



Housing Funding Strategy

Orange County, California

June 12, 2018



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Executive Summary

Homelessness is currently one of the most urgent issues facing Orange County. With a Point in Time (PIT) count total of 4,792 individuals experiencing homelessness across the County on a single night in January 2017, it is clear that the impacts of homelessness are profoundly felt in the region. This Housing Funding Strategy (HF Strategy) summarizes the need for supportive housing (including the broad 2,700 supportive housing unit goal established by homeless planning groups in Orange County), the need for affordable housing options for people experiencing homelessness (estimated at an additional 2,700 units or subsidies)¹ the costs of creating, operating and providing services in supportive housing, as well as a range of opportunities, challenges and strategies to maximize the creation of supportive housing in Orange County. The HF Strategy outlines:

- Regional Efforts in Orange County
- Affordable Housing Overview
- Needs Gaps and Special Populations
- Affordable/Supportive Housing Resources
- Financial Modeling
- Opportunities
- Challenges
- Recommendations & Next Steps

The HF Strategy summarizes the resources currently available, as well as those that are anticipated, with recommendations for Orange County to maximize competitiveness in successfully funding projects. The urgent crisis of homelessness requires swift action to create pathways out of homelessness for the most vulnerable in our community and this HF Strategy outlines key next steps to maximize housing options for those who need it most.

¹ The estimate of an additional need for 2,700 additional affordable housing options is based on the 2017 Point in Time count numbers and the 2017 Annual Homeless Assessment Report (AHAR)

Regional Efforts in Orange County

The Orange County Board of Supervisors has dedicated significant effort to effectively addressing homelessness in the county. These efforts have been across the region. Through direction from the Board, Orange County Community Resources (OCCR) provides funding, resources and loans for the development of supportive housing throughout the county. OCCR also oversees the Housing Choice Vouchers throughout the 31 cities and the unincorporated areas. Three other cities in the region have their own Housing Authorities and administer their own Housing Choice Voucher resources: Anaheim, Santa Ana, and Garden Grove. Other County agencies also provide housing resources to address homelessness, such as the Health Care Agency through Mental Health Services Act (MHSA) Housing funds, Whole Person Care, and the Social Service Agency through Housing Support Services Funds, Bringing Families Home and Housing and Disability Advocacy Programs.

Affordable Housing Overview

What is Affordable Housing?

Affordable Housing refers to rental or owner-occupied housing that costs no more than 30 percent of a household's monthly income.

Who needs Affordable Housing?

Households are considered “cost-burdened” when their housing costs more than 30% of their income. Cost-burdened households may not be able to afford other necessities such as food, clothing, transportation and medical care (United States Department of Housing and Urban Development, n.d.). Affordable Housing could benefit these households.

In communities throughout the United States, a family with one full-time worker earning minimum wage cannot afford the local fair-market rent for a two-bedroom apartment. Additionally, there are about 12 Million households in the US that pay more than 50% of their annual incomes for housing. Notably, the typical renter in Orange County pays the nation’s largest portion of their household income to the landlord.

What is Area Median Income (AMI) or Median Family Income (MFI)?

Area Median Income (AMI) or Median Family Income (MFI) generally refers to the median family income of a geographic area estimated by the United States Department of Housing and Urban Development (HUD) for the HUD Housing Choice Voucher (HCV) Program in communities across the country. To calculate HCV Income Limits, HUD first creates MFI estimates. Five-year survey data was used in the 2017 MFI estimates. The survey data is then adjusted by HUD to account for anticipated income growth using the Consumer Price Index (CPI) inflation forecast published by the US Congressional Budget Office. Very Low-Income Limits are calculated using HUD’s determination of MFI. Then, the Very Low-Income Limit category is used to calculate income limits for the other income categories that are described in detail below (Seeger, 2017).

What are the MFI/AMI Income Limit Categories?

The income limits for Orange County are defined in the table below, which are defined as follows:

- **Extremely Low-Income:** Extremely Low-Income limits are calculated as 60 percent of the very low-income limits and compared to the most recent update to the federal Poverty Guidelines. If the poverty guidelines are higher, those values are chosen. The value is capped at the Very Low-Income level (Seeger, 2017).
- **Very Low-Income:** The maximum Very Low-Income limit typically reflects 50 percent of median family income (MFI). HUD's MFI figure generally equals two times HUD's 4-person very low-income limit, except when HUD applies adjustments (Seeger, 2017).
- **Low-Income:** In general, maximum income for low-income households reflects 80 percent of the MFI level. Most low-income limits represent the higher level of: (1) 80 percent of MFI or, (2) 80 percent of State non-metropolitan median family income (Seeger, 2017).
- **Moderate-Income Levels:** The State Housing and Community Development (HCD) Department is responsible for establishing California's moderate-income limit levels. After calculating the 4-person area median income (AMI) level as previously described, HCD sets the maximum moderate-income limit to equal 120 percent of the county's AMI (Seeger, 2017).

What are the MFI/AMI Income Limits for Orange County?

The 2017 Area Median Income (AMI) for Orange County is \$88,000. The subsequent income categories and household sizes are in Table A below. It is important to note that a typical supportive housing tenant is an adult receiving a monthly Social Security Income payment of \$910.72/month (or \$10,928/year). This income is approximately 18% of Area Median Income for Orange County. In addition, many supportive housing tenants may have zero income, or close to zero income and supportive housing projects need to have plans in place to house people with such limited financial resources, including rent payment expectations as well as "move-in" resources.

Table A: Income Limits for Orange County

(United States Department of Housing and Urban Development, 2017) (Seeger, 2017)

FY 2017 Income Limit Category	Persons in Family							
	1	2	3	4	5	6	7	8
Extremely Low Income	21,950	25,050	28,200	31,300	33,850	36,350	38,850	41,350
Very Low Income	36,550	41,750	46,950	52,150	56,350	60,500	64,700	68,850
Low Income	58,450	66,800	75,150	83,450	90,150	96,850	103,500	110,200
Median Income	61,600	70,400	79,200	88,000	95,050	102,100	109,100	116,150
Moderate Income	73,900	84,500	95,050	105,600	114,050	122,500	130,950	139,400

Affordable Housing Strategic Plan and Accomplishments to Date

In 2015, Orange County launched its Affordable Housing Strategic Plan along with an Affordable Housing Implementation Plan. The purpose of the Affordable Housing Strategic Plan was to outline key priorities and strategies that would maximize and prioritize affordable and supportive housing production. Recommendations from this strategic plan included:

1. Aligning available housing resources within a single NOFA/RFP;
2. Leveraging housing resources over several funding cycles in order to maximize project competitiveness when seeking sources of funding;
3. Prioritizing rental subsidy commitments for projects receiving capital investments;
4. Prioritizing investment of County resources within the County jurisdiction and regional initiatives;
5. Targeting resources to create housing opportunities that have the greatest impact on specific priority populations

The Plan specified that the recommendations listed above were designed for the next five years in order to create the most housing opportunities. These strategies have opened doors and enabled people experiencing homelessness to leave the streets behind by providing critical supports to important and innovative projects across the County. In addition, the Board of Supervisors has committed \$25 Million in Mental Health Services Act (MHSA) Housing funds towards these efforts. Commitments from Orange County (OCCR and the Health Care Agency) have included a range of capital, operating, and services funding commitments to numerous supportive and affordable housing projects, including 688 affordable and supportive housing units that are leased up or in various stages of development throughout the region. Within this total of 574 units, 341 are supportive housing units (which includes 131 MHSA supportive housing units). In addition, there are 1,600 to 1,800 potential units that developers have indicated could be developed given adequate resources, but not yet entitled.

Housing Needs and Goals

Homelessness in Orange County

According to the 2017 Point in Time (PIT) Count, there are 4,792 people experiencing homelessness in Orange County. The unsheltered homeless population (2,584) accounts for 54% of the total homeless persons, whereas the remaining 46% (2,208) were sheltered in Emergency Shelter and Transitional Housing programs. This high number of unsheltered households consists mostly of individuals (households without children), which account for 99% of the unsheltered population (2017 PIT).

Supportive Housing

Supportive housing is more than just affordable housing. Many homeless households have higher needs than other cost-burdened households that need affordable housing. People who need services in order to remain stably housed need supportive housing because it includes tenancy support services and is designed to be affordable for individuals who receive Social Security Income or who may have no income.

Supportive housing combines affordable housing with services that help people who face the most complex challenges to live with stability, autonomy and dignity. Supportive housing is affordable housing where supportive services providers actively engage tenants in flexible, voluntary and comprehensive services and work with property and housing management to support tenant stability and ensure that the housing remains a positive community asset for the long-term. Supportive housing is an innovative and proven solution to some of communities' toughest problems. Supportive housing is the scaffolding for the delivery of more effective and responsive public services.

Supportive housing is for people who are highly vulnerable, like those experiencing chronic homelessness. Someone experiencing chronic homelessness has lived on the streets, in his or her car, in a shelter or somewhere not meant to be lived in for an extended period of time and has a disability. Supportive housing is also an effective intervention for those who cycle through institutions, such as emergency rooms, psychiatric facilities, jails, and hospitals, for example. Supportive housing is for people who without housing, are not able to secure the treatment and supportive services available to them. Because supportive housing provides the stability that we hope everyone can have, somewhere where they can call home, it allows people to start to access non-emergency services like primary health care, mental health care, public benefits and others.

There are an estimated 2,700 supportive housing units currently available in Orange County according to the 2017 Housing Inventory Chart. These units are predominantly scattered site supportive housing using rent subsidies such as Housing and Urban Development-Veterans Affairs Support Housing (HUD-VASH) vouchers and HUD SHP rental subsidies in the private market, along with some newly constructed or rehabilitated supportive housing units.

Needs, Gaps and Special Populations

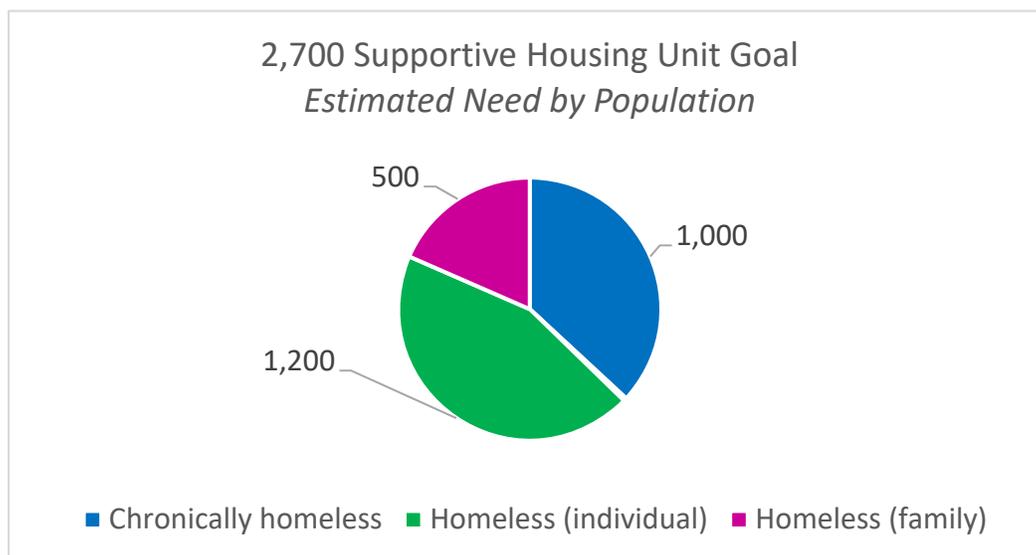
The County has identified the need for approximately 2,700 new supportive housing units based on information from the 2017 Point in Time Count and the Annual Homeless Assessment Report (AHAR). Using this previously identified unit goal as a guide, and analyzing the demographics of the 2017 Point in Time Count and the AHAR data, CSH estimates a need for 500 family supportive housing units and 2,200 supportive housing units for individuals.

Chronically Homeless Need:

CSH estimates that 1,000 of the 2,700 supportive housing units will be needed for individuals and families experiencing chronic homelessness,² and 1,700 will be needed for other households experiencing homelessness who also have significant service needs (2017 PIT, 2017 AHAR). Within the 1,700 non-chronically homeless supportive housing units, 1,200 units are projected for individuals and 500 are projected for families.

The following chart breaks down the estimated unit needs by population type:

Chart A Supportive Housing Unit Goal:

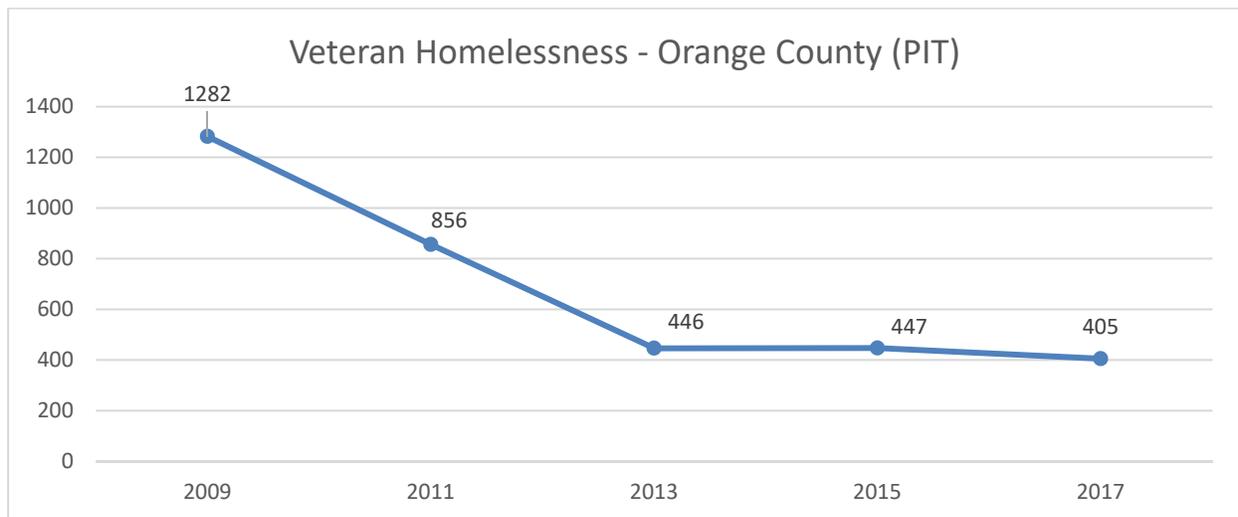


² There is an estimated need for 10 supportive housing units for chronically homeless families.

Veterans

For the past eight years, the homeless veteran population has decreased dramatically from 1,282 in 2009, to 856 in 2011, to about 450 in 2013 and 2015, and to 405 in 2017 (Orange County PIT). Eighty eight percent of veterans experiencing homelessness were unsheltered in 2017. This is a significant regional success that can be attributed to effective strategies that have been implemented over the last decade, primarily providing access to both affordable and supportive housing.

Chart B Veteran Homelessness in Orange County – Point in Time Count Numbers:



It is important to note that veterans are approximately 4% of the overall population in Orange County, yet veterans make up 10% of the homeless population locally. More detailed information from the 2017 AHAR shows that about 29% of adults in supportive housing identified as being veterans. According to the 2017 Point in Time (PIT) count, about 2% of those in shelter and transitional housing were veterans, and about 14% of unsheltered people were veterans.

Supportive Housing Unit Projections

There is an estimated need to create 2,700 supportive housing units to provide housing and services for people experiencing homelessness in Orange County who have disabling health conditions and support services needs. In addition, local data (2017 PIT; 2017 AHAR) showed a need for access to *affordable housing* for an additional 2,700 people experiencing homelessness in the region.

This report focuses on estimated unit goals and recommends that local planning take into account the need to create 2,700 supportive housing units. It is important to note that there is also a need for access to affordable housing options, such as developed affordable housing,

Section 8 housing vouchers, and rapid rehousing resources for the additional 2,700 people experiencing homelessness who are in need of access to affordable housing. It is recommended that careful planning continues throughout the region to also meet those additional housing needs.

The table below projects the unit breakdown to create 2,700 units of supportive housing over the next seven years to meet the housing needs of people with disabling health conditions who are experiencing homelessness in Orange County.

Table B: Supportive Housing Unit Goal (by Population and Unit Type):

Supportive Housing Goal by Population	Studio/1 Bedroom	2 or 3 Bedroom	Total
Homeless Individual	1200		1,200
Chronically Homeless Individual (+ 10 family units)	990	10	1,000
Homeless Family		500	500
Total	2,190	510	2,700

Housing Models and Development Approaches

Supportive housing can be created using a variety of models and approaches. This HF Strategy anticipates that the supportive housing developed across Orange County will include the following models and approaches:

Single Site Supportive Housing

This is generally a multi-family supportive housing development that exclusively provides housing along with support services to formerly homeless families or individuals.

Integrated Housing

This model generally refers to multi-family housing developments that have a dedicated percentage of subsidized units that provide housing to formerly homeless families or individuals along with support services. The other units in the development are affordable housing for low-income individuals and families.

Development Approaches:

Hotel/Motel Conversion, Acquisition/Rehabilitation and New Construction

A variety of approaches to development are required in order to achieve the ambitious unit goal of creating 2,700 units of supportive housing. These development approaches include Hotel/Motel Conversion, Acquisition/Rehabilitation, as well as New Construction.

Village Model

An innovative approach to providing housing for people experiencing homelessness is to create a “village” of homes, offering housing and a community of support for people leaving the streets behind.

The table below outlines the number of units that could be produced through a development approach, followed by an estimate of the total development costs to create the 2,700 units of developed supportive housing.

Table C: Supportive Housing Unit Goal (by Year Placed in Service)

Total Supportive Housing Units - Projected Need across Orange County Region								
	2019	2020	2021	2022	2023	2024	2025	TOTAL
Supportive Housing - Single Adults: Acquisition/Rehabilitation	190	200	200	200	200	200	200	1,390
Supportive Housing - Single Adults: New Construction	150	150	100	100	100	100	100	800
Supportive Housing - Families: Acquisition/Rehabilitation	50	50	45	35	35	35		250
Supportive Housing - Families: New Construction	60	50	45	35	35	35		260
Total	450	450	390	370	370	370	300	2,700

Affordable/Supportive Housing Resources

It is important to understand the full range of potential resources that could be accessed in achieving Orange County's supportive housing unit goals. Supportive housing development requires three types of resources for successful projects:

- Capital Funding – to build the housing development.
- Operating Funding – to ensure the housing development can operate; pays the difference between what a supportive housing tenant can pay and what it costs to actually operate the unit.
- Services Funding – to provide support services to tenants to ensure their stability in housing.

Capital Funding Sources

The following sources are critical resources to the development of affordable and supportive housing:

- 4% and 9% Low Income Housing Tax Credits (LIHTC)
- Conventional Financing / Loans
- Federal Home Loan Bank Affordable Housing Program (AHP)
- HOME Investment Partnerships Program (HOME)
- Community Development Block Grant (CDBG)
- Local Continuum of Care Supportive Housing Program (SHP) resources (Homeless Emergency Assistance and Rapid Transition to Housing - HEARTH)
- Locally controlled Housing Funds:
 - Housing Successor Agency (Redevelopment)
 - Housing Authorities
 - Mental Health Services Act Housing Program/Special Needs Housing Program (CalHFA) – includes capital and operating funds
- State Funds:
 - Veteran's Housing and Homeless Prevention Program (VHHP)
 - Multifamily Housing Program (MHP)
 - Affordable Housing and Sustainable Communities Program (AHSC)

Veterans Housing and Homeless Prevention (VHHP) Program (Proposition 41)

Passed by the voters in June 2014, the VHHP program allows the state to sell \$600 Million in bonds to fund housing for low-income and homeless veterans. Three NOFAs have been issued under the VHHP Program and the fourth NOFA was released in May 2018.

Source of Funding: Initially Proposition 12 in 2008, the Veteran's Bond Act of 2008, authorizing \$900 Million in general obligation bonds, intended to help veterans purchase single family homes, farms, and mobile homes through the California Department of Veterans Affairs

(CalVet) Home Loan Program. In 2013, AB 639 (Chapter 727, Statutes of 2013, Pérez) restructured the Veteran's Bond Act of 2008 authorizing \$600 Million in existing bond authority to fund multifamily housing for veterans. With the approval of Proposition 41 by California voters on June 3, 2014, the Department of Housing and Community Development (HCD), in collaboration with the California Housing Finance Agency (CalHFA) and CalVet, is administering the veteran multifamily housing program pursuant to AB 639 (Chapter 727, Statutes of 2013, Pérez).

Housing Successor Agency Funds

Redevelopment Successor Agencies across Orange County are seeking to maximize the number of new affordable housing units that can be produced with the Successor Housing Entity's remaining housing assets by leveraging their funds with other funding sources.

Source of Funding: The 2011 Budget Act dissolved California Redevelopment Agencies, which were funded through property tax revenues. The Housing Successor Agencies administer the funds that remain after the dissolution of redevelopment to meet required payments on existing bonds and other obligations.

Cap and Trade - Affordable Housing and Sustainable Communities Program

Beginning in Fiscal Year 2014-15, California has implemented a state-wide Cap and Trade program that sets aside a long-term revenue stream for affordable housing, focusing on the reduction of greenhouse gases in the state, including transit-oriented development. Twenty percent of Cap and Trade revenues are dedicated to the Affordable Housing and Sustainable Communities Program, including planning, active transportation, transit and other supportive infrastructure, estimated at \$200-\$300 Million/year in statewide funding.

Source of Funding: the Affordable Housing and Sustainable Communities Program is funded by the California Climate Investments Program (CCIP, formerly the Greenhouse Gas Reduction Fund or GGRF), an account established to receive Cap-and-Trade auction proceeds. The program was initially authorized by Assembly Bill 32 (Nunez), the Global Warming Solutions Act of 2006. The Cap-and-Trade program sets a cap or limit on total GHG emissions that declines over time. Large emitters of greenhouse gases can buy, sell, and trade carbon allowances during quarterly auctions. A variety of legislation governs the implementation of this program.

National Housing Trust Fund (NHTF)

Since its creation in 2008 under the Housing and Economic Recovery Act, the NHTF funds the building, preservation, and rehabilitation of rental homes that are affordable for extremely and very low income households. The NHTF is a permanent program with a dedicated source of funding that is not subject to the annual appropriations process. It prioritizes rental housing, with a minimum of 80% of the funds being used for the production, preservation, rehabilitation, or operation of rental housing and up to 10% for home ownership activities. Finally, 75% of the funds for rental housing must benefit extremely low income households (and all funds must benefit very low income households). The NHTF program is administered by State HCD and

priority is be given to special needs populations. NHTF can be paired with Community Development Block Grant (CDBG) and HOME funds as set forth in the State HCD Annual and Consolidated Plans.

Source of Funding: The National Housing Trust Fund was established under Title I of the Housing and Economic Recovery Act of 2008, Section 1131 and the federal department of Housing and Urban Development (HUD) allocates funds annually to states.

HOME Investment Partnerships Program (HOME)

Orange County and surrounding cities receive varying amounts of federal HOME Investment Partnerships Program (HOME) funds, which are restricted for use within their jurisdictions. In most cities, these funds have not been targeted toward special needs or supportive housing in particular. However, they must be allocated to affordable housing development at the low to moderate income levels.

Source of Funding: HOME funds are based on a federal formula grant to states and localities from the federal Housing and Urban Development (HUD) department and the use of the funds is governed through the HOME program regulations as well as locally developed Consolidated Plans and Annual Action Plan Projects. The HOME program was authorized under the 1990 Cranston-Gonzalez National Affordable Housing Act.

Community Development Block Grant Program (CDBG)

The Community Development Block Grant (CDBG) program enables local governments to undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing and create economic opportunities, primarily for persons of low and moderate income. Orange County receives CDBG funds, along with a variety of other jurisdictions, including:

- | | | |
|--------------------|-----------------|-------------------------------|
| • Anaheim | • Laguna Niguel | • Tustin |
| • Buena Park | • Lake Forest | • Westminster |
| • Costa Mesa | • Mission Viejo | |
| • Fountain Valley | • Newport Beach | <i>Metro Cities receiving</i> |
| • Fullerton | • Orange | <i>CDBG funds:</i> |
| • Garden Grove | • Rancho Santa | • Aliso Viejo |
| • Huntington Beach | Margarita | • Placentia |
| • Irvine | • San Clemente | • Yorba Linda |
| • La Habra | • Santa Ana | |

Collaborative and coordinated planning with these jurisdictions is critical as the region plans to use Year 2 SB2 funding, which will be received by the CDBG entities (discussed in further detail below).

Source of Funding: The CDBG Entitlement Program provides annual grants on a formula basis to entitled cities and counties. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 et seq.

Special Needs Housing Program

The MHSAs Housing Program concluded in May 2016. At the request of a number of counties, the California Housing Finance Agency (CalHFA) created the “Local Government Special Needs Housing Program” (SNHP) which builds upon the successes of the MHSAs Housing Program for the development of new MHSAs housing. Orange County has allocated a total of \$25 Million in funds to the SNHP for additional permanent supportive housing units. These funds are available to supportive housing developers in Orange County and there is a high degree of interest from the development community.

Source of Funding: the Special Needs Housing Program (SNHP) is funded with Mental Health Services Act (MHSA) funding that local counties receive. Counties can choose to assign their MHSA funds to the SNHP administered by the California Housing Finance Agency (CalHFA). The Mental Health Services Act was created through Proposition 63 in 2004 and is funded through a 1% income tax on personal income in excess of \$1 Million.

State Housing and Community Development Multi-Family Housing Program

There are some monies left in this state program and a NOFA is anticipated to be released in 2018 to fully commit these bond funds.

Summary of Funding Sources and Commitments to Orange County:

The table below outlines various funding sources that are administered by the State of California and the amount that is available/dedicated to affordable/supportive housing:

Table D: Summary of Funds Available and Committed in Orange County:

State Program	Funds Available	Notes
Affordable Housing & Sustainable Communities (Cap and Trade)	Most recent \$255 Million NOFA closed January 2018 with awards expected in June 2018.	Approx. \$420 Million awarded to 53 projects across the state in two NOFA rounds Orange County projects awarded funding: <ul style="list-style-type: none"> • \$3.9 Million for <i>Depot at Santiago</i> by C&C Development in Santa Ana • \$12 Million for <i>Santa Ana Arts Collective</i> by Meta Housing in Santa Ana
National Housing Trust Fund	\$10 Million statewide	NOFA expected in 2018.
Veterans Housing and Homeless Prevention (VHHP) Program	~\$325 Million currently available statewide. Most current NOFA released May, 2018. To date, 3 NOFAs issued with \$238 Million awarded statewide, creating 1970 units.	One Orange County project funded: \$1.79 Million for Potter’s Lane (15 units)

Operating Funding Sources

Affordable housing capital funding sources create projects that are affordable to people earning 30 to 60% of Area Median Income (AMI). As discussed above, individuals experiencing homelessness often have an income that is 18% AMI or less. To cover the difference between what a tenant can pay and the cost of operating the unit, an operating subsidy or rental subsidy is needed to ensure that the project is affordable and financially feasible over the long term.

Housing Choice Vouchers

The federal Housing Choice Voucher Program provides rental subsidies that are administered by four local housing authorities:

- Orange County Housing Authority
- Santa Ana Housing Authority
- Anaheim Housing Authority
- Garden Grove Housing Authority

Tenant based housing assistance is provided to participants who find their own housing through a local landlord. The tenant pays the landlord 30% of their income toward rent and utilities directly to the landlord. The housing authority pays the remaining cost up to what is determined to be a “reasonable rent” for the market. Housing authorities have the discretion to “project-base” a portion of their housing choice vouchers by committing them to a specific housing project through a competitive allocation. When capital funders know a project will receive a rental subsidy, this can be used as a powerful development finance tool in the creation of new supportive housing in Orange County, as seen in MHSA Housing developments throughout the region.

Housing and Urban Development - Veterans Affairs Supportive Housing (HUD-VASH)

The federal Housing and Urban Development (HUD) and Veterans Affairs (VA) have collaborated to provide the HUD-VASH Supportive Housing Program which provides permanent housing subsidies and case management services to homeless veterans with disabling health conditions. The VA Medical Center in Long Beach California screens and selects veterans for participation in HUD-VASH in Orange County and the rental subsidies are administered by the Orange County Housing Authority. The VA and the Housing Authorities who receive HUD-VASH vouchers have the option to Project Base HUD-VASH, providing predictable operating revenue for housing developers, and the federal government is encouraging communities that receive HUD-VASH to focus resources on ending veterans and chronic homelessness.

HUD 811 Project Rental Assistance

The HUD Section 811 Project Rental Assistance Demonstration Program provides rental assistance to affordable housing developments serving persons with disabilities. The program serves non-elderly individuals with disabilities who have resided in a long-term health care facility for at least 90 days and desire to return to community living, or are at risk of institutionalization because of loss of housing. The Project Rental Assistance funding is managed by CalHFA in partnership with other state agencies. Two notices of funding available (NOFA) rounds have been complete (one state-wide and one specific to Los Angeles). Limited funds are still available under the statewide NOFA for PRA on an “over the counter” basis.

SNHP Capitalized Operating Subsidy Reserves

The Special Needs Housing Program also provides the possibility of funding a Capitalized Operating Subsidy Reserve (COSR) for projects that demonstrate that they cannot secure an operating subsidy from another source.

Services Funding Sources and Partnerships

As described above, supportive housing requires capital financing to develop a supportive housing project and operating subsidies to ensure the housing is affordable to people with extremely low or no income. In addition, the supportive services provided in supportive housing are what distinguish supportive housing from other types of affordable housing. The support services should be designed to help ensure tenant stability in housing and maximize the ability to live independently.

This Strategy does not outline the financial costs of services in the 2,700 units of supportive housing and it is incredibly challenging to identify and secure funding for the range of services needed to meet resident needs. In some cases, agencies that have existing revenue streams are able to partner with supportive housing owners to provide services directly to tenants. In these instances both partners must pay careful attention to the agreements and relationships to ensure ongoing commitments to the tenants. The following programs can provide service partnerships in supportive housing with careful attention to the agreements and relationships that enable services for supportive housing tenants:

Mental Health Services Act (MHSA) Services

MHSA services provided in supportive housing are designed for 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. The Orange County Community Supports and Services (CSS) plan is publicly posted and provides details on MHSA funded services across the county.

Federally Qualified Health Centers (FQHCs)

FQHCs are Medicaid-funded, neighborhood-based health service providers that serve underserved persons in their targeted geographic areas and must provide more than primary health care services, including behavioral health, nutritional counseling and some case management. The mission and service approach of FQHCs are similar to those of supportive housing providers. FQHCs in Orange County provide many of the additional services that high-need populations require, and there are many examples of successfully pairing FQHC resources with housing to promote tenant wellness and stability, and to create pathways out of homelessness.

Whole Person Care (WPC)

The County of Orange was approved through the State of California's Department of Health Care Services (DHCS) on October 24, 2016 for a five-year project to implement the Whole Person Care (WPC) pilot program. WPC is the coordination of physical, behavioral health, and social services in a patient-centered approach with the goals of improved health and well-being through more efficient and effective use of resources for Medi-Cal beneficiaries struggling with homelessness. WPC promotes increased communication between hospital

emergency rooms, CalOptima, community clinics, OC Health Care Agency (HCA) Behavioral Health Services and Public Health Services as well as recuperative care providers to improve access and navigation of services for the homeless population. WPC will provide important health and behavioral health supports to individuals and families in supportive housing.

Program of All-inclusive Care for the Elderly (PACE)

Programs of All-Inclusive Care for the Elderly (PACE) provides a comprehensive set of social and medical services to seniors that allows them to continue living in their own homes for as long as possible. PACE serves individuals who are age 55 or older, certified by their state to need nursing home care, able to live safely in the community at the time of enrollment and live in a PACE service area. PACE in Orange County is provided by CalOptima and offers an interdisciplinary team to deliver in-home care, therapies, rehab, social services, transportation, adult day care, meals, respite care and medical care. Seniors may visit a PACE Center a few times a week or the PACE team may bring services to the senior's home. PACE providers also contract with mental health specialists to deliver behavioral health Treatment. There are promising models of pairing PACE supports with affordable/supportive housing developments to create a robust wrap around service model for seniors exiting homelessness.

Additional Service Partners:

Health Partners: It is important to identify local health partners (such as hospitals, crisis centers, substance use disorder treatment services, and other health resources in Orange County) who provide responsive services that can assist in maintaining residential stability in housing.

Local Philanthropy: In addition, Local Philanthropy will be a critical partner in all of these efforts, providing crucial supports to address funding gaps and spurring innovative approaches to ending homelessness in Orange County.

Potential Future Funding Sources

No Place Like Home

On July 1, 2016, Governor Brown signed landmark legislation enacting the No Place Like Home program to dedicate \$2 billion in bond proceeds to invest in permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness. The bonds will be repaid by funding from the Mental Health Services Act (MHSA). The program is currently awaiting a court ruling regarding the validity of the program, anticipated later on in 2018. Also, a measure may be placed on the November 2018 statewide ballot to explicitly authorize the use of Mental Health Services Act revenues to repay \$2 billion in bond proceeds that will be used to fund a competitive county grant program to create permanent supportive housing units for people with severe mental illness via the No Place Like Home (NPLH) program. In current planning estimates, Orange County is included in the Large County category and local projects will compete against an estimated 9 other Large Counties for a pool of \$386 Million in funding over a four year period. An additional \$7 Million in NPLH funding will be available on an over the counter/non-competitive process for Orange County developments. Local sources for affordable and supportive housing financing will be critical for Orange County projects to be competitive in the NOFA rounds for NPLH funding.

The No Place Like Home program requires a County Plan that meets State HCD's requirements. In working to achieve that goal, OCCR has formed a No Place Like Home Advisory Committee. Several of the key elements of the NPLH Plan requirements are aligned with this HF Strategy. The required NPLH Plan elements are:

- Affordable Housing in Orange County
- Needs and Barriers to Affordable Housing
- Evidence Based Practices
- Permanent Supportive Housing In Orange County
- Plans, Goals, Strategies, and Activities to Reduce Homelessness in Orange County.

Source of Funding: Mental Health Services Act (described above)

SB2 - Building Homes and Jobs Act

This program is funded through a \$75 document recording fee and provides a dedicated source of funding for housing related activities, as described below. The program is expected to receive up to \$250 Million/year on an ongoing basis and is designed in two phases: Year 1 and Year 2 and beyond.

In the first year:

- 50% of the funds will made available to local governments to update planning documents and zoning ordinances in order to streamline housing production, including, but not limited to, general plans, community plans, specific plans, sustainable communities' strategies, and local coastal programs.

- 50% made available to the Department of Housing and Community Development to assist persons experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, navigation centers, and the new construction, rehabilitation, and preservation of permanent and transitional rental housing. The department shall ensure geographic equity in the distribution and expenditure of funds allocated.

In the second year funds will flow to CDBG jurisdictions throughout the state and it is critical that Orange County work with the local CDBG jurisdictions to align priorities related to housing and homelessness. In year two and beyond, the following requirements will be in place:

- 20% of all moneys in the fund be expended for affordable owner-occupied workforce housing. This will be calculated across all of the programs below:
 - 70% of the moneys deposited in the fund be provided to local governments in accordance with a specified formula for the purposes listed below
 - 90% of these monies will follow the entitlement formula specified in Section 5306 of Title 42 of the United States Code for federal FY 2017
 - 10% of funds would be competitive for non-entitlement areas
 - 5% for state incentive programs
 - 10% housing for agricultural workers
 - 15% for CalHFA financing for multi-family housing

For the 70% of funds available (note that 20% of overall Year 2 funding will be for owner-occupied workforce housing), funds can be used for:

(i) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low, very low, low-, and moderate-income households, including necessary operating subsidies.

(ii) Affordable rental and ownership housing that meets the needs of a growing workforce earning up to 120 percent of area median income, or 150 percent of area median income in high-cost areas.

(iii) Matching portions of funds placed into local or regional housing trust funds.

(iv) Matching portions of funds available through the Low and Moderate Income Housing Asset Fund pursuant to subdivision (d) of Section 34176 of the Health and Safety Code.

(v) Capitalized reserves for services connected to the creation of new permanent supportive housing, including, but not limited to, developments funded through the Veterans Housing and Homelessness Prevention Bond Act of 2014.

(vi) Assisting persons who are experiencing or at risk of homelessness, including providing rapid rehousing, rental assistance, navigation centers, emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.

(vii) Accessibility modifications.

(viii) Efforts to acquire and rehabilitate foreclosed or vacant homes.

(ix) Homeownership opportunities, including, but not limited to, down payment assistance.

(x) Fiscal incentives or matching funds to local agencies that approve new housing for extremely low, very low, low-, and moderate-income households.

Source of Funding: Document Recording Fee.

SB3 - Veterans and Affordable Housing Bond Act of 2018

SB3 authorized the legislature to place this Act on the ballot in November 2018 and would provide \$4 billion in bond financing for various existing housing programs as well as infill infrastructure financing and affordable housing matching grant programs, to be administered by State Housing and Community Development and California Housing Finance Agency. If successfully passed, up to \$300 Million of SB3 funds would be available statewide for local jurisdictions to apply to fund local Housing Trust Funds. This Act would bring significant new resources to the State of California for the creation of affordable and supportive housing.

Source of Funding: General obligation bond.

SB912 Housing: homelessness programs and affordable housing

SB912 would require \$2 billion in funding be allocated from the General Fund to the Department of Housing and Community Development to assist in the new construction, rehabilitation, and preservation of permanent and transitional rental housing and address homelessness, particularly homelessness among members of vulnerable populations.

Source of Funding: State General fund.

Financial Modeling

A financial model was developed based on the estimated need of 2,700 units of supportive housing that would be financed over six years (and produced over a seven year period), maximizing the range of capital and operating resources outlined above. This financial model is a projection of how these developments may be financed over time and is based on current estimates and assumptions. A financial model is useful in describing the general assumptions about what it will take in terms of both time and resources to develop the number and types of units projected, however, it is certain that the results will vary greatly depending on resource availability. The model should be re-evaluated, updated and revised on a regular basis as projects are funded and new funding resources become available.

Modeling Considerations

The table below outlines the Development Costs for the 2,700 supportive housing unit goal. The capital funding commitments are assumed over a six year timeframe as the funding must be committed to projects at least one year prior to the project opening in order to take into account time to develop the project.

Table E: Supportive Housing Unit Goal - Development Costs per Unit:

Housing Development Costs Per Unit (2.5% annual escalator)						
	2019	2020	2021	2022	2023	2024
<i>Supportive Housing</i>						
Single Adults - Acquisition/Rehabilitation	\$ 300,000	\$ 307,500	\$315,188	\$ 323,067	\$ 331,144	\$ 339,422
Single Adults - New Construction	\$ 375,000	\$ 384,375	\$ 393,984	\$ 403,834	\$ 413,930	\$ 424,278
Supportive Housing - Families: Acquisition/Rehabilitation	\$ 350,000	\$ 358,750	\$ 367,719	\$ 376,912	\$ 386,335	\$ 395,993
Supportive Housing - Families: New Construction	\$ 425,000	\$ 435,625	\$ 446,516	\$ 457,679	\$ 469,120	\$ 480,848
Total Supportive Housing Development Costs (2,700 units) = \$ 930,000,000						

Financial Model – Capital Resources

The following tables outline a very high level financial model which identifies potential sources of capital resources required to generate 2,700 units of supportive housing, with funding commitments made over the next six years (and units produced over seven years), along with the funding gap to achieve that goal.

It is important to note as outlined above, that Orange County will need to identify a significant source of rental/operating subsidies as well as innovative strategies to provide effective services in supportive housing, discussed below.

Table F: Capital Financing By Year:

Capital Financing By Year Dedicated to Supportive Housing Developments							
		Financing Commitments by Year					
		2019	2020	2021	2022	2023	2024
Local Financing – HOME ¹	\$34,200,000	\$5,700,000	\$5,700,000	\$5,700,000	\$5,700,000	\$5,700,000	\$5,700,000
Local Financing (all jurisdictions) – Year 2 of SB2 funding	\$39,600,000	\$6,600,000	\$6,600,000	\$6,600,000	\$6,600,000	\$6,600,000	\$6,600,000
Local City/County Properties ²	\$12,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Housing Successor Funds (all jurisdictions)	\$45,000,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
9% Low Income Housing Tax Credits ³	\$48,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000
4% Low Income Housing Tax Credits ⁴	\$120,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Local MHSA Housing/Special Needs Housing Program ⁵	\$70,000,000	\$11,666,667	\$11,666,667	\$11,666,667	\$11,666,667	\$11,666,667	\$11,666,667
No Place Like Home (MHSA) ⁶	\$48,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000
VHHP (Prop 41) ⁷	\$11,250,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000	
AHSC ⁸	\$4,500,000	\$1,500,000		\$1,500,000		\$1,500,000	
Mortgage/Bonds ⁹	\$132,000,000	\$22,000,000	\$22,000,000	\$22,000,000	\$22,000,000	\$22,000,000	\$22,000,000
Other Sources (e.g. Deferred Developer Fee; AHP; etc.)	\$12,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Total (all sources)	\$576,550,000	\$97,216,667	\$95,716,667	\$97,216,667	\$95,716,667	\$97,216,667	\$93,466,667
Total Needed to reach unit goals:	\$930,000,000	\$135,625,000	\$139,015,625	\$122,791,797	\$125,861,592	\$129,008,132	\$277,053,586
Capital Gap:	\$(353,450,000)	\$(38,408,333)	\$(43,298,958)	\$(25,575,130)	\$(30,144,925)	\$(31,791,465)	\$(183,586,919)

Assumptions

- ¹ Based on HOME allocation estimate for all jurisdictions
- ² Based on 8 sites identified for supportive housing
- ³ Based on maximum estimated annual dollars available for Supportive Housing in Orange County
- ⁴ Based on 30% of per unit cost and estimated production capacity
- ⁵ Based upon projections of local MHSA Housing/Special Needs Housing Program funds
- ⁶ Based upon an estimated up to \$65M in NPLH for Orange County projects. This assumes 2/3 of NPLH funds are invested as capital for the development of units and 1/3 of the funds will be committed as Capitalized Operating Subsidy Reserve.
- ⁷ Based upon 3% of five additional rounds of \$75M per year
- ⁸ Based upon maximum projected available funding for SH projects (e.g. one project every other year)
- ⁹ Based on 30% of total unit cost for 4% units and 15% for 9%

The following table highlights the source of funds listed above, the potential amount of funds that are available, and level of government that manages and administers those funds.

Table G: Funding Source and Administering Level of Government – 2019 to 2024

Source	City	County	State	Private Investment
Local Financing: HOME	✓ \$30 Million <i>Up to \$30 Million available based on FFY17 HOME allocation</i>	✓ \$4.2 Million <i>(all county HOME funding will be dedicated)</i>		
Local Financing: SB2 – Year 2 <i>(Anticipating approx \$13 Million/year to Orange County region for shelter & housing, including navigation centers. Estimates ½ of funds dedicated to SH)</i>	✓ \$36 Million	✓ \$3.6 Million		
Housing Successor Funds	✓ <i>(Up to \$45 Million available based on current estimates of available funds)</i>	✓ <i>(County has \$1 Million in available funds)</i>		
Local City/County Properties	✓	✓		
9% Low Income Housing Tax Credits			✓	
4% Low Income Housing Tax Credits			✓	
Local MHSA Housing/Special Needs Housing Program		✓		
No Place Like Home (MHSA)		\$7 Million <i>NPLH non-competitive estimated allocation</i>	✓ Up to \$65 Million <i>(competitive)</i>	
VHHP (Prop 41)			✓	
AHSC			✓	
Mortgage/Bonds				✓

Mitigating the Financing Gap

A number of sources of capital funding may become available in 2018 as the legislature contemplates a variety of funding sources to address homelessness and the electorate will consider several key propositions in the fall. These include significant potential funding sources such as:

- SB3: the *Veterans and Affordable Housing Bond Act of 2018* (described above). SB3 could potentially bring **\$300 Million** in capital funding to supportive and affordable housing developments in Orange County.
- State Budget request: local, county and state legislators have all identified the critical need to address the crisis of homelessness in California. A range of significant budget requests are under consideration in May 2018 that would dedicate a portion of the \$9 billion state budget surplus towards addressing homelessness. A budget request is expected to be finalized by June 30, 2018 and it is anticipated that a portion of these funds could be committed to supportive and affordable housing in Orange County.

Another approach could be to identify a source of local funding for supportive and affordable housing that would serve as a critical resource in meeting the need to create 2,700 units of supportive housing dedicated to people experiencing homelessness with disabling health conditions. A local funding source could be in the form of a local housing trust fund and a dedicated local revenue source. The availability of local financing for supportive and affordable housing will have a significant impact on the potential feasibility of projects throughout the Orange County region.

Financing Modeling – Operating/Rental Subsidies

Supportive housing tenants have extremely low incomes and often receive Social Security Income as their only source of income. This means that tenants do not have sufficient income to afford the rent of a “typical” affordable housing development. Supportive housing projects must receive operating income that covers the costs of operating supportive housing. In order to meet this need, projects pursue commitments of Project Based Section 8 vouchers that enable the supportive housing tenant to pay 30% of their income towards the rent payment. The table below outlines the projected availability of Project Based Section 8 subsidies that could be committed to supportive housing projects, representing 2,700 supportive housing units.

Table H: Rental Subsidy Summary and Gap:

Rental Subsidy Summary	2019	2020	2021	2022	2023	2024	2025	Total
Rental Subsidy Need	450	450	390	370	370	370	300	2,700
Project-Based Section 8 (needed for SH units)	200	200	150	150	150	150	150	1,150
Capitalized Operating Subsidy Reserve (COSR) - MHSA Project)	25	25	25	25	25	25	25	175
Total (Gap)	-225	-225	-215	-195	-195	-195	-125	-1,375

Assumptions: PBS8 estimated at 150/year across all Housing Authorities in Orange County, plus 50 HUD/VASH Vouchers/year in 2019 and 2020, and 1/3 of No Place Like Home funds will be committed as COSR.

Operating/Rental Subsidy Gap:

There is a clear need for additional operating/rental subsidies to successfully develop 2,700 units of supportive housing in Orange County. Outlined above, there is a current estimated gap of 1,375 rental/operating subsidies for supportive housing units. Based on the estimated operating subsidy commitments required for these projects to be financially feasible, the projected operating/rental subsidy gap is estimated at approximately \$350 Million over the minimum 15 year timeframe required for operating commitments. It will be important to plan for the exhaustion of any locally funded operating/rental subsidy at year 15, such as committing Project Based Section 8 vouchers to projects over that 15 year period in order to ensure the ongoing financial feasibility of the projects.

Total Gap: Capital and Rental/Operating Funding

In planning to create 2,700 units of supportive housing over seven years, there is a funding “gap” estimated at \$703 Million (representing \$353 Million in funding needed for capital expenses to develop the properties and \$350 Million in rental/operating subsidies to ensure the supportive housing units are affordable to people with histories of homelessness), *along with an additional gap in resources to provide services in supportive housing*. There is a potential significant future funding (e.g. SB3 and California budget surplus request) that could become available to finance supportive and affordable housing in Orange County.

These are the critical resources required to generate a pipeline of supportive housing in Orange County that meets the level of need across the region. There will need to be significant planning regarding the services required to meet the health and behavioral health needs of supportive housing tenants while also supporting their residential stability and ensuring they do not return to homelessness.

Opportunities

This HF Strategy identifies a significant goal of producing 2,700 units of supportive housing (plus the need for an additional 2,700 affordable housing options for people experiencing homelessness). In working to achieve those goals, it is important to take advantage of the following opportunities:

- Enable a broad approach to development strategies, including hotel/motel conversions that may be able to generate units in a shorter timeframe.
- Identify properties that are appropriate for acquisition/rehabilitation across the region.
- Explore creative approaches to expanding housing options, such as exploring zoning and planning alternatives that could be implemented to expand housing options for people experiencing homelessness.
- Maximize partnerships with the private sector interested in addressing homelessness.
- Identify opportunities to address housing needs regionally, aligning resources with and among cities.
- Maximize funding and policy opportunities presented through the recently passed Housing Package at the state level.
- Establish new services and housing partnerships designed to support people with histories of homelessness in housing.
- Implement a strategic approach to prioritize housing resources for those experiencing homelessness in Orange County by ensuring direct access through the Continuum of Care regional Coordinated Entry System. The Coordinated Entry System is now integrated within the Homeless Management Information System software, to ensure effective response coordination of regional efforts.

Challenges

There are significant challenges that must be addressed in order to meet the unit goals for the region. Creative solutions are needed to address the following challenges which pose barriers to creating supportive and affordable housing in Orange County.

- Significant funding gaps in capital, operating and services resources.
- Specific concerns regarding the status of federal funding for Section 8 vouchers as well as funding for services through mainstream programs.
- Impact of recent tax reform on the value of investing tax credits in affordable and supportive housing, creating an additional funding gap.
- Neighborhood opposition (“Not In My Backyard”) to affordable and supportive housing projects.

Recommendations & Next Steps

A variety of strategies and approaches can be implemented in Orange County to work towards the goals outlined in this plan. The following recommendations are specific steps that can be taken that will enable progress towards the HF Strategy's goals.

- Work with 34 cities to align regional policies to prioritize supportive housing for local and regional resources, including existing funding sources as well as new funding opportunities.
- Explore the possibility of creating regional housing funds that can be invested in supportive and affordable housing projects collaboratively.
- Collaborate across all four housing authorities in the region to increase the availability of Project Based Section 8, a critical resource in supportive housing development.
- Identify land that can be used for development across the region (in partnership with cities).
- Proactively plan with 22 CDBG partners in the region who will be receiving SB2 funding as the impact of the funds will be maximized if the local CDBG jurisdictions align their priorities for investing this significant new source in solutions to homelessness, and dedicate at least 50% of the funding to supportive and affordable housing.
- Address the gap in funding needed by exploring a local source of supportive/affordable housing funding.
- Given the County investments in the creation of housing for homeless populations in this initiative, housing referral preference will be given to the Orange County Continuum of Care Coordinated Entry System, for homeless persons who meet project specific eligibility criteria and are prioritized within the Service Planning Area of the projects location.

Appendices

Definitions

References

Definitions

Chronically Homeless Family

A chronically homeless family is defined as a household with at least one adult and one child under the age of 18, or a minor Head of Household under the age of 18 and minimum of one child. The Head of Household must meet the definition of a chronically homeless person (see below).

Chronically Homeless Individual

An unaccompanied individual who:

- (i) is homeless and lives or resides in a place not meant for human habitation, a safe haven, or in an emergency shelter;
- (ii) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least 1 year or on at least 4 separate occasions in the last 3 years where total time homeless sums to at least 1 year; and
- (iii) has an adult head of household (or a minor head of household if no adult is present in the household) with a diagnosable substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002)), post-traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability, including the co-occurrence of 2 or more of those conditions, which prevent them from holding a job or living in stable housing.

A person who currently lives or resides in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital or other similar facility, and has resided there for fewer than 90 days shall be considered chronically homeless if such person met all of the requirements described above prior to entering that facility.

Coordinated Entry System

Coordinated Entry System is designed to coordinate program participants' intake assessments based on a system-wide acuity prioritization that targets resources to match client needs. In Orange County, the Coordinated Entry System consists of regional resource HUBS within three Service Planning Areas: North, Central and South County regions. It is easily accessed by individuals and families seeking services and housing, and includes coordinated among service providers utilizing a standardized approach to targeting resources to meet needs of those experiencing homelessness in the jurisdiction.

Literally Homeless (Category 1 HUD definition):

- (1) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - (i) Has a primary nighttime residence that is a public or private place not meant for human habitation;
 - (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or
 - (iii) 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

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