

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



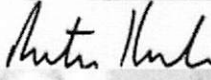
CE05 011006

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Reviewed by: Jane Decker
Deputy County Executive

DATE: January 10, 2006

TO: Board of Supervisors

FROM: 
Peter Kutras Jr.
County Executive

SUBJECT: Response to Referral of September 27, 2005, Regarding Collaborative Efforts to
Provide Housing for Individuals Eligible for Mental Health Services Act
(Proposition 63) Funding

RECOMMENDED ACTION

Consider recommendations relating to the establishment of a \$4 million Housing the Homeless Mentally Ill Fund.

Possible action:

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- a. Approve in concept the establishment of a \$4 million Housing the Homeless Mentally Ill Fund by transferring \$2 million in one-time revenues from the Mental Health

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Services Act (MHSA) into the County's Affordable Housing Fund (AHF) and matching that with an additional \$2 million from the AHF.

- b. Direct the Mental Health Department and the Office of Affordable Housing to seek the advice of experts on financing housing for the homeless mentally ill and 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.
- c. Direct the Administration to return to Board in 90 days for final approval of the funding transfer, guidelines, and NOFA for a June 30, 2006 release.

FISCAL IMPLICATIONS

There will be no impact to the General Fund.

REASONS FOR RECOMMENDATION

It is recommended that \$2 million from MHSA one-time funds be matched with an equal amount from the County's Affordable Housing Fund. The \$4 million would then be held in reserve in the Affordable Housing Fund for projects providing housing for the homeless mentally ill. The Mental Health Department and the Office of Affordable Housing will work with experts on financing housing for the homeless mentally ill to formulate guidelines for a June 30, 2006, Notice of Funding Availability for acquisition, construction, permanent financing, or long term lease of projects that will house the homeless mentally ill in the County.

The Mental Health Department (MHD) and the Office of Affordable Housing (OAH) have collaborated closely for nearly a year on two parallel efforts to meet the needs of a portion of the County's population of mutual concern, the homeless mentally ill. According to the Homeless Census and Survey conducted Countywide 12 months ago, 75% of the homeless surveyed reported that they had a disabling condition, which was defined as a physical or mental disability, alcoholism, or drug addiction. When asked what they thought was the primary event or condition that led to their homelessness, 25% reported alcohol, drug use, or mental illness. Clearly, addictions and other mental health issues are significant factors of chronic homelessness in the County.

The County in the last year, has embarked on two major planning efforts to address the problem of the homeless mentally ill with a multi-departmental approach. The Director of Mental Health and other staff members participated in the County's Homeless Task Force that

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developed "Keys to Housing: A 10-Year Plan to End Chronic Homelessness in Santa Clara County." Similarly, the Director of Affordable Housing and the Homeless Concerns Coordinator participated in the development of the Draft MHSA Three-Year Community Services and Supports (CSS) Plan that the Board approved on December 13, 2005. In addition, the Directors have attended two statewide training conferences that focused on the use of MHSA/Prop 63 funds for housing the mentally ill.

Both of these planning efforts gave serious attention to the need for housing with supportive services for the mentally ill. The centerpiece of the 10-Year Plan to End Chronic Homelessness is the concept of Housing First, whereby chronically homeless individuals are offered permanent housing with wrap-around supportive services. A key component of the Draft CSS Plan is the concept of Full Service Partnership, which is similar to the Housing First model and offers wrap-around services including housing support as long as is necessary for an individual to acquire stability.

The CSS Plan estimates that every month up to \$1,000 per person of MHSA funds will be spent on housing and residential support. Funding for housing support, in the form of rental subsidies, is contained in the Full Service Partnership and is threaded throughout the Plan for every focal population. Furthermore, The CSS Plan recommends that \$2 million in one-time money be set aside for a Housing Options Initiative to include a range of housing designed to be in alignment with the County 10-Year Plan to End Chronic Homelessness.

The Director of Mental Health and the Director of the Office of Affordable Housing recommend that the \$2 million in MHSA one-time money be placed in the Affordable Housing Fund and matched with \$2 million from the Affordable Housing Fund. The \$4 million would be reserved to assist in the development or securing of housing for the homeless mentally ill population.

A panel of experts in housing the homeless mentally ill would be formed to establish guidelines for a 2006 Notice of Funding Availability. The program would be administered by the Office of Affordable Housing. It is recommended that the Board approve this transmittal in concept and direct the Administration to report back in 90 days for final approval of the guidelines and NOFA.

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BACKGROUND

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At the September 27, 2005, Board meeting, Supervisor Beall made a referral to the Administration for a December report back on collaborative efforts between the Mental Health Department and the Office of Affordable Housing to provide housing for individuals eligible for Proposition 63 funding. Proposition 63 was passed in November 2004, which then became the California Mental Health Services Act (MHSA). The MHSA makes additional tax revenue available to counties to improve their public mental health service systems. The first phase of MHSA requires the preparation of a Three-Year Expenditure Plan called the Community Services and Supports (CSS) Plan. The Board of Supervisors approved the CSS Plan on December 13, 2005.

CONSEQUENCES OF NEGATIVE ACTION

If the Board does not approve these recommendations, a \$4 million Housing the Homeless Mentally Ill fund would not be established and the supply of housing for the homeless mentally ill would not be increased.

STEPS FOLLOWING APPROVAL

None.

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