

**County of Santa Clara**  
**Office of the County Executive**  
Office of Affordable Housing



CE09 062006

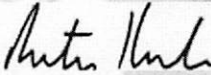
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Housing

Submitted by: Jane Decker  
Deputy County Executive

DATE: June 20, 2006

TO: Board of Supervisors

FROM:   
Peter Kutras Jr.  
County Executive

SUBJECT: Housing the Homeless Mentally Ill Fund Report

**RECOMMENDED ACTION**

Accept status report from the Office of Affordable Housing on the Housing the Homeless Mentally Ill Fund.

Meeting Date June 20, 2006

**FISCAL IMPLICATIONS**

Processor name Kelly Munoz

Item Number 45

None.

## **CONTRACT HISTORY**

Not applicable.

## **REASONS FOR RECOMMENDATION**

The Office of Affordable Housing was directed to provide a status report on the development of a Housing the Homeless Mentally Ill Fund, as approved by the Board of Supervisors on January 19, 2006. Status reports were accepted by the Health and Hospital Committee on April 5, 2006, and the Housing, Land Use, Environment and Transportation Committee on April 20, 2006, and are attached to this transmittal. At the Board meeting the Supervisors approved in concept the establishment of a \$4 million Housing the Homeless Mentally Ill Fund, transferring \$2 million in one-time revenues from the Mental Health Services Act (MHSA) into the County's Affordable Housing Fund (AHF) and matching that sum with an additional \$2 million from the AHF. The Board of Supervisors also directed the Mental Health Department (MHD) and the Office of Affordable Housing (OAH) to seek the advice of experts on financing housing for the homeless mentally ill, and to prepare guidelines and a notice of funding availability (NOFA) to assist in the development and/or securing of new housing for the homeless mentally ill.

The Office of Affordable Housing and the Mental Health Department have been meeting regularly to discuss administering the \$4 million Housing the Homeless Mentally Ill Fund and the release of a NOFA to occur in the fall of 2006. A panel of experts was convened on March 14, 2006, to discuss the many issues involved in allocating and spending these funds. Participants included housing specialists from:

- San Francisco, San Mateo, and Alameda Counties who are developing plans for using MHSA housing funds in their jurisdictions.
- The Corporation for Supportive Housing — a consultant to the State on the use of MHSA funds for housing.
- The Office of Affordable Housing new housing development consultant.
- Director and staff members from the Mental Health Department and the Office of Affordable Housing.

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Item Number 45

At that meeting, the panel reviewed the MHSA Housing Toolkit prepared by the Corporation for Supportive Housing and discussed progress in other jurisdictions for the use of MHSA Housing funds. It was agreed that reaching the goal of housing the homeless mentally ill will be complex and costly. A particular challenge will be to time the availability of the \$4 million capital housing funds to coincide with rental subsidies that will become available through Full Service Partnerships administering the rent subsidies and all other funding sources.

A number of scenarios were discussed, including making the MHSA \$2 million available as rental subsidies rather than support for capital development. Another idea was to award capital dollars only to projects that are eligible for MHSA Full Service Partnership Funds. All agreed that both development assistance and rental subsidies (estimated to be \$1,000 a month per person) along with wrap around services, will be needed to make a housing project for homeless mentally ill financially and practically feasible.

For the following reasons, it is advisable to wait until Fall 2006 to make capital funds available to support the acquisition or development of new housing for the homeless mentally ill:

- The State has reviewed the County's CSS Plan and followed up with a letter outlining changes to be made, including the request for more information about the one-time Housing Options Plan. The County is still awaiting final approval of the plan.
- The State is developing guidelines for the use of MHSA housing funds. Once these are established, the County will be in a better position to design a housing program to maximize the use of MHSA one-time capital funds.
- The RFP process for the Full Service Partnerships is currently underway. The rental assistance available through the Full Service Partnerships will be critical to the feasibility of a housing project. Once rental assistance from the MHSA funds is available, housing developers will be able to incorporate that support into their applications for capital funding.

#### **CONSEQUENCES OF NEGATIVE ACTION** June 20, 2006

The Board will not receive the Office of Affordable Housing, Housing the Mentally Ill report.

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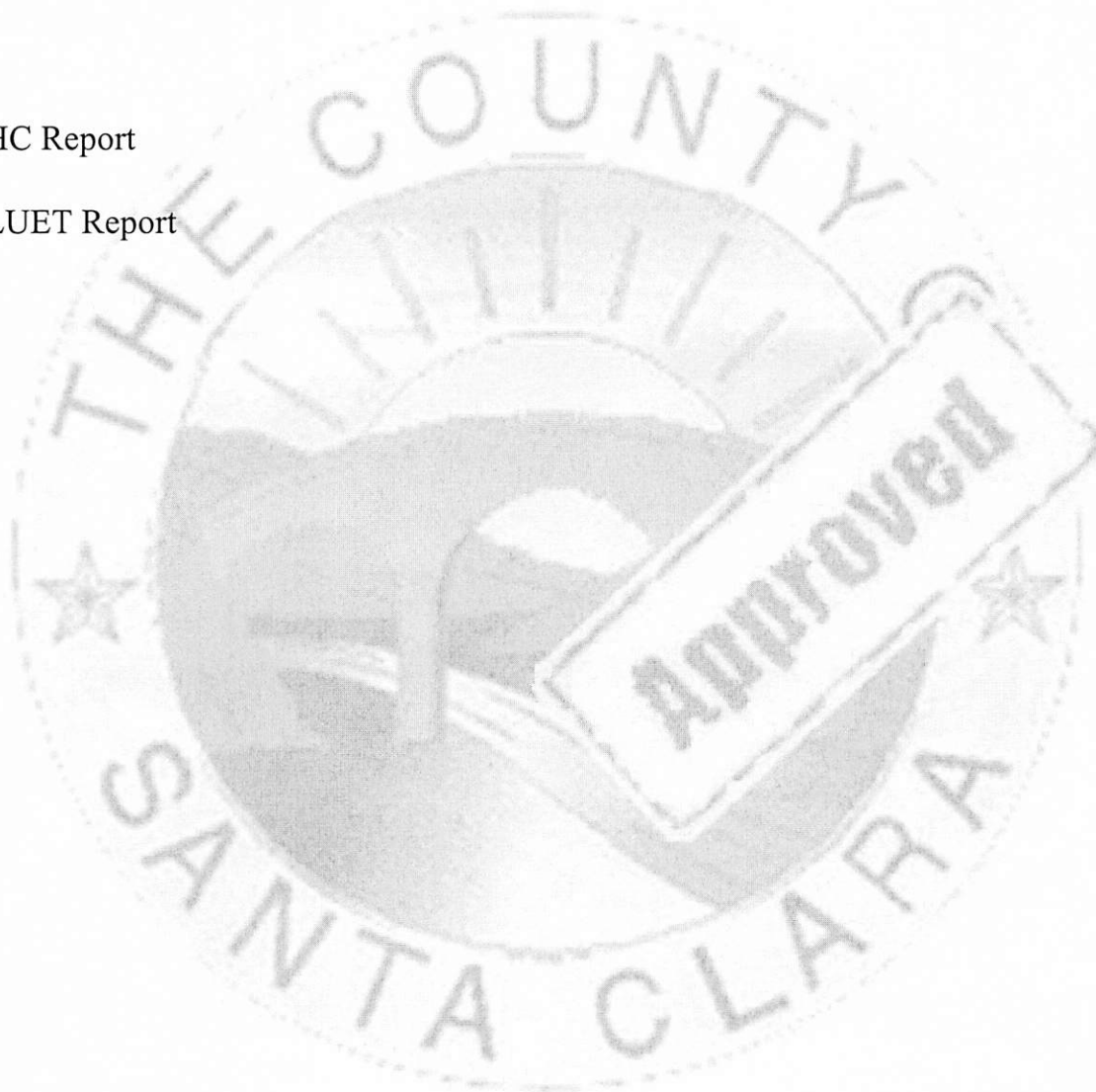
Item Number 45

**STEPS FOLLOWING APPROVAL**

No steps for the Clerk of the Board.

**ATTACHMENTS**

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- HHC Report
- HLUET Report



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Item Number    45