

20 units of affordable units, 9 of which will be restricted for MHSA.

The Health Department, in collaboration with the Housing Office (of the Economic Development Department), issued a Notice of Funding Availability (NOFA) identifying the remaining MHSA funds for Monterey County administered through CalHFA. Through that process, the proposed Rockrose Gardens project, sponsored by Interim, was selected for funding consideration. As required by the MHSA Housing guidelines, the County posted the required sections of the application for a 30-day public comment period and conducted a presentation as part of the required public hearing to the Mental Health Commission earlier this fiscal year. The MHSA application is now ready for submission to CalHFA as identification of the funding sources for this project has been confirmed and includes a substantial grant received by Housing and Urban Development (HUD) 811.

Interim is a non-profit organization that has extensive experience in developing and operating affordable housing for individuals who have psychiatric disabilities. Aside from HUD funding, this project includes Neighborhood Stabilization Funds (NSP-3) committed by the County as identified in the 2012 Annual Housing Report approved by the Board of Supervisors on March 27, 2012. The MHSA amount is estimated at \$928,750 plus any interest accrued at the time of the loan's closing. This amount restricts the 9 units for MHSA use only. A State Community Development Block Grant (CDBG) application has been submitted and is currently pending. In addition, funds have been committed by the developer/owner for this project.

The City of Marina has verified the the zoning and all relevant local approvals. The entire parcel upon which this project will be located is part of a \pm 98.39 cluster development land use area zoned Single Family Residential (R-1). The Zoning District allows for residential development including supportive housing multi-family residential units, of not greater than 5 units per acre as calculated for the whole of the cluster development. The existing zoning is adequate for the proposed project. A density bonus is not needed to achieve this project and is not applicable to this project. The project, as proposed, is zoned for the intended use, complies with the general plan and with conditional use requirements, if any. Accordingly, this project is also exempt from environmental review pursuant to Section 15332 (Class 32-In-Fill Development Projects) of the California Environmental Quality Act (CEQA) Guidelines.

OTHER AGENCY INVOLVEMENT:

This project was introduced to the Housing Advisory Committee and noted as a housing recommendation in the 2011 Annual Housing Report and again in the 2012 recently approved report. A public hearing also took place through the Mental Health Commission to oblige with MHSA requirements on July 28, 2011. County Counsel and the County Administrative Office have reviewed this report.

FINANCING:

The total estimated project cost is \$5,742,995. Monterey County's MHSA funds administered by CalHFA will fund \$928,750 for development costs. A HUD 811 grant in the amount of \$3,023,400 will also support development costs. NSP funds from Monterey County in the amount of \$325,000 have been set aside for this project. A grant application to CDBG in the amount of \$370,000 is pending approval. The remaining funds for this project will be funded by the developer/owner. There is no General Fund Contribution associated with approval of this action.

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