed; completion of all necessary environmental clearances; land use approvals

Continued on next page

TABLE 4 – APPLICATION EVALUATION CRITERIA (CONTINUED)

Extent of On-Site and Off-Site Supportive Services	20	Points for case management provided on-site at the project, use of evidence-based practices to assist NPLH tenants to retain their housing; offering more services than required, and implementing resident involvement strategies
Past History of Evidence Based Practices	10	Points for prior experience of the lead service provider in implementing evidence-based practices recognized to lead to a reduction in homelessness, or other related use of evidenced-based practices to serve special needs populations

Awards Made

Below is a summary of funds made available, applications received, and awards made to the BOS through each of the four competitive allocation NOFAs. As of August 31, 2022, \$770,641,591 in competitive allocation funds has been awarded over four funding rounds to projects in the BOS counties.

TABLE 5 – COMPETITIVE ALLOCATION NOFA AMOUNTS, BALANCE OF STATE COUNTIES

	LARGE COUNTIES	MEDIUM COUNTIES	SMALL COUNTIES	TOTAL
Round 1	\$93,525,977	\$52,445,511	\$32,000,000	\$177,971,488
Round 2	\$90,871,339	\$52,445,511	\$34,654,638	\$177,971,488
Round 3	\$106,876,025	\$43,962,132	\$36,595,102	\$187,433,259
Round 4	\$165,146,879	\$64,153,175	\$60,374,596	\$289,674,650
Total	\$456,420,220	\$213,006,329	\$163,624,336	\$833,050,885

**TABLE 5.5 – BALANCE OF STATE COMPETITIVE ALLOCATION AWARD AMOUNTS
AWARD ADJUSTMENTS AS OF AUGUST 31, 2022**

LARGE COUNTY	MEDIUM COUNTY	SMALL COUNTY	TOTAL
\$461,568,317	185,055,572	124,017,702	\$770,641,591

TABLE 6 – FUNDS DISTRIBUTION - BALANCE OF STATE COUNTIES ROUND 1

ALLOCATION	APPLICATIONS RECEIVED	AMOUNTS REQUESTED	AWARDS	PROJECTS FUNDED
Large County	30	\$126,228,871	\$95,780,023	22
Medium County	8	\$43,778,577	\$26,719,055	6
Small County	7	\$23,889,262	\$24,355,799	6
Total	45	\$193,896,710	\$146,854,877	34



TABLE 7 – FUNDS DISTRIBUTION - BALANCE OF STATE COUNTIES ROUND 2

ALLOCATION	APPLICATIONS RECEIVED	AMOUNTS REQUESTED	AWARDS	PROJECTS FUNDED
Large County	38	\$278,839,549	\$85,694,561	9
Medium County	14	\$68,736,599	\$53,297,071	11
Small County	9	\$30,041,759	\$27,720,516	8
Total	61	\$377,617,907	\$166,712,148	28

TABLE 8 – FUNDS DISTRIBUTION - BALANCE OF STATE COUNTIES ROUND 3

ALLOCATION	APPLICATIONS RECEIVED	AMOUNTS REQUESTED	AWARDS	PROJECTS FUNDED
Large County	27	\$205,060,990	\$116,183,769	15
Medium County	13	\$78,282,411	\$48,376,664	7
Small County	3	\$20,935,802	\$20,708,786	3
Total	43	\$304,279,203	\$185,269,219	25

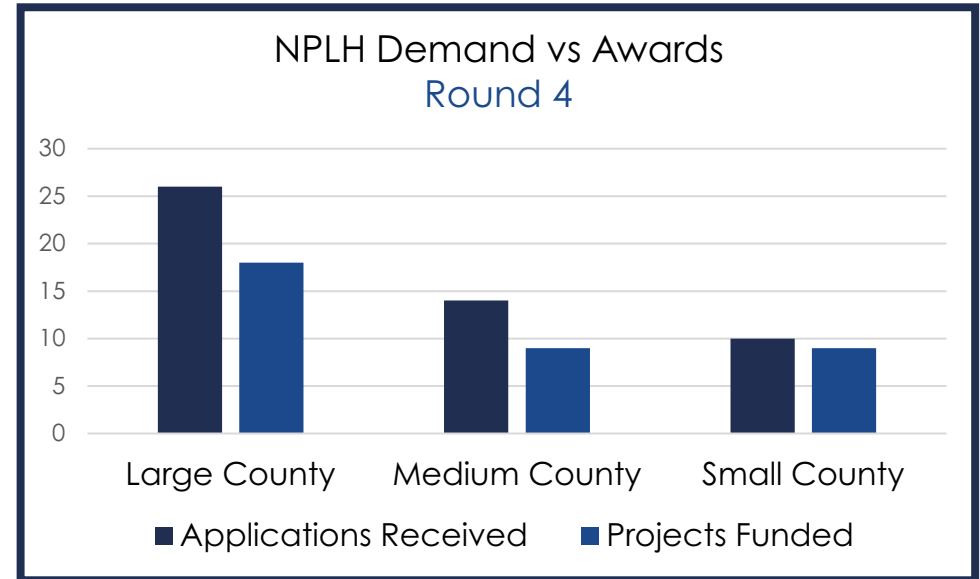
TABLE 9 – FUNDS DISTRIBUTION - BALANCE OF STATE COUNTIES ROUND 4

ALLOCATION	APPLICATIONS RECEIVED	AMOUNTS REQUESTED	AWARDS	PROJECTS FUNDED
Large County	26	\$221,408,656	\$163,909,964	16
Medium County	14	\$62,589,228	\$56,662,782	7
Small County	10	\$51,774,804	\$51,232,601	6
Total	50	\$335,772,688	\$271,805,347	29

Application Demand

The demand to provide affordable housing and address the homelessness crisis continues to be top priority for large metropolitan counties in the state. In Round 4, Alameda County led with eight project submissions, Riverside County had four submissions; Fresno, Ventura, and Contra Costa Counties had two submissions each, and Sacramento and Kern Counties submitted one project each. Furthermore, the overall demand for competitive allocation funds increased from the previous year by approximately \$31 million, from approximately \$304 million in Round 3 to \$335 million in Round 4.

Additional detail on BOS NPLH-funded projects in Rounds 1 through 4 can be found in Appendix 1.



SECTION IV

Noncompetitive Allocation

The noncompetitive allocation offered \$190 million in one-time funds to counties on an over-the-counter basis. Per NPLH program statute and guidelines, each county was eligible to receive a minimum of \$500,000 in additional funds proportionate to the number of unsheltered and sheltered homeless persons within the county based on the most recent homeless PIT Count as published by HUD as of the issuance of the Department's noncompetitive allocation NOFA.

Counties accessed these funds by submitting eligible project applications, alone or in partnership with a development sponsor (developer). Projects seeking only noncompetitive allocation funds from the program were evaluated by the Department or the APC to ensure that they met applicable underwriting standards and would be financially feasible for the minimum 55-year affordability period. In addition to financial feasibility requirements, applicants had to meet other project threshold eligibility requirements including, but not limited to, the following.

Additional criteria not listed below are found in section 202 of the program [guidelines](#).

- Eligible use of funds
- Minimum development team experience
- Legal site control over the land and any remaining structures
- Supportive services and project amenities appropriate for the NPLH target population
- NPLH units integrated with other units within the building(s)
- Property management plan meets state Housing First requirements
- Adequate budget for environmental remediation and other necessary costs

The Department issued the noncompetitive allocation NOFA in August of 2018. Since the typical noncompetitive allocation is under \$1 million, most counties have chosen to leverage their noncompetitive allocation funds with NPLH funds received competitively.

Applications for noncompetitive allocation funds were accepted on an ongoing basis through February 15, 2021. However, the Department granted application deadline extensions through February 1, 2022, to 20 counties with funds remaining to commit. All noncompetitive funds

not awarded through this final application process reverted to the competitive allocation for awards in Round 4.

Below is a summary of noncompetitive allocation activity through August 2022 when the final noncompetitive allocation funds were awarded. Additional county data for the noncompetitive allocation can be found in Appendix 3. The unit number listed in Table 10 below does not include projects where both NCA and competitive allocation funds were used. However, the award number includes projects where both allocations were used.

TABLE 10 – NONCOMPETITIVE ALLOCATION ACTIVITY

NOFA Amount	\$190 million
NCA Awards	57
Counties	45
Funds Awarded	\$178,341,092
Funds Returned to the Competitive Allocation	\$11,658,908
Units Produced	809

Foon Lok West (meaning “Joyous Community” in Cantonese) located in Oakland, CA, provides 130 affordable apartment homes with 26 units set aside for NPLH-eligible residents. Photo courtesy of MidPen Housing.

SECTION V

Housing Production Outcomes



Construction Activity

Counties face an urgent need to bring people off the streets into housing. NPLH projects have taken advantage of streamlined local permitting processes to accelerate developments. As of October 1, 2023, there were 124 NPLH-funded projects that were under construction, and another 64 projects that have reported completing construction.

Los Angeles County has the largest share of projects currently under construction. The Department anticipates at least another 20 projects to start construction over the next 6-12 months. The breakdown of project construction and completion data, as well as total program unit projections is shown below. Tenant outcome data is also discussed in Section VI.

TABLE 11 – NPLH PROJECTS UNDER CONSTRUCTION AS OF OCTOBER 1, 2023

ALTERNATIVE PROCESS COUNTIES			BALANCE OF STATE COUNTIES		
ALLOCATION	UNDER CONSTRUCTION	NPLH UNITS	ALLOCATION	UNDER CONSTRUCTION	NPLH UNITS
Los Angeles	43	1,457	Large Counties	35	944
San Diego	5	122	Medium Counties	19	322
San Francisco	3	104	Small Counties	11	190
Santa Clara	8	250	<i>Balance of State Subtotal</i>	65	1,456
<i>APC Subtotal</i>	59	1,933	Construction Activity as of October 1, 2023	124	3,389



Serenity Apartments is a 75-unit permanent supportive housing project serving homeless seniors in Los Angeles, CA with 54 units that are set aside for NPLH-eligible residents. Located in the Koreatown neighborhood, it is walking distance to grocery stores, a library, a pharmacy, and health clinics. Photo courtesy of Domus GP LLC and LA Family Housing.

ALLOCATION	COMPLETED	NPLH UNITS
Los Angeles	21	634
San Diego	5	157
San Francisco	1	127
Santa Clara	2	68
<i>APC Subtotal</i>	29	986

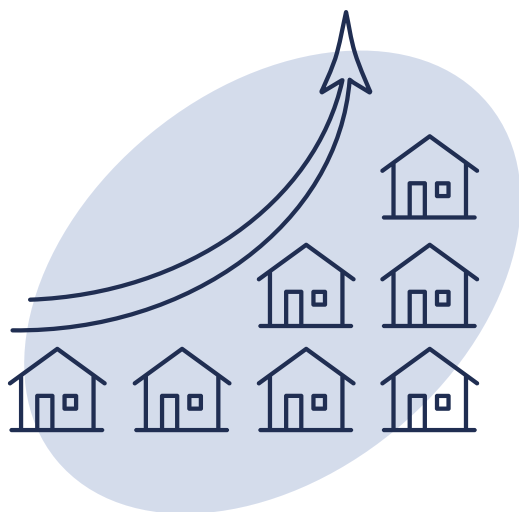
BALANCE OF STATE COUNTIES		
ALLOCATION	COMPLETED	NPLH UNITS
Large Counties	13	245
Medium Counties	10	224
Small Counties	12	179
<i>Balance of State Subtotal</i>	35	648
Completed Projects as of October 1, 2023	64	1,634



The Capitol Park Hotel in Sacramento, CA has now been transformed into permanent supportive housing for individuals who are experiencing homelessness. It has 134 total units with 65 units that are set aside for NPLH-eligible residents. Photo courtesy of Mercy Housing.



Light Tree Apartments was originally a 94-unit project in East Palo Alto, constructed in 1966. Renovations nearly double the number of homes, now providing 185 affordable homes. Phase 3 contains 57 units, with 9 units reserved for NPLH-eligible residents. Photo courtesy of Eden Housing.



Unit Projections

Currently, for all funded projects, a total of 6,406 NPLH units are committed to be produced in 248 projects. After additional project awards are made by the APCs through June 30, 2024, the Department estimates that NPLH funds awarded will produce approximately 7,702 NPLH-assisted units; however, unit projections may also change prior to the start of construction with changes in project financing. Nonetheless, the commitment of NPLH funds to a project makes it possible to leverage other needed financing for affordable housing development. Together, NPLH and other financing sources are estimated to create approximately 18,505 units of affordable housing through these funded projects.

Unit counts based on awards as of October 1, 2023 are as follows:

TABLE 13 – NPLH UNIT TOTALS AS OF OCTOBER 1, 2023

ALTERNATIVE PROCESS COUNTIES		
ALLOCATION	NPLH UNITS TO DATE	NUMBER OF FUNDED PROJECTS TO DATE
Los Angeles	2,284	69
San Diego	388	17
San Francisco	250	5
Santa Clara	487	16
<i>APC Subtotal</i>	<i>3,409</i>	<i>107</i>
BALANCE OF STATE COUNTIES		
ALLOCATION	NPLH UNITS	NUMBER OF PROJECTS
Large Counties	1,726	69
Medium Counties	778	41
Small Counties	493	31
<i>Balance of State Subtotal</i>	<i>2,997</i>	<i>141</i>
NPLH total as of October 1, 2023	6,406	248

Cedar Lane Permanent Supportive Housing, located in West Linda, CA, provides 40 units for individuals experiencing homelessness, including 19 units for NPLH-eligible residents. Photo courtesy of the Regional Housing Authority for Sutter, Yuba, Colusa, and Nevada Counties.



SECTION VI

Tenant Outcomes

Once projects have completed their construction or rehabilitation activities and have rented-up their NPLH units, counties are required to report annually on the outcome measures specified in Section 214 of the NPLH [program guidelines](#) for the NPLH-assisted units. This information is made

available as part of this annual report, and will also be made available on the Department's [website](#).

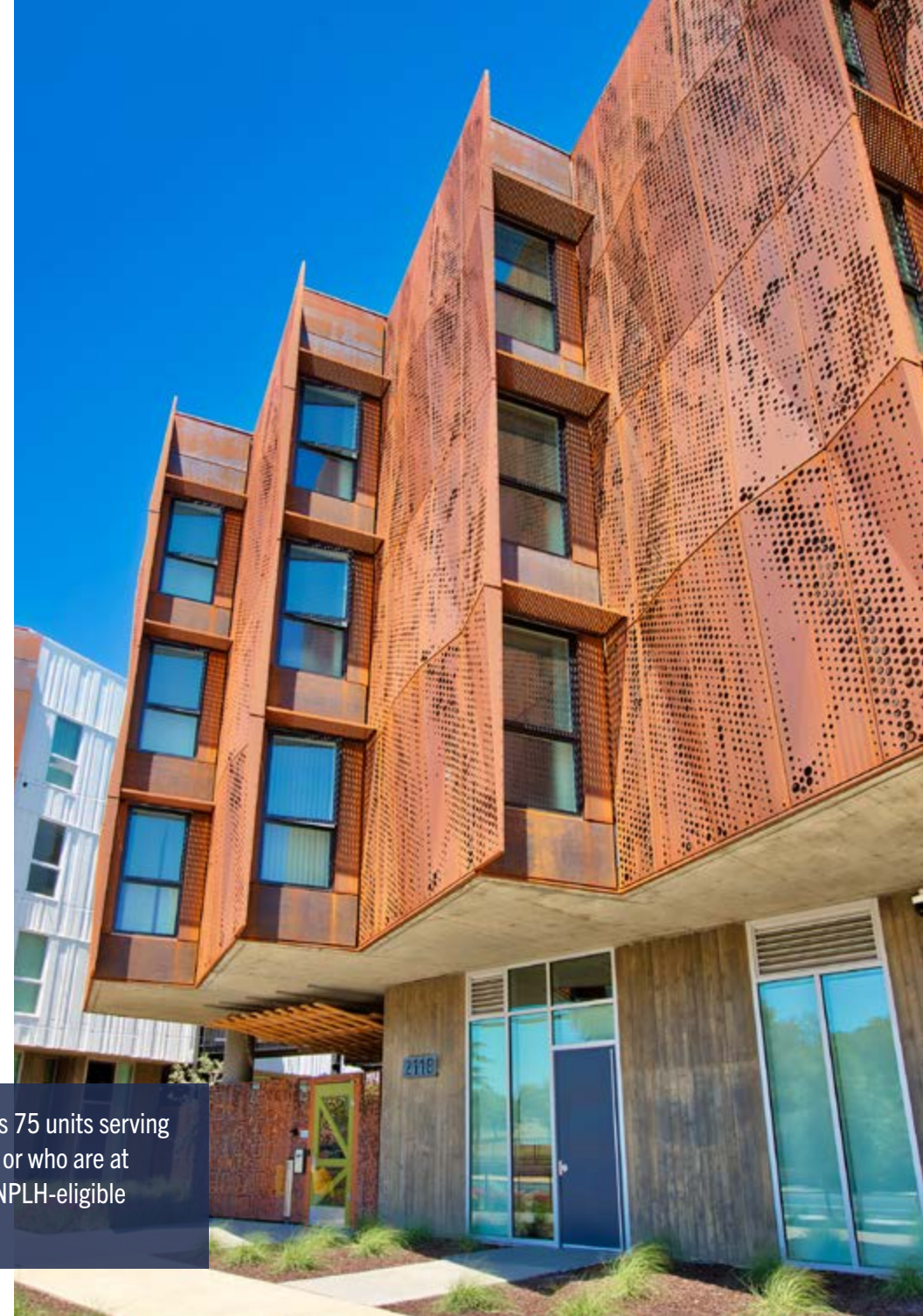
These outcome measures include, but are not limited to, the following:

- Project location, services, and amenities;
- Number of individuals and households served, and their veteran status and qualification upon move-in as chronically homeless, homeless, or at-risk of chronic homelessness;
- The number of tenants who continue to have a Serious Mental Disorder or the number who are seriously emotionally disturbed children or adolescents, as defined under WIC Section 5600.3;
- Head of household, gender, race, ethnicity, age;
- Current income levels, and changes in income levels during the reporting period due to changes in public assistance, employment, or other cash or non-cash income;
- Whether new tenants were living on the streets or in shelters prior to move in;
- Whether tenants who moved out during the reporting period left for other permanent affordable housing, were institutionalized, or returned to homelessness; and,

- The number of tenants who died during the reporting period.
- If available, counties may also provide aggregated data on:
 1. emergency room visits for NPLH tenants before and after move-in;
 2. average number of hospital and psychiatric facility admissions and in-patient days before and after move-in; and
 3. number of arrests and returns to jail or prison before and after move-in.

Tenant outcome data for projects that have occupied units is due to the Department annually by August 1. As of October 1, 2023, 64 NPLH projects have completed construction and are in their initial rent-up period or have completed at least one full-year of operations. This is over a 100 percent increase from the previous year. A snapshot of tenant outcome data for 57 of these projects is summarized below. Additional tenant outcome data for these projects for the factors listed above can be found in Appendix 5.

Blue Oak Landing, located one-half mile from downtown Vallejo, CA, has 75 units serving individuals, couples, and families currently experiencing homelessness or who are at risk of experiencing homelessness, with 23 units that are set aside for NPLH-eligible residents. Photo courtesy of Eden Housing.



Snapshot Tenant Demographics

This snapshot below includes data on NPLH-funded projects for which annual occupancy reports have been approved as of October 13, 2023.

- Projects: **57**
- NPLH Units: **1,389**
- Total Households Served: **1,441**
- Total Current Occupants: **1,541**

TABLE 14 – HEAD OF HOUSEHOLD DEMOGRAPHICS⁸

Serious Mental Illness under MHSA	1,365
Additional Co-Occurring Condition (e.g., substance use disorder, post-traumatic stress disorder)	1,309
Additional Developmental Disability	179

TABLE 15 – HEAD OF HOUSEHOLD HOMELESSNESS STATUS PRIOR TO SECURING NPLH-ASSISTED HOUSING

Chronically Homeless	967
Homeless	397
Exiting Institution and At-Risk of Chronic Homelessness	54
Not Reported	23
Total	1,441

TABLE 16 – HEAD OF HOUSEHOLD GENDER

Male	746
Female	645
Transgender	14
Gender Non-Conforming	8
Not Reported	28
Total	1,441

⁸ These numbers do not include data on some previously occupied but now vacant units.

TABLE 17 – HEAD OF HOUSEHOLD RACE

American Indian or Alaskan Native	42
Asian	28
Black/African Heritage	435
Native American/Hawaiian	25
White	823
Not Reported	88
Total	1,441

TABLE 18 – HEAD OF HOUSEHOLD ETHNICITY

Non-Hispanic/ Non-Latino	1,048
Hispanic/Latino	345
Not Reported	48
Total	1,441

**TABLE 19 – HOUSING RETENTION
HOUSEHOLD LENGTH OF STAY⁹**

1 year or less	963
1-2 years	436
More than 2 years	93
Total	1,492

**TABLE 20 – HOUSEHOLD MOVE-OUTS
IN THE LAST 12 MONTHS**

Exit to other permanent housing	19
Exit to an institution (e.g., nursing facility, jail)	34
Returns to homelessness	29
Deaths	33
Total	115

**TABLE 21 – HEAD OF HOUSEHOLD
PRIOR LIVING SITUATION**

Street, car, or other place not meant for human habitation	614
Emergency shelter, transitional housing, or other interim housing	641
Institution	54
Not Reported	132
Total	1,441

⁹ In some instances, data reported includes data for more than one household member. Approximately 67% of the projects reporting were in their first 12 months of initial occupancy.

SECTION VII

Future Program Modifications

The Department has allocated all available funding under the NPLH program as of August 31, 2022. Any major program modifications undertaken by the Department from this point forward will likely be undertaken with an eye toward future bond or other funding for the program. Below are some key areas for statutory or administrative change that should be discussed with a broad array of program stakeholders and other interested parties should new funding become available.

Eligible Activities

- Should the program fund COSRs for a term longer than 20 years?
- Should APCs get flexibility to retain, and re-use returned funds from projects for NPLH-eligible purposes, rather than have these funds returned to HCD?
- Should funds be made available to counties for technical assistance? If so, how should these funds be targeted?

Tenant Eligibility

- Should the income limit for NPLH tenants be increased from 30 percent of AMI to 40 percent of AMI to address difficulties in qualifying people receiving SSI or Veterans benefits in counties with comparatively lower rents?
- How should the program continue to serve persons with serious mental illness who are exiting institutional settings? Does the definition of At-Risk of Chronic Homelessness need to be modified?

Pine Hill Village provides 30 new units of affordable housing for homeless and low income households outside Eureka, CA, including 14 units for NPLH-eligible residents. Photo courtesy of Merritt Community Capital Corporation.



- Should requirements for additional outreach to underrepresented racial, ethnic, and other minority groups be established?

Eligible Applicants

- Should counties have the option of delegating their lead applicant authority to their project developer if the county only wants to play a supporting role in providing supportive services funding and coordination to a project?

Allocation Method

- Should funds be available through both a noncompetitive allocation and a competitive allocation? If so, how should available funding be split between the two, and what timing or other changes can be made to facilitate use of these funds together?
- Should future NPLH BOS funds be allocated jointly with the Multifamily Housing Program (MHP), the Veterans Housing and Homelessness Prevention (VHHP) program, or other similar special needs programs as part of the group of HCD multifamily programs under a common NOFA and application process?



Jonathan's Place (formerly Mill Street Center), is located in San Rafael, CA and provides 32 units of permanent housing, including 15 units for NPLH-eligible residents. Photo courtesy of Homeward Bound of Marin.

- Should the threshold for becoming an APC be lowered from 5 percent to give more counties the option of administering their own allocation of NPLH funds?
- Should the APC option be extended to cities or tribal governments if they can commit to providing mental health services, and coordinating other needed supportive services for NPLH tenants for a minimum of 20 years?
- Should there be a set-aside for Native American tribal governments or organizations?

- Should set-asides mirror those of the low-income housing tax credit/ bond programs (CDLAC or TCAC)?
- Should HCD-administered NPLH funds still be available by formula allocation? If so, should those formula factors change? Should allocations be split according to different geographic boundaries, or should a competition between counties of different population sizes remain?

Data Collection

- How can NPLH data collection efforts be improved to support broader state efforts involving data collection to address homelessness (e.g., Homeless Data Integration System)?
- What data should HCD, or other partner organizations, be collecting and publishing related to the specific disabilities of NPLH tenants?

Other Program Models

- What practices can be adopted from Homekey, and other programs aimed at making permanent supportive housing available as quickly and cost-effectively as possible?
- Would flexibility to make program changes without the formal consultation mechanisms currently required under the NPLH statute be beneficial, such as currently exists with the Homekey and California Housing Accelerator programs?

HCD looks forward to continued work within NPLH in order to serve California's most vulnerable populations of persons living with serious mental illness who are homeless or exiting institutional settings. Questions regarding the information provided in this report can be directed to nplh@hcd.ca.gov.



Appendices

The following appendices are featured as separate Excel documents available on the NPLH [webpage](#):

Appendix 1: Balance of State Awards

Appendix 2: Alternative Process County Awards

Appendix 3: NPLH NCA Allocation Balances

Appendix 4: Prop 2 NPLH Awards Summary

Appendix 5: NPLH Tenant Outcome Data

Talisa Apartments, Los Angeles, CA.
Photo courtesy of Domus GP LLC and LA Family Housing.





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