

California Mental Health Planning Council

CMHPC Special Meeting

Friday, May 19, 2017

1000 – G Street, 4th Floor, Suite 450
Sacramento, Ca 95814
Conference Call Capability Available

**Dial 1-877-580-9104 participant code 2763421
2:00 p.m. to 3:00 p.m.**

Time	Topic	Facilitator	Tab
2:00 pm	Welcome and Introductions	Dorinda Wiseman - Staff	
2:05	NPLH Program Requirements discussion		A
	NPLH Noncompetitive and Competitive Program Allocations discussion		
	Alternative Process Allocation discussion		
	Noncompetitive Allocation Shared Housing Requirements discussion		
2:45	Summary and Wrap-up		
2:55	Public Comment	All	
3:00 pm	Adjourn	Dorinda Wiseman - Staff	

The scheduled times on the agenda are estimates and subject to change.

If reasonable accommodations are required, please contact Chamenique Williams at (916) 323-4501 within 5 working days of the meeting date in order to work with the venue.

___A___ TAB SECTION

DATE OF MEETING 05/19/2017

MATERIAL
PREPARED BY: Wiseman

DATE MATERIAL
PREPARED 05/02/2017

AGENDA ITEM:	No Place Like Home (NPLH) Program Guidelines Public Comment Draft
ENCLOSURES:	<ul style="list-style-type: none">• CMHPC Letter to Governor Brown• CMHPC Letter to Deputy Director Bates

How this agenda item/presentation relates to the Council's mission.

The Council evaluates the behavioral health system for accessible and effective services and treatment. It advocates for an accountable system of care that is responsive, strength-based, recovery-oriented, culturally competent and cost-effective. To achieve these ends, the Council educates the public, the behavioral health constituency and legislators.

The NPLH will provide money for the development of supportive housing for Californians living with serious mental illness. It is essential that the Council comment on the draft guidelines to ensure the housing will be in alignment with the values of the Mental Health Services Act (MHSA).

The context for this agenda item/presentation is as follows:

The Committee on Budget introduced Assembly Bill 1618 (AB 1618) on January 7, 2016. On July 1, 2016, Governor Jerry Brown signed legislation enacting No Place Like Home (NPLH). NPLH has dedicated up to \$2 billion in bonds, from the MHSA Fund, to develop permanent supportive housing for persons with mental illness who are homeless, chronically homeless or are at-risk of homelessness.

The CMHPC has a responsibility to provide comment on the final draft guidelines of such a momentous undertaking.

View [Draft NPLH Guidelines](#) on the No Place Like Home webpage.



June 13, 2016

Governor Jerry Brown
C/O State Capitol
Suite 1173
Sacramento, CA 95814

Re: No Place Like Home Legislation – **Oppose unless amended**

Dear Governor Brown:

CHAIRPERSON
Josephine Black

EXECUTIVE OFFICER
Jane Adcock

The California Mental Health Planning Council (Council) is a federal and state mandated advisory body to you and your administration. The Council has provided input to the legislature regarding certain policies contained in the above-mentioned proposed legislation. The Council is sending this letter to you to advise you on this issue as the consequences are dire. Senate Pro Tem de Leon has also directly received correspondence and information on this matter, but the language remains unchanged.

➤ **Advocacy**

➤ **Evaluation**

➤ **Inclusion**

The Council is encouraged by the strides and efforts being made to support and expand the public mental health system of care in California. The Council supports the concept of *No Place Like Home* in terms of addressing the needs of persons living and experiencing severe mental illness and who have no stable housing. However, the Council is taking the position, “oppose unless amended” due to grave concerns in several areas of the legislation. The content below details the areas of concern and our recommended changes.

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Competitive Grants

The NPLH legislation provides in Sections 5849.6 and .7 “... the department shall organize counties into the following competitive groupings...” and “The department shall administer a competitive grant program... for purposes of awarding the two billion dollars among counties and developers...”

Issue: Requiring competitive grants will result in some counties never benefitting from these funds. We have been told that some of the funds will be used for technical assistance to help small counties who do not have the resources to complete an application.

Since the payments on the bond will come from the MHSA resources that belong to all 58 counties, then all 58 counties should have access to the housing funds to address the homeless needs in their community. No county should go without the amount needed for adequate supportive housing nor should they have to compete for funds that, by law, are to be distributed directly to them. Using these funds to pay for technical assistance so a small county can apply for funds that belong to them is a waste of these limited and precious funding resources which should be used on housing.

Recommendation: The implementation of the MHSA Housing Program in 2007 taught us that counties have differing costs for housing site acquisition. We recommend setting a minimum base level of funding for all counties which provides a workable amount for all counties, and which provides flexible options for small counties to acquire area-appropriate types of property. Then have the base amount augmented according to an agreed upon formula. Some technical assistance will be needed but not at the level that would be required if competitive grants are continued. To do so is an excessive and unnecessary waste of taxpayer funds.

Proposed Definitions of Homeless

The NPLH provides to define “homeless” in Sections 5849.2(a), (c) and (f) as (a) “At risk of chronic homelessness” includes, but is not limited to, persons who are at high risk of long-term and intermittent homelessness, including persons with mental illness released from incarceration, emancipated foster youth, and other; (c) “Chronically homeless” has the same meaning as defined in Section 578.3 of Title 4 of the Code of Federal regulations, as that section read on May 1, 2016; and (f) “Homeless” has the same meaning as defined in Section 11302 of Title 42 of the United States Code, as that section read on May 1, 2016.”

Issue: The Council disputes the chronic homelessness and at-risk of chronic homelessness definitions. The Federal definitions are highly restrictive definitions of homelessness and at-risk of homelessness. According to **24 CFR, Chapter V, Section 578.3**, “...*Chronically homeless*. (1) An individual who: (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 one year or on at least four separate occasions in the last 3 years;....”

Because of the federal restriction, the MHSA Housing Program adopted its homeless and at-risk of homeless definitions. The concern stems from the amount of time it takes one to become qualified. This is yet another *fail first* policy by requiring individuals to be homeless for a significant length of time before being eligible for supportive housing. Lastly, the federal definition’s requirement of providing documentation of homelessness is illogical. Many individuals suffering from severe mental illness may not be able to verify and validate their homeless tenure.

Recommendation: The Council recommends using the definition from the MHSA Housing Program which embodies the proposed definition in WIC Section 5849.2(f) and provides for at-risk populations such as youth exiting foster care or juvenile justice.

Grant Program Advisory Committee

The NPLH requires in Section 5849.3 (a) that the department establish a No Place Like Home Grant Program Advisory Committee. Additionally, this section provides for the membership of the committee.

Issue: The membership, as currently presented, has no involvement of individuals with lived experience as a consumer and/or family member. The perspectives of the people directly affected by this legislation appear to have no standing or viable input in this process. One of the tenets of the MHSA has been “Nothing About Us Without Us”.

Recommendation: The Advisory Committee must include two persons with lived experience as a consumer and as a family member. Additionally, the California Mental Health Planning Council should have membership on the Advisory body. As stated previously, the Planning Council is a statutorily mandated advisory body to the legislature and administration on mental health planning and priorities for the state of California. The Council does have expertise in supportive housing policy development and operations.

Housing and Community Development

NPLH directs the California Department of Housing and Community Development (HCD) to administer this program. Yet, the almost exact same program already exists with the California Housing Finance Agency.

Issue: The designation of the HCD to administer this program appears to be yet another waste of precious taxpayer funds. The HCD will have to spend time and resources seeking staffing, creating a new Term Sheet, application documents, scoring protocols and establishing essential infrastructure to support this program. This will result in additional costs as well as a delay in project awards and start dates, while waiting for HCD to ramp-up these essential administrative and staffing needs to handle the onslaught of project bids. Additionally, the new infrastructure would decrease the amount of limited resources available for housing.

Recommendation: Have this program be absorbed by the California Housing Finance Agency (CalHFA). CalHFA has worked with MHSA funded projects over the last decade and is versed in the needs of this population. The MHSA Housing Program has proven to be extremely successful and counties have added additional funding, beyond their original allocation, to continue working with CalHFA in establishing more supportive housing in their communities. While some new policies may need to be created, CalHFA already has the infrastructure needed to move forward on such a huge endeavor and does not need to create new documents from scratch. To create a new administration and establish new operations with this limited funding is wasteful and irresponsible.

\$2 Billion in Capital

NPLH provides for the awarding of \$2 Billion dollars in capital funding for acquisition, design, construction or reconstruction of housing.

Issue: In order for supportive housing projects to be successful, rental/operating subsidies and supportive services must accompany the actual physical structure. There seems to be an assumption that the counties can support the costs for these elements, beyond the physical structure, within their existing MHSA funds. However, with the reduction in MHSA distributions

to the counties to pay the cost of the bond payments and anticipated fluctuations in MHSA revenues, there is a risk that these essential elements will not be available and/or existing programs will have to be cut in the lean years when revenues dip.

The dynamic nature of the economy in recent years should provide reason to be frugal in creating unforeseen debt on future generations. Additionally, the move to rely on the MHSA as the “go to” funding source for ever-expanding programs can lead to outright theft from the MHSA in future budget years.

Recommendation: The Council supports the County Behavioral Health Directors Association’s (CBHDA) proposal to limit the amount of bond revenue to \$1 billion and have another \$1 billion come directly from MHSA revenue for counties to use in more flexible ways, such as for capitalized operations, rental subsidies, transitional housing, etc. This proposal would decrease the bond debt payments and increase local decision-making options to tailor housing supports to the specific needs of the county.

In conclusion, the two greatest issues of concern are the *competitive program [grants]* and the definitions of *chronic homeless and at-risk of chronic homelessness* which requires one to prove they have been homeless for at least one (1) year or on four (4) occasions in the last three (3) years. This is a **fail first policy**. The Council would encourage you to fully understand the negative impact the proposed policies have on the creation of successful supportive housing units for Californians living with mental illness and who are homeless or at-risk of homelessness. The proposed **No Place Like Home** legislation is a welcome step to address the dire homeless issue in California. The Council hopes that you take our recommendations into consideration and make amendments to the legislation to help those most in need of the housing you are proposing to create. Many lessons were learned in the ten years the MHSA Housing Program has been in operation. We now must employ that knowledge to make sound public policy. Over 7,000 new units of affordable housing, over 1,800 new units for the homeless mentally ill, and \$192 million in MHSA funds that leveraged over \$2.2 billion tells the story of this program’s success.

Sincerely,

Josephine Black

Josephine Black
California Mental Health Planning Council, Chairperson

cc: The Honorable Kevin de Leon, Senate President Pro Tempore
The Honorable Anthony Rendon, Assembly Speaker
The Honorable Mark Leno, Chair, Senate Budget Committee
The Honorable Ed Hernandez, Chair, Senate Health Committee
The Honorable Jim Wood, Chair, Assembly Health Committee
The Honorable Philip Ting, Chair, Assembly Budget Committee
Jennifer Kent, Director, Department of Health Care Services
Karen Baylor, Deputy Director, Mental Health & Substance Use Disorder Services



January 24, 2017

Lisa Bates, Deputy Director
Department of Housing and Community Development
Division of Housing Policy Development
2020 West El Camino, Suite 500
Sacramento, California 95833

CHAIRPERSON
Susan Wilson

EXECUTIVE OFFICER
Jane Adcock

No Place Like Home (NPLH) Proposed Program Framework - Public Comment

Dear Deputy Director Bates,

The California Mental Health Planning Council (Council) is under federal and state mandate to advocate on behalf of adults with severe mental illness and children with severe emotional disturbance and their families. Our majority consumer and family member Council is statutorily required to advise the Legislature on mental health issues, policies and priorities in California. The Council would like to offer the following comments on the draft NPLH proposed program framework.

- **Advocacy**
- **Evaluation**
- **Inclusion**

Loans versus grants

The program as described in the draft guideline is a loan and there are several references to loan or deferred loan payments. It is our understanding that NPLH is a grant program, not a loan program. This needs clarification. There are a number of similar state programs such as the MHSA Housing Program, and the HCD MHP program, which are funded loans with deferred payments on both principal and accrued interest, and there is generally no realistic expectation for repayment of these loans. It is unrealistic to formulate this as a loan program. The NPLH Program could operate in the same manner as the HUD 811 program, where the owner has a "capital advance," which is forgiven after 40 years of operation of the housing for the intended use. In this case, the loan forgiveness occurs after 20 years of use (provided if 20 years is the period that the capitalized operating subsidies will cover). This ensures that the owner uses the property as per the regulatory agreement. Although tax credit projects may benefit from having a loan vs. a grant to maximize tax credits, this does not benefit sponsors who are not using tax credits and is burdensome for smaller projects.

Capitalized operating subsidy

If the state intends to hold capitalized operating subsidies for this program, the subsidies must be large enough to cover the actual cost of operation for 20 years. If the State is not going to invest the funds in any interest producing instruments, then no interest income should be projected. Some MHSA Housing Programs projects, which were funded with capitalized operating subsidies, are having significant shortfalls as the predications of a 3% rate of return on the funds proved grossly incorrect. The actual rate of return on these accounts have been approximately 3/10 of 1%.

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Definition of Chronic Homelessness

The Federal definition of chronically homeless includes disabilities other than mental illness. **It should be noted that in addition to this definition, chronically homeless persons must have a serious mental illness to qualify for housing under NPLH.** The general public, and many homeless providers, do not seem to understand this requirement. The Council suggests that the definition be amended to specify that to qualify, as chronically homeless, the individual must have a serious mental illness. The individual *could also* have other co-occurring disabilities.

At-risk of Chronic Homelessness

The definition of at-risk of chronic homelessness should be as broad as possible and should include those institutionalized longer than 90 days in hospitals, jails or in treatment programs **even if they were not homeless prior to admission.** It should also include those who cycle through hospitalization and should include those in crisis residential treatment facilities or hospitals. It is important to allow this definition to be broad. For example, someone coming out of jail or an institution may have been in a residential care home or living with family before entering these institutional settings, but may be unable to return. To specify that they must have been homeless before entering the hospital, jail or other institution means that they may be forced to cycle into homelessness in order to qualify for the housing. In addition, specific HUD guidelines defining homelessness indicate that persons who are being evicted from housing are not eligible for permanent housing, only for *transitional housing*. Since there is no transitional housing in the NPLH Program, persons getting evicted from housing should to be considered “at risk of chronic homelessness or it should be clarified that they qualify as homeless and qualify for permanent housing. In addition, clients in a motel, paying for themselves, who run out of money, are ineligible for permanent housing, only transitional housing under the current HEARTH Act HUD Homeless definition. Since many homeless people may have some income, we frequently ask that they pay towards a motel room if they have income for a few nights. There should not be a requirement that the hotel must be paid entirely by a public agency or non-profit to qualify as homeless. Since the federal definition cannot be altered, this can be corrected by considering this group as “at risk of chronic homelessness” within the state guidelines.

All categories of eligibility must specify that the individual has a serious mental illness.

Affordable housing experience for applicants

Applicant or development sponsor must have a minimum of two affordable rental housing projects including one or more permanent supportive housing project servicing chronically homeless, at risk of chronic homelessness or homeless funded by state or federal agency. **As a qualifying project, development of an MHSA Housing project should also qualify the developer even if those projects were designated for persons who were homeless or at-risk of homelessness as per the state definition.**

Target population

Page eight (8), under serious mental disorder, it should be clarified that to qualify for the target population, the individual must have a serious mental disorder. As written, it appears to indicate that persons arrested or convicted of crimes are in the target population including this group, but there is no specific language stating that they also must have a serious mental illness.

Project unit size

Projects appear to be able to house only the target population if the project is no more than 20 units. If the project is more than 20 units, then NPLH can only have 49% of units limited. However, units may be limited by other funding. **It is important to allow projects, restricted to a single disabled population, to develop up to 20 units. This will make development more likely in smaller and mid-size communities. This mirrors the HUD 811 guidelines. We support the 20 unit exemption and encourage HCD not to make it any lower than 20 units. This will make it more viable to develop projects in small and medium size counties.**

Documentation

Page 18, what alternative method can be used for documentation to minimize barriers? The current federal methods of documenting chronic homelessness are so onerous that few agencies are willing or able to do the documentation. The preferred methods should be a combination of disclosure by applicant combined with a reasonable assessment by an outreach worker or a shelter or MH provider. For example, in the federal method, someone has to have seen and documented the person every month during a year in order to qualify. A report by public safety/the police that the person has been seen on the streets, apparently homeless for years, is insufficient. The federal guidelines have precluded people who are living on the streets from getting housed; thereby extending their time on the street for a full year until an agency is able to chronical their homelessness. This does not serve those who need housing today.

Eligible Housing types

Shared housing does not trigger group home licensing requirements as long as each person has a lease and the house does not provide "care and supervision." Care and supervision would involve areas such as central storage of medication, curfews, etc. Shared housing may have a resident manager, but the manager should only be present to provide assistance in emergencies, much as any apartment resident manager.

Scoring

The project rating is based on the percentage of total units proposed to be restricted to chronic homelessness or at risk of chronic homelessness. **This is not meaningful until a definition of chronic homelessness is released. After the definition is determined, this should be reevaluated.**

Scoring category

Staff Ratio – It is important to have a higher staffing ratio for this type of project. The minimum staffing should be one staff to each 20 residents.

Eligibility

The regulations need to **clarify** income requirements are upon entry so that if a resident obtains employment and if their income increases to more than 30% of AML, then the resident can retain the housing.

Loan Payments

Page 25, loan payments are mentioned. Why are there HCD loan payments? **See comments about loans versus grants.**

Challenges with data collection

If tenants cannot be required to engage in services, but providers are evaluated based on resident progress, clarify how providers can collect these data. Also, clarify how providers can work with tenants who refuse services to help them achieve the mandated goals as per these guidelines.

Additional Measures

Page 29; clarify information on which tenants have moved to lower or higher levels of care. Utilization – ER visits before and after housing – unless the tenant discloses the information, this may not be possible to collect. Arrests – unless tenant discloses, an arrest may not be possible to collect.

If you have any questions, please me at (916) 322-3807 or Jane.Adcock@cmhpc.ca.gov.

Sincerely,



Jane Adcock, Executive Officer
California Mental Health Planning Council