



Legislation Text

File #: 10-0479, **Version:** 2

Health and Human Services Agency (HHS), recommending the Board:

- 1) Accept and authorize the attached multiparty agreement with California Department of Health Care Services (DHCS) Agency and the California Housing Finance Agency (CalHFA), titled "Housing Loan Program Ongoing Annual MHSA Fund Release Authorization For Future Unencumbered Funds" (Authorization), which will authorize the return of any available unencumbered MHSA Housing Program funds to HHS on an annual basis; and
- 2) Delegate signature authority to the HHS Director to sign the Authorization as required by DHCS/CalHFA, and execute further documents relating to MHSA Housing Program, if any, contingent upon approval by County Counsel and Risk Management, if applicable.

FUNDING: State Mental Health Services Act Funds and/or accrued interest on same.

DEPARTMENT RECOMMENDATION:

Health and Human Services Agency (HHS) recommending that the Board accept and authorize the annual return from California Housing Finance Agency (CalHFA) of any available unencumbered Mental Health Services Act (MHSA) Housing Program funds to HHS. Use of returned funds will be in accordance with the MHSA Housing Loan Program.

The funds are to provide housing assistance to the target populations identified in Welfare and Institutions Code Section 5600.3 for homeless, mentally ill persons, or mentally ill persons who are at risk of being homeless.

DISCUSSION / BACKGROUND:

Executive Order S-07-06, signed by the Governor on May 12, 2006, mandated development of the MHSA Housing Program, with a stated goal of creating 10,000 additional housing units of permanent supportive housing for mental health consumers who are homeless or at risk of homelessness. It was funded with \$400 million in MHSA funds. The program is jointly administered by the California Department of Mental Health (DMH) (now the Department of Health Care Services) and the California Housing and Finance Agency (CalHFA). The County's allocated amount was \$2,276,500.

In 2008, DMH and CalHFA signed an interagency agreement for CalHFA to administer the MHSA Housing Loan Program through May 30, 2016. DMH invited the County to participate in the State-administered MHSA Housing Program in February 2008 by way of an Assignment Agreement thereby assigning the \$2,276,500 allocation to CalHFA for management. On June 22, 2010, the Board approved assignment of these funds from DMH to CalHFA as it was the only available means for the use of the funds by the County (File ID 10-0479, Item 7). CalHFA holds the funds in an interest bearing account for the County, to be accessed by the County at a future date for a project to provide supportive housing for consumers of mental health services.

The use of the funds is determined by an application process handled by the County, and of the \$2,276,500 funds available for housing projects, on December 14, 2010, the Board approved

collaboration with Mercy Housing California for the El Dorado County MHSA Sunset Lane Apartments Housing Program to use \$1,037,240 (File ID 10-1267, Item 19). The proposal for the affordable housing community was comprised of three individual two and three-story buildings that contain a total of 40 units. Of the 40 units, 34 units were designated for low-income households earning less than 50% of the El Dorado County median income and five (5) units were designated for households that were eligible for services under the MHSA Full Service Partnership Program.

The agreement between DMH and CalHFA expired May 31, 2016 and CalHFA continues to hold the remaining balance of funds allocated to the County. CalHFA is requiring that the County submit instructions to advise CalHFA how to handle existing and future funds that may be received by CalHFA on behalf of the County. These funds may include deposits of unencumbered MHSA Housing funds, MHSA residual receipt loan payments, and accrued interest. Future funds, if any, will be released annually by CalHFA by May 1st of each calendar year starting in 2017.

ALTERNATIVES:

Should the Board not accept the accrued interest on the funds deposited in the County's name and held by CalHFA, the funds will not be extended to help homeless, mentally ill persons, or to mentally ill persons who are at risk of being homeless in El Dorado County.

OTHER DEPARTMENT / AGENCY INVOLVEMENT:

County Counsel.

CAO RECOMMENDATION:

It is recommended that the Board approve this item.

FINANCIAL IMPACT:

There is no Net County Cost associated with this Agenda item. Sufficient appropriations were included in the FY 2016-2017 Budget, and will be included in future budgets for the term of the Agreement.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Clerk of the Board to provide one (1) certified Minute Order to the HHSA Contracts Unit at 3057 Briw Road.

STRATEGIC PLAN COMPONENT:

N/A

CONTACT

Patricia Charles-Heathers, Ph.D., Director