

California Mental Health Planning Council

Advocacy Committee
Thursday, June 15, 201
 Atrium Hotel
 18700 MacArthur Boulevard
 Irvine, California 92612

Conference Call-in (866) 742-8921; Participant Code 5900167
Garden 3
8:30 a.m. to 12:00 noon

Time	Topic	Presenter or Facilitator	Tab
8:30 am	Welcome and Introductions	Barbara Mitchell, Chairperson	
8:40	Agenda Review	Barbara Mitchell	
8:50	April 2017 Meeting Minutes	Barbara Mitchell and All	A
9:05	Legislative and Regulatory Updates related to Mental Health may be discussed, including but not limited to: Support/Opposition Letters, No Place Like Home Draft Guidelines, Steinberg Institute sponsored bills, etc.	Barbara Mitchell, Adrienne Shilton and All	B
9:45	Vote – Support requests: AB 917, AB 1315 and AB 1340	Barbara Mitchell and All	
10:00	Policy/Advocacy Statements of Collateral Partners – Policy Platform	Barbara Mitchell and All	C
10:15	Break		
10:30	Discussion - Residential Care Facility Paper	Barbara Mitchell and All	D
11:00	Work Plan	Barbara Mitchell and All	E
11:20	Wrap-up/Evaluation	Barbara Mitchell and All	
11:50	Public Comment		
12:00 pm	Adjourn	Barbara Mitchell	

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

Committee

Chairperson:	Maya Petties	Chairperson Elect:	Barbara Mitchell
Members:	Amy Eargle	Arden Tucker	Carmen Lee
	Daphne Shaw	Darlene Prettyman	Deborah Starkey
	Kathleen Casela	Melen Vue	Monica Wilson
	Simon Vue	Steve Leoni	
Staff:	Dorinda Wiseman		

If reasonable accommodations are required, please contact Chamenique Williams at (916) 323-4501 not less than 5 working days prior to the meeting date.

___A___ TAB SECTION

DATE OF MEETING 05/15/2017

MATERIAL
PREPARED BY: Wiseman

DATE MATERIAL
PREPARED 05/10/2017

AGENDA ITEM:	Approval of Minutes
ENCLOSURES:	Minutes for: <ul style="list-style-type: none">• April 2017

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

The minutes are a means to document and archive the activities and/or discussions of the Advocacy Committee in its efforts to move the Council's mission and vision forward.

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

Documentation.

BACKGROUND/DESCRIPTION:

The Committee members are to vote on and accept the draft minutes presented for the April 2017 meetings.

Motion: Accept and approve the April 2017 Advocacy Committee minutes.

ADVOCACY COMMITTEE
Thursday, April 20, 2017
8:30 am – 12:00 pm

Holiday Inn San Jose
1350 North 1st Street
San Jose, California 95112
Salons F/G

Members Present

Barbara Mitchell – Chair Elect
Amy Eargle
Daphne Shaw
Carmen Lee
Darlene Prettyman
Simon Vue
Deborah Starkey
Melen Vue
Arden Tucker
Steve Leoni
Monica Wilson

Members Absent

Maya Petties – Chair (Leave of Absence)

Staff Present

Dorinda Wiseman

Public:

Vic Ojakian
Theresa Comstock, Napa County Mental
Health Board
Sharon Masadey, Rehabilitation
Counselor, Santa Clara County
Michelle Ho, Supervisor 24-Care Branch,
Santa Clara County
Lynda Kaufmann, Governmental Affairs
Kathleen Murphy
Jane Crystal
Melissa Morris, Supervising Attorney, Law
Foundation of Silicon Valley
Garrett Johnson, Momentum Mental
Health
Community advocate/activist

The meeting commenced at 8:34 a.m. Barbara Mitchell welcomed all present (perfect attendance). A quorum was present.

Item #	Topic	Issue/Options	Action/Resolution	By Whom?	By When?	Completed
1.	Welcome and Introductions	Barbara Mitchell welcomed all presented and requested Committee Members and the Public to introduce themselves.		Barbara Mitchell, Chair-Elect		Yes
2.	Agenda Review	Carmen Lee has an issue for the Committee to consider.	Placed on Public Comment.	Barbara Mitchell		Yes
3.	Approval of Minutes – November 2016, January and March 2017	The Committee voted on the minutes, as a whole, as opposed to individually.	Arden Tucker made a motion to accept the minutes as prepared. Carmen Lee second the motion. There were no comments or further discussion. Yes – Amy, Daphne, Carmen, Darlene, Barbara, Simon, Deborah, Arden; No – None; Abstain – Melen	Barbara Mitchell and All	4/20/17	Yes
4.	Legislative and Regulatory Updates related to Mental Health may be discussed, including but not limited to: SB 562, AB 470, SB 223, etc.	The staff presented the committee with a legislative grouping chart. The staff advised of the need to work more efficiently at tracking the legislation, in addition to managing the breadth of other tasks. The staff also advised, additional or important legislative updates, could and would be made based on information and/or alerts received from the committee members, colleagues and advocates (e.g. legislative/policy meetings, etc.). The committee members discussed their preferred areas of interest and why their	Support: <u>AB 42/SB 10</u> Motion - Daphne 1 st /Melen 2 nd Vote: Yes- all; No – None; Abstain – None <u>SB 323</u> Motion - Darlene 1 st /Steve 2 nd Vote: Yes – All; No – None; Abstain – None (HCI) <u>AB 860</u> Motion - Steve 1 st /Darlene 2 nd Vote: Yes – All; No- None; Abstain – None Opposition: <u>ACR 8</u>	Barbara Mitchell and All	Ongoing	Yes

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		<p>respective area(s) should be the primary focus of attention.</p> <p>Unofficial voting – four categories: Funding/Parity; Housing/Facilities; Reducing Disparities; Suicide/Trauma.</p> <p>After much discussion, the committee agreed to focus on Involuntary Commitments, Housing/Facilities and Parity. The staff advised that Reducing Disparities was pervasive in many bills, crossing numerous categories.</p> <p><u>Presentation by Mr. Vic Ojakian</u> – AB 89 request for support Mr. Ojakian presented information on his quest to increase the level of training psychologists receive in suicide assessment/prevention. Mr. Ojakian provided information on studies advising of the positive benefits of trainings.</p> <p>Mr. Ojakian also provided the committee with additional information on two other bills closely connected to suicide prevention.</p>	<p>Motion - Daphne 1st/Arden 2nd Vote: Yes – All; No – one; Abstain – None <u>AB 1539</u> Motion - Daphne 1st/Darlene 2nd Vote: Yes – All; No – None; Abstain – None</p> <p>Neutral: Consensus - AB 285</p> <p><u>AB 89</u> Motion: To accept Mr. Ojakian’s presentation to the Committee and support Assembly Bill 89. Motion - Darlene 1st/ Deborah 2nd Vote: Yes – All; No – None; Abstain – None.</p>			

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5.	Work Plan: Status Update on RCF Paper and Trinity County Presentation	<p><u>Presentation by Mr. Noel O’Neill, Trinity County Behavioral Health Director – Trinity County’s Residential Care Facility</u></p> <p>Director O’Neill provided the committee with a PowerPoint presentation of his county’s effort to provide Residential Care Beds (board and care) for their community. Alpine House is a six-bed home and is “recovery based.” Trinity County braided various revenue streams (e.g. MHSA, County maintenance fund, etc.) to meet the needs of the RCF. Willow Glen Care Services was contracted to provide services in the RCF.</p>	The participants were able to ask Director O’Neill about the challenges and opportunities for collaboration in creating such a necessary resource.	Barbara Mitchell, Noel O’Neill and All		Yes
	Residential Care Facility (RCF) Panel: Discussion on what works, what does not, are there viable solutions?	<p><u>Residential Care Facility Panel Presentation</u></p> <p>The panelists provided information and perspectives on the Residential Care Facility (RCF) landscape in Santa Clara County.</p> <p>Ms. Sharon Masadey, Santa Clara County Behavioral Health, representing the Supplemental Services Residential Facilities Care Program. The program provides services for Conserved and non-Conserved individuals. Ms.</p>	Several Committee members were not comfortable with potentially ending the work done on the “discussion” of what RCF recommendations should be made. The committee members asked if an ad hoc group could be formed to more thoroughly deal with the issue. The staff advised there is the ability to work as an ad hoc, however the staff would be limited in how active/varied the tasks the staff would be able to perform.	Jung Pham, Michelle Ho, Mary Clarke, Melissa Morris, Lorraine Zeller, etc...	Ad Hoc Cmte	Prior to the June 2017 meeting

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		<p>Masadey provided an overview of the various patches the county utilizes to assist in many hard-to-place (e.g. criminal justice involved, cultural/linguistic, blind, deaf, etc. individuals).</p> <p>Ms. Lorraine Zeller, Santa Clara County Behavioral Health and Consumer Affairs, the Community Living Coalition and Consumer. Based upon her experience, she was able to recognize many individuals in board and cares were not “doing much.” There were no programs to encourage increased functionality of the residents. Board and Care Improvement Project included the Residents’ Rights Workshops and Resident Councils were conducted along with Ms. Masadey. Issue to have changed – “people in board and cares are not completely helpless. They can have opportunities to develop or increase their Independent Living Skills.” Ms. Zeller discussed the Coalition listing that worked to facilitate working relationship with licensed and non-licensed board and care homes.</p>	<p>The persons interested in participating on the Advocacy Ad Hoc Group for RCFs are:</p> <p>Barbara Mitchell Darlene Prettyman Monica Wilson Steve Leoni Theresa Comstock Lynda Kaufmann Jung Pham Jennifer Jones Lorraine Zeller Kathleen Murphy Garrett Johnson</p>			

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		<p>Mr. Jung Pham, staff attorney and investigator at Disability Rights California (DRA). Abuse and neglect issues in the community, as well as, institutional work as well. Mr. Pham advised Community Care Licensing (CCL) typically does not come out or act on a facility unless there is a complaint. However, unlicensed facilities have no oversight. They are under tenant/landlord regulations. Many tenants are reluctant to file complaints for fear of losing their housing. Within the last five (5) years, there has been a transition of licensed homes to not being licensed and continue to receive monies from tenant, unless they are caught. The housing environment is becoming increasingly 'poorer.' Mr. Pham and his colleagues wanted to determine how to best advocate for this population. Additional litigation and regulation would drive most out of business. This would be counterproductive and would increase the homeless population. Adult Residential Facilities do provide a needed service. In 2009, Kim Brosas, a Patients' Rights advocate out of San Bernardino County, developed a 'Yelp-like system for Room and Boards.' This</p>				

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		<p>was a means to create a network, determine quality of a board and care facility by consumers and family members. The Community Living Coalition is a voluntary program. RCFs are not forced to join. Access to the Coalition evaluations vary depending on what the county has provided (e.g. Excel spreadsheet, newsletter, etc.) The program has been replicated outside of San Diego County (Santa Clara and Alameda Counties are underway or starting similar types of programs). Alameda County's program is being run by Adult Protective Services (APS). There is discussion about having all counties to have APS take a more proactive role in collaborating with RCF Coalitions. Largest issue – there is no reliable data on the absolute numbers.</p> <p>Ms. Mary Clarke, Supervisor, mental health portion of the Santa Clara County Public Guardian's Office. Currently serve 500 out of 15,000 persons. The county does not have the capacity to place their residents in county. In the licensed homes, there is an issue with medication compliance and health issues. The agency wants individuals to be in the</p>				

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		<p>least restrictive environments. Additionally, they also would like them to be released from Conservatorship when applicable.</p> <p>Recommendations:</p> <ul style="list-style-type: none"> • Legislation or regulations to address centralized medication, standards for unlicensed room and boards (note – this could increase the homeless population); • Increase the SSI Rate (note – how to determine or validate a strategy for tapping the State General Fund would need to be incorporated); • How to effectively utilize the Patch in conjunction with the SSI benefit; • Correlate the increase of the Developmentally Delayed rates to those within Board and Cares (note – research will have to be done to determine the process and the actual numbers impacted); • Have different rates for varying levels within RCF. <p>The follow questions remain: Are Residential Care Facilities (RCFs) a dinosaur industry?</p>				

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		<p>Should this industry be saved? If so, how or what would that look like? What is the value in transitioning individuals to the community with additional supports? What would be the cost to prepare RCF Providers (training and education) and Consumers (training and on-going supports)? How can RCF/Licensing work with the Department of Housing to utilize housing vouchers? Can the Tulare and Santa Clara County Board and Care Coalition efforts' be brought to scale across the state?</p>				
7.	Public Comment	<p>Committee Member Carmen Lee requested to bring some information/request to the committee's attention regarding Medi-Cal/SSI/Personal Income barriers. Carmen Lee advised she was financially ineligible for Medi-Cal due to an insurance policy she carried. With the assistance of an Ombudsman, she was able to have her daughter's name placed on the policy.</p> <p>Issue: How can others, with less support, find assistance to deal with such complicated and stressful matters?</p>	<p>Carmen Lee was given an opportunity to discuss her challenges with obtaining assistance.</p> <p>Resolution: Attorney Jung Pham, Staff Attorney, advised his firm is in existence for such issues. He provided his business card to all in the room.</p> <p>Disability Rights California (DRC) Bay Area Regional Office 1330 Broadway, Suite 500 Oakland, CA 94612 (510) 267-1200 Telephone (800) 776-5746 Toll Free</p>	Barbara Mitchell and All	N/A	Yes

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8.		<p>Jane Crystal - Public Attendee – has questions about the various types of facilities she can place a relative into following a discharge. She was provided information on California Department of Social Services Community Care Licensing website.</p> <p>Melissa Morris, Supervising Attorney, with Mental Health Advocacy Project (MHAP) with the Law Foundation of Silicon Valley, “Thank you on behalf of Samuel Jain, in his absence,” for the interest and presentation on RCF.</p>	<p>(800) 719-5798 TTY (510) 267-1201 Fax Jung.Pham@disabilityrightsca.org</p>			
	Adjourn	The meeting adjourned at 11:58 am. The next Quarterly Meeting is June 15, 2017, 8:30 am – 12:00 pm in Irvine, California.		Barbara Mitchell Chairperson -Elect		
	PARKING LOT ISSUE(S) BELOW					
A.		Meeting with Housing and Community Development: discussion of policy and procedures and issues related to NPLH Advisory Board.	Pending			
B.		Collaborate with Each Mind Matters on the Mental Health license plate efforts.	Future legislative cycles			

MATERIAL
PREPARED BY: Wiseman

DATE MATERIAL
PREPARED 05/23/2017

AGENDA ITEM:	Legislative and Regulatory Updates
ENCLOSURES:	<ul style="list-style-type: none"> • Legislative Position Chart • No Place Like Home Guidelines Memo and Draft Table of Contents • AB 917 Fact Sheet and Bill Language • AB 1315 Fact Sheet and Bill Language • AB 1340 Fact Sheet and Bill Language • AB 1261 Bill Language • Support/Opposition Letters

How this agenda item/presentation relates to the Council’s mission.
 The Legislative and Regulatory updates provide the Council with the opportunity to advocate for the people of California impacted by mental illness. Further, through the legislative process, the Council also provides education to the Governor, Legislature, and the Department on the issues faced by the people of California within the public mental health system.

The context for this agenda item is as follows:
 The Council provides support for legislation and policy that is an extension of the Council's vision. The CMHPC envisions a mental health system that makes it possible for individuals to lead full and productive lives. The system incorporates public and private resources to offer community-based services that embrace recovery and wellness. The services are client and family-driven, responsive, timely, culturally competent, and accessible to ALL of California's populations.

BACKGROUND/DESCRIPTION:

The Committee members will review and discuss legislative and/or regulatory issues/items.

The *Legislative Position Chart* was created utilizing the CMHPC’s Policy Platform as a framework. The Committee Members will review.

The Health Care Integration Committee (HCI) is interested in following legislation that relates to health services. The HCI members are interested in knowing how their members can work collaboratively with Advocacy in its legislative endeavors.

The Steinberg Institute is requesting support for bills they have sponsored:

- Link to [Assembly Bill 917](#) (Arambula) Student health: student suicide prevention policies
- Link to [Assembly Bill 1315](#) (Mullin) Mental health: early psychosis detection and intervention
- Link to [Assembly Bill 1340](#) (Maienschein) Continuing medical education: mental and physical health care integration

The link to the [21st Century Cures Act](#) bill text.

The link to the [H.R. 1628: American Health Care Act of 2017](#) GovTrack.us website.

Title	Author	Overview	Position/Comment(s)
	Assembly	Concurrent	Resolution
ACR 8	Jones-Sawyer	PT "street" disorder	Assm - amended 5/1/17; ltr written; 5/9/17 In Cmte: hearing cancelled at the request of author
blank	Assembly	Bills	blank
AB 42	Bonta	Bail Reform	Support - decreases stigma/discrimination; reduction seclusion/restraint; reduce disparities/increase access to services; ltr written; 4/19/17 From cmte: Do pass and re-refer to Com on APPR. (Ayes 4/Noes 2)(April 18) Re-referred to Com on APPR; 5.17.17 In committee: Set first hearing. Referred to APPR suspense file
AB 74	Chiu	Housing	Watch ; A-Appropriations - Suspense File
AB 89	Levine	Psychologists: suicide prevention training	Support ; Com on RLS for assignment; ltr written; in Senate; 5/10/17 Referred to Com on Business, Professional and Economic Development
AB 152	Gallagher	BSCC: Recidivism	Suspense File
AB 154	Levine	Prisoners-MH Tx	Support -reduce seclusion/restraint; reduce disparities/increase access; least restrictive setting; Suspense File
AB 191	Wood	Involuntary Tx	Oppose - seclusion/restraint use; Senate Desk ; 5/10/17 Referred to Com. On Health
AB 208	Eggman	Pre-Trial Diversion	Amended 3/8/17; Suspense File
AB 210	Santiago	Homeless MDT	Cautious Support -reduce disparities; 5/1/17 Amend and do pass as amended and re-refer to Com on APPR (Ayes 9/Noes 0)(April 25);5/2/17 Read second time and amended; 5/3/17 Re-referred to Comon APPR; 5.17.17 From committee: Do to Consent Calendar (Ayes 17/Noes 0); 5.18.17 #5 A-Second Reading File Assembly Bills
AB 266	Thurmond	Inmate Housing Assgn Mental Health	Assembly Appropriations ; 5/10/17 In Com. Referred to APPR. Suspense file.

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AB 275	Wood	LongTermCare facilities	4/27/17 Read second time. Ordered to Consent Claendar; 5/4/17 Read third time. Passed. Ordered to the Senate.; 5/4/17 In Senate. Read first time. To Com. On RLS for assignment
AB 285	Melendez	Drug/Alcohol residences	4/26/17 In committee: Set, first hearing. Referred to suspense file.
AB 346	Daly and Brough	Redevelopment: Housing successor: low and moderate income housing assest fund	A.- L. Gov. Hearing 5/3/17 Vote: Do Pass; 5/8/17 read 2nd time; to 3rd reading; 5/11/17 Read third time. Passed. Ordered to third reading. 5/11/17 In Senate. Read first time. To Com. On RLS for assignment.
AB 451	Arambula	Health facilities	Watch - access to tx; A-Appropriations 5/3/17 hearing canceled; 5/15/17 read third time. Passed. Ordered to the Senate. In Sente. Read first time. To Com. On RLS for assignment.
AB 462	Thurmond	MHSOAC Wage info access	Support - use of data and evaluation; ltr written; 4/20/17 In Senate. Read first time. To Com. On RLS for assignment. 5/10/17 Referred to Com on Health
AB 470	Arambula	Medi-Cal Specialty MH Services performance outcome dashboard	Watch - (outcome measurement) MH parity; quality; 4/26/17 In committee: Set, first hearing. Referred to suspense file.
AB 473	Waldron	MH and Crim Justice Pilot Project	4/26/17 From committee: Amend, and do pass as amended and re-refer to Com on APPR (Ayes 15/Noes 0)(April 25); 4/27/17 Read second time and amended; 5/1/17 Re-referred to Com on APPR; 5.17.17 In committee. Set first hearing. Referred to APPR suspense file
AB 477	Ridley-Thomas	Behavioral Health Stakeholder Advisory Panel	4/6/17 CMHPC EO/DEO have met with staffers regarding this "spot bill." ; 4/25/17 In committee: Set, first hearing. Hearing canceled at the request of author.
AB 488	Kiley	MHSA	Oppose - OAC to Agency; 3/16/17 EO/DEO met with Analyst; 4/7/17 Analyst advised this is a 2-year bill

AB 501	Ridley-Thomas	Mental Health Community Care Facilities	Neutral - concept to increase access to tx for children, necessary and commendable; 4/26/17 Do pass and re-refer to Com on APPR with recommendation: To Consent Calendar (Ayes 7/Noes 0)(april 25) Re-referred to Com on APPR; now a 2-year bill, take action Dec/Jan; 5/17/17 In committee: Set first hearing. Referred to APPR suspense file
AB 596	Choi	Diversion/victim comp	A - Public Safety; 5.12.17 Failed Deadline pursuant to Rule 61(a)(3). (Last location was Pub. S. on 2.27.17)(May be acted upon Jan 2018).
AB 620	Holden	Prisoners: Trauma-Focused programming	5/3/17 In committee: Set, first hearing. Referred to APPR. Suspense file.
AB 727	Nazarian	MHSA housing asst.	MHSA Fund and LA County Schedule mtg; Senate Desk; 4/20/17 In Senate; 5/10/17 Referred to Com. On Health; 5/12/17 spoke with CBHDA to set-up meeting
AB 763	Sala	Independent Living Center - Funding	4/26/17 In committee: Set, first hearing. Referred to suspense file
AB 850	Chau	MHSOAC member	Support - although increasing membership by one to include person with 'experience reducing MH disparities MHSOAC; 5/4/17 In Senate. Read first time. To Com on RLS for assignment
AB 860	Cooley	MHSOAC Fact Finding Tour	Watch -Amendment to Bagley-Keene for specific factfinding tours MHSOAC; 5/11/17 In Senate. Read first time. To Com. On RLS for assignment.
AB 916	Quirk-Silva	Workforce Development: career training and business needs	Potential MHSA WET option????; 5/2/17 Read second time and amended; 5/3/17 Re-referred to Com on APPR
AB 917	Arambula	Student Suicide Prevention	5/10/17 In committee: Set, first hearing. Referred to APPR suspense file; 5/11/2017 - S.I. requesting support;
AB 974	Quirk-Silva	MHSA reporting veterans spending	5/3/17 In committee: Set, first hearing. Referred to APPR suspense file.

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AB 1095	Harper	Alcoholism or drug abuse recovery or treatment facilities	A-Health failed passage. Reconsideration granted.; 5.12.17 failed Deadline pursuant to Rule 61(a)(3). (Last location was Health on 3.6.17)(May be acted upon Jan 2018)
AB 1119	Limon	Developmental and mental health services: information and records: confidentiality	A-Health hearing 5/9/17 1:30 Rm 4202; 5/10/17 From Com do pass to Consent Calendar (Ayes 14, Noes 0(May 9), Calendar 5/11/17 #2 A-Second Reading File, Assembly Bills Consent Calendar
AB 1134	Gloria	MHSA Fellowship Program	Support? - access; decrease barriers to potential employment barrier; ltr written; 5/4/17 In Senate. Read first time. To Com on RLS for assignment
AB 1136	Eggman	Health facilities: residential mental or substance use disorder treatment	Neutral - Directs DHCS to apply for fed grant; A-Appropriations; 5/10/17 Suspense File; Amended 5/1/17; 5/10/17 in committee, set, first hearing, referred to APPR. Suspense file
AB 1203	Gloria	Housing: discrimination	A- H.&C.D.; 5.12.17 Failed Deadline pursuant to Rule 61(a)(3). (Last location was H. & C.D. on 3.9.17)(May be acted upon Jan 2018)
AB 1240	Fong	health care coverage: essential health benefits	Support; 2/19/17 From printer. May be heard in committee March 21
AB 1261	Berman	Pupil discipline: pupil suicide prevention	5/3/17 Read second time and amended; 5/4/17 Re-referred to Com on APPR
AB 1315	Mullin	Mental health: early psychosis pdtection and intervention	5/9/17 Re-referred to Com on APPR; 5/11/2017 - S.I. requesting support
AB 1340	Maienschein	Continuing medical education: mental and physical health care integration	5/11/17 In Senate. Read first time. To Com on RLS for assignment; 5/11/2017 - S.I. requesting support

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AB 1372	Levine	Crisis Stabilization Units: psychiatric patients	4/26/17 From committee: Do pass and re-refer to Com on APPR (Ayes 14/Noes 0)(April 25) Re-referred to Com on APPR; 5.17.17 From committee: Do pass to Consent Calendar (Ayes 17/Noes 0) - 5.18.17 #17 A-Second Reading File Assembly Bill
AB 1473	Quirk-Silva	Mental health: pilot crisis stabilization program	4/18/17 A-Health (hearing canceled at the author's request)
AB 1474	Eggman	Misdemeanor offenses: pretrial diversion program	Committee 3/21/17; 5.12.17 Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2.17.17)(May be acted upon Jan 2018)
AB 1513	Kalra	Registered home care aids: disclosure of contact information	4/19/17 Amended in Assembly; 5/10/17 From committee do pass (Ayes 12, Noes 5)(May 10); 5/11/17 #41 A-Second Reading file Assembly Bills
AB 1514	Gloria	Women and children's residential treatment services	2/19/2017 From printer. May be heard in committee March 21
AB 1539	Chen	[begin strikeout]Health services: patients' rights[end strikeout]; Mental health	Oppose ; 5/9/17 In committee: hearing postponed by committee
AB 1554	Fong	[begin strikeout]State Hospitals: Commitments[end strikeout]; Crimes: commitments: prior convictions	A-Public Safety (hearing canceled at the author's request); Amended 4.17.17; 5.12.17 Failed Deadline pursuant to Rule 61(a)(3). (Last location was PUB. S. on 3.27.17)(May be acted upon Jan 2018)
blank	Senate	Bills	blank
SB 2	Atkins	Building Homes and Jobs Act	S- Appropriations Suspense File
SB 3	Beall	Affordable Housing Bond Act of 2018	Neutral/oppose - increase debt obligation to the state/future generations; no provisions, other than for 'affordable housing'; S-Appropriations Suspense File
SB 8	Beall	Diversion: mental disorders	Support - Pretrial diversion program; least restrictive setting; access to treatment; Suspense File

SB 10	Hertzberg	Bail: Pre-Trail Release	Support ; Ltr written; 5/8/17 hearing canceled; 5.15.17 Action from APPR. To APPR Suspense File
SB 34	Bates	[begin strikeout]Substance- Abuse: residential- environments for recovery-[end strikeout]; Residential treatment facilities	5/11/17 May 15 hearing postponed by committee
SB 142	Beall	[begin strikeout]Defendants:— MHx-[end strikeout]; Criminal offenders: mental health	Support - least restrictive setting; access to treatment; decreasing stigma/discrimination; 5/8/17 Hearing Rm 4203; 5.15.17 Action from APPR to APPR Suspense File
SB 143	Beall	Prop36/47 eligibility for State Hosp commitments	Support - least restrictive setting; access to treatment; decreasing stigma/discrimination; Appropriations Suspense File
SB 167	Skinner	[begin strikeout]Benefit- preenrollment [end strikeout]; Housing Accountability Act	[begin strikout] Support [end strikout]- access to services, treatment; employment; self-sufficiency; decrease stigma/discrimination; S- JUD; 5/10/17 Referred to Com. On APPR; 5.16.17 Set for Hearing May 22 Room 4203
SB 192	Beall	MHSA Reversion Fund	Oppose - futility of activity; misappropriation of MHSA administration; met with Senator's Staff; 5/15/17 May 15 hearing: Placed on APPR. Suspense file
SB 219	Wiener	[begin strikeout]LGBT- LongTerm Care Facility- resident Bill of Rights- [end strikeout]; Long- term care facilities: rights of residents	S-Appropriations (5/4/17 #6 S-Sen Second reading file - Senate Bills); 5/15/17 May 15 hearing: Placed on APPR suspense file
SB 222	Hernandez	Inmates: health care enrollment	S-Appropriations Hearing 5/8/17 10:30 Rm 4203; 5.15.17 Action from APPR to APPR Suspense File
SB 237	Hertzberg	Criminal procedure: arrest	Support - least restrictive setting; stigman reduction; 3/30/17 In Assembly. Read first time. Held at Desk.

SB 323	Mitchell	Medi-Cal: FQHC and RHC: Drug Medi-Cal and specialty mental health services	Support - access to treatment; parity; HCI ltr written; 5.15.17 Action from APPR to APPR Suspense File
SB 350	Galgiani	Incarcerated persons: Health records	S-Appropriations Hearing 5/8/17 10:30 Rm 4203; Amended 4/25/17; 5.15.17 Hearing: Placed on APPR suspense file
SB 374	Newman	Health insurance: discriminatory practices: MH	Support - parity and equity; 4.24.17 In Assembly. Read first time. A-Desk (held at desk)
SB 409	Nguyen	Veterans homes: residents with complex mental and behavioral health needs	4.17.17 April 17 hearing: Placed on APPR. Suspense file.
SB 449	Monning	Skilled nursing and intermediate care facilities: training programs	4.27.17 In Assembly. Read first time. Held at Desk
SB 562	Lara/Atkins	[begin strikeout]CA for a Healthy CA Act [end strikeout]; The Healthy California Act	???? - "... single-payer health care coverage program and health care cost control system of the benefit of all residents of the state."; A (held at desk); 4/27/17 From cmte: Do pass and re-ref to Com on APPR. (Ayes 5/Noes 2)(4/26), Re-referred to Com on APPR.
SB 565	Portantino	MH: Involuntary Commitment (reasonable attempts to notify family mbrs/patient designee-36 hrs prior to certification review hearing)	???? - stakeholder process; appropriate service delivery; 5.1.17 In Assembly. Read first time. Held at Desk.
SB 648	Mendoza	Health and care facilities: [begin strikeout]referral agencies [end strikeout] private referral agencies	S-Appropriations; Amended 4.27.17; 5.15.17 Action from APPR.: To APPR Suspense File

CMHPC Advocacy Committee

June 2017

SB 684	Bates	Incompetence to stand trial: conservatorship: treatment	S-Appropriations; 5/8/17 3rd Reading; Amended 5/9/17; 5/10/17 Read second time. Ordered third reading; 5/10/17 #114 S-Sen Third Reading File - Senate Bills; 5/10/17 Published May 9 at 9 p.m.
SB 688	Moorlach	MHSA Fund research and evaluation	MHSOAC and DHCS; 4.17.17 April 26 set for first hearing canceled at the request of author
blank	Senate	Resolution	blank
SR 26	Hernandez	Patient Protection and Affordable Care Act; (2017-2018)	3.13.17 Read. Adopted. (Ayes 25/Noes 9 Page 347); Enrolled March 14, 2017 revised 5/18/2017 DW

No Place Like Home Program

Program Guidelines Public Comment Draft



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NO PLACE LIKE HOME

Proposed Program Guidelines Public Comment Draft

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ARTICLE I. GENERAL PROGRAM REQUIREMENTS

Section 100. Purpose and Scope

- (a) These Guidelines (hereinafter “Guidelines”) implement, interpret, and make specific the No Place Like Home Program (NPLH or Program) authorized by Government Code Section 15463, Part 3.9 of Division 5 (commencing with Section 5859.1) of the Welfare and Institutions Code, and Section 5890 of the Welfare and Institutions Code.
- (b) These Guidelines establish terms, conditions and procedures for funds awarded under the Noncompetitive Allocation, Competitive Allocation, and the Alternative Process Allocation (as defined in Section 101 below).

NOTE: Authority cited: Section 5849.5, Welfare and Institutions Code. Reference cited: Section 5849.5, Welfare and Institutions Code.

Section 101. Definitions

All terms not defined below shall, unless their context suggests otherwise, be interpreted in accordance with the meaning of terms described in Part 3.9 of Division 5 of the Welfare and Institutions Code (commencing with Welfare and Institutions Code Section 5849.1).

- (a) “Alternative Process Allocation” means funds made available pursuant to Welfare and Institutions Code Section 5849.8(b).
- (b) “Alternative Process Application” means the form submitted by the County to be designated by the Department as a County to receive funds under the Alternative Process Allocation pursuant to the requirements of Section 300.
- (c) “Alternative Process County” means a County designated to administer its Alternative Process Allocation of funds pursuant to the requirements of Article III.
- (d) “Applicant” means a County applying as Development Sponsor, or a County and a separate entity as Development Sponsor applying jointly.
- (e) “Area Median Income” or “AMI” means the most recent applicable county median family income published by the California Tax Credit Allocation Committee (TCAC) or the Department.
- (f) “Assisted Unit” means a housing unit that is subject to the rent, occupancy and other restrictions specified in these Guidelines, as a result of the financial assistance provided under the Program. For the purpose of the NPLH Program, “Assisted Unit” shall not be treated as an assisted unit under other state funding programs, excluding tax credit programs, California Housing Finance Agency (CalHFA) senior debt, and local funds contributed to CalHFA’s Local Government Special Needs Housing Program.

- (g) “At-Risk of Chronic Homelessness” for this Program means an adult or older adult with a Serious Mental Disorder or Seriously Emotionally Disturbed Children or Adolescents who meet one or more of the criteria below. All persons qualifying under this definition must be prioritized for available housing by using a standardized assessment tool that ensures that those with the greatest need for permanent supportive housing and the most barriers to housing retention are prioritized for the units available to persons At-Risk of Chronic Homelessness pursuant to the terms of the Project regulatory agreement. Persons qualifying under this definition are the following: persons who are at high-risk of long-term or intermittent homelessness including:
- (1) Persons exiting institutionalized settings, such as jail or prison, hospitals, institutes of mental disease, nursing facilities, or long-term residential substance use disorder treatment, who were Homeless prior to admission to the institutional setting;
 - (2) Transition-Aged Youth experiencing homelessness or with significant barriers to housing stability, including one or more evictions or episodes of homelessness, and a history of foster care or involvement with the juvenile justice system; and
 - (3) Persons, including Transition-Aged Youth, who prior to entering one of the facilities listed herein, were Homeless as defined under this Section and who will be Homeless as defined under this Section upon discharge from any of the following types of facilities: state hospital, hospital behavioral health unit, hospital emergency room, institute for mental disease, psychiatric health facility, mental health rehabilitation center, skilled nursing facility, developmental center, residential treatment program, residential care facility, community crisis centers, prison, parole, jail or juvenile detention facility, or foster care.
 - (4) Notwithstanding the above, for purposes of this definition, the limitations in subparagraph (u) (1) (C) shall not apply:
 - (A) Persons who have resided in one or more of these facilities for any length of time may qualify as Homeless upon exit from the facility, regardless of the amount of time spent in the facility; and
 - (B) Homeless Persons who prior to entry into one of the facilities listed above have resided in any kind of publically or privately operated temporary housing, including congregate shelters, transitional, interim, bridge housing, or hotels or motels paid for by charitable organizations, or by federal, state, or local government programs for low-income individuals, can qualify under this definition.
- (h) “Capitalized Operating Subsidy Reserve” or “COSR” means the reserve established by the Department pursuant to the requirements of Section 209, or by an Alternative Process County or County administering Shared Housing funds pursuant to the requirements of Section 305 or 405, to address Project operating deficits attributable to NPLH Assisted Units.
- (i) “Chronically Homeless” for this Program means an adult or older adult with a Serious Mental Disorder or Seriously Emotionally Disturbed Children or Adolescents who meet

the criteria below according to 24 Code of Federal Regulations Section 578.3, as that section read on May 1, 2016:

- (1) A “homeless individual with a disability,” as defined in section 401(9) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(9)), who
 - (A) Lives in a place not meant for human habitation, a safe haven, or in an emergency shelter;
 - (B) Has been homeless and living as described in paragraph (1) (A) of this definition continuously for at least 12 months or on at least 4 separate occasions in the last 3 years, as long as the combined occasions equal at least 12 months and each break in homelessness separating the occasions included at least 7 consecutive nights of not living as described in paragraph (1). Stays in institutional care facilities for fewer than 90 days will not constitute as a break in homelessness, but rather such stays are included in the 12-month total, as long as the individual was living or residing in a place not meant for human habitation, a safe haven, or an emergency shelter immediately before entering the institutional care facility;
 - (2) An individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria in paragraph (1) of this definition, before entering that facility; or
 - (3) A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (1) or (2) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.
- (j) “Competitive Allocation” means funds made available pursuant to Welfare and Institutions Code Section 5849.8, except it does not include the Alternative Process Allocation funds made available pursuant to Section 5829.8(b).
- (k) “Comprehensive Housing Affordability Strategy” means annual data compiled by the United States Census Bureau for the federal Department of Housing and Urban Development (HUD) to document the extent of housing problems and housing needs, particularly for low-income households.
- (l) “Continuum of Care” is defined in 24 CFR Section 578.3 to mean the group organized to provide coordinated services to homeless individuals. This group is composed of representatives of organizations such as non-profit homeless providers, faith-based organizations, businesses, governments, public housing agencies, victim service providers, medical providers, advocates, law enforcement, social service providers, school districts, universities, mental health services providers, affordable housing developers, and organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons, to the extent they reside within the geographic area and are available to participate.

- (m) “Coordinated Entry System” or “CES” means a centralized or coordinated process developed pursuant to 24 CFR Section 578.7(a)(8), as that section read on May 1, 2016, designed to coordinate program participant intake assessment, and provision of referrals. A centralized or coordinated assessment system covers the geographic area, is easily accessed by individuals and families seeking housing or services, is well advertised, and includes a comprehensive and standardized assessment tool.¹
- (n) “County” or “Counties” includes, but is not limited to, a city and county, and a city receiving funds pursuant to Section 5701.5 of the Welfare and Institutions Code. Reference to County Board of Supervisors in these Guidelines shall also mean the governing body of a city receiving funds pursuant to Section 5701.5 of the Welfare and Institutions Code.
- (o) “Department” means the Department of Housing and Community Development.
- (p) “Development Sponsor” or “Sponsor” as defined in Section 50675.2 of the Health and Safety Code and subdivision (c) of Section 50669 of the Health and Safety Code means any individual, joint venture, partnership, limited partnership, trust, corporation, cooperative, local public entity, duly constituted governing body of an Indian reservation or rancheria, or other legal entity, or any combination thereof, certified by the department as qualified to own, manage, and rehabilitate a Rental Housing Development. A Development Sponsor may be organized for profit, limited profit or be nonprofit, and includes a limited partnership in which the Development Sponsor or an affiliate of the Development Sponsor is a general partner.
- (q) “Distributions” has the same meaning as the term is defined under 25 CCR 8301.
- (r) "Fiscal Integrity" means that the total Operating Income plus funds released pursuant to the NPLH Program Documents from the Project operating reserve account (s) is sufficient to: (1) pay all current Operating Expenses; (2) pay all current mandatory debt service (excluding deferred interest); (3) fully fund all reserve accounts established pursuant to the NPLH Program Documents; and (4) pay other costs permitted by the NPLH Program Documents. The ability to pay any or all of the permitted annual Distributions shall not be considered in determining Fiscal Integrity.
- (s) “H&S” means the California Health and Safety Code.
- (t) “HUD” means the federal Department of Housing and Urban Development.
- (u) “Homeless” for this program means an adult or older adult with a Serious Mental Disorder or Seriously Emotionally Disturbed Children or Adolescents who meet the criteria below according to 24 CFR Section 578.3, as that section read on May 1, 2016, which includes, but is not limited to:
 - (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

¹ For more information, see [HUD's Coordinated Entry Policy Brief](#).

- (A) An individual or family with a primary nighttime residence that is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground, or
 - (B) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, or local government programs for low-income individuals), or
 - (C) An individual who is exiting an institution where he or she resided for 90 days or less, and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
- (2) An individual or family who will imminently lose their primary nighttime residence provided that:
- (A) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance,
 - (B) No subsequent residence has been identified, and
 - (C) The individual or family lacks the resources or support networks, such as family, friends, faith-based or other social networks, needed to obtain other permanent housing.
- (3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless, but who:
- (A) Are defined as homeless under Section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), Section 637 of the Head Start Act (42 U.S.C. 9832), Section 41403 of the Violence Against Women Act of 1994 (U.S.C. 14043e-2), Section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), Section 17(b) of the Child Nutrition Act of 1966 (42 USC 1786 (b)), or Section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a),
 - (B) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60-day period immediately preceding the date of application for homeless assistance,
 - (C) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance, and
 - (D) Can be expected to continue in such status for an extended period of time because of chronic disabilities; chronic physical health or mental health conditions; substance addiction; histories of domestic violence or childhood

abuse (including neglect); the presence of a child or youth with a disability; or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

- (4) Any individual or family who:
 - (A) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence
 - (B) Has no other residence, and
 - (C) Lacks the resources or support networks, such as family, friends, and faith-based or other social networks, to obtain other permanent housing.
- (v) "Housing First" has the same meaning as Welfare and Institutions Code Section 8255, including all of the core components listed therein.
- (w) "Method of Distribution" means the process by which an Alternative Process County or a County funding Shared Housing through its Noncompetitive Allocation will select Projects to receive NPLH funds.
- (x) "NOFA" means a Notice of Funding Availability.
- (y) "NPLH" means the No Place Like Home Program administered by the Department.
- (z) "NPLH Program Documents" means documents executed by the Department and an Applicant governing Assisted Units, including but not limited to the Department's standard agreement, including provisions related to supportive services, regulatory agreement, deed of trust, and promissory note.
- (aa) "Noncompetitive Allocation" means funds made available pursuant to Welfare and Institutions Code Section 5849.9.
- (bb) "Operating Expenses" has the same meaning as the term is defined under 25 CCR 8301.
- (cc) "Operating Income" has the same meaning as the term is defined under 25 CCR 8301.
- (dd) "Permanent Supportive Housing" has the same meaning as "supportive housing," as defined in Section 50675.14 of the Health and Safety Code, except that "Permanent Supportive Housing" shall include associated facilities if used to provide services to housing residents. Permanent Supportive Housing does not include "Community care facilities" as set forth in Section 1502 of the Health and Safety Code and "Mental health rehabilitation centers" as defined in Section 5675 of the Welfare and Institutions Code.

- (ee) “Point-in-Time Count” means a count of sheltered and unsheltered homeless persons on a single night conducted by Continuums of Care as prescribed by HUD. In the event that HUD no longer requires that Point-in-Time counts be conducted for unsheltered or sheltered homeless persons, the Department may use another methodology for determining the number of homeless persons residing within each county.
- (ff) “Program” means the No Place Like Home Program.
- (gg) “Rent” means the same as “gross rent”, as defined in accordance with the Internal Revenue Code (26 USC 42(g)(2)(B)). It includes all mandatory charges, other than deposits paid by the tenant, for use and occupancy of an Assisted Unit, plus a utility allowance established in accordance with TCAC regulations, if applicable. For units assisted under the Housing Choice Voucher (HCV) or similar rental or operating subsidy program, Rent includes only the tenant contribution portion of the contract rent.
- (hh) “Rental Housing Development” or “Project” means a multifamily structure or set of structures providing Supportive Housing with common financing, ownership, and management. For developments financed under Article II, Projects must collectively contain five or more units. “Rental Housing Development” does not include any “health facility” as defined by Section 1250 of the Health and Safety Code or any “alcoholism or drug abuse recovery or treatment facility” as defined by Section 11834.02 of the Health and Safety Code. Rental Housing Developments or Projects also do not include “Community care facilities” as set forth in Section 1502 of the Health and Safety Code and “Mental health rehabilitation centers” as defined in Section 5675 of the Welfare and Institutions Code.
- (ii) “Scattered Site Housing” means a Rental Housing Development that includes non-contiguous parcels and meets the requirements in Subsection 202 within these Guidelines.
- (jj) “Serious Mental Disorder” has the same definition as Welfare and Institutions Code Section 5600.3.
- (kk) “Seriously Emotionally Disturbed Children or Adolescents” has the same definition as Welfare and Institutions Code Section 5600.3(a)(1).
- (ll) “Shared Housing” means a 1-4-unit structure providing Supportive Housing shared by two or more households per unit where at least one member of each household qualifies as a NPLH-eligible tenant. Single-family homes, condominiums, half-plexes, duplexes, triplexes and four-plexes will qualify as a Shared Housing development provided that they have a minimum of two bedrooms per unit. Shared Housing must also meet the requirements of Article IV.
- (mm) “Supportive Housing” as defined in Section 50675.14 of the Health and Safety Code means housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her

ability to live and, when possible, work in the community. Supportive Housing shall include associated facilities if used to provide services to housing residents. Supportive Housing does not include “Community care facilities” as set forth in Section 1502 of the Health and Safety Code and “Mental health rehabilitation centers” as defined in Section 5675 of the Welfare and Institutions Code.

- (nn) “TCAC” means the California Tax Credit Allocation Committee.
- (oo) “Target Population” means, as provided in Welfare and Institutions Code Section 5600.3, an adult or older adult with a Serious Mental Disorder or Seriously Emotionally Disturbed Children or Adolescents who are Homeless, Chronically Homeless, or At Risk of Chronic Homelessness. This includes persons with co-occurring mental and physical disabilities or co-occurring mental and substance use disorders.
- (pp) “Technical Assistance Allocation” means the funds made available pursuant to Welfare and Institutions Code Section 5849.10.
- (qq) “Transition-Aged Youth” means unaccompanied youth under age 25, including youth with children.
- (rr) “UMR” means the Uniform Multifamily Regulations commencing with 25 CCR Section 8300.
- (ss) “WIC” means the California Welfare and Institutions Code.

NOTE: Authority cited: Section 5849.5, Welfare and Institutions Code. Reference cited: Sections 5849.2, 5849.7(c), 5849.8, 5849.9, Welfare and Institutions Code.

Section 102. Funding and Formula Allocations

- (a) Funding from the NPLH Program will be available under a Technical Assistance Allocation, a Noncompetitive Allocation, a Competitive Allocation and an Alternative Process Allocation.
- (b) Technical Assistance Allocation. Technical Assistance Allocation funds shall be available in accordance with Welfare and Institutions Code Section 5849.10 and the most current Technical Assistance Allocation Guidelines separately adopted by the Department for these funds.
- (c) Noncompetitive Allocation. Noncompetitive Allocation funds shall be made available in accordance with Welfare and Institutions Code Section 5849.9 to every County in accordance with the requirements of Article II or Article IV as applicable.
 - (1) The amount of funds awarded to each County shall be the greater of: (1) \$500,000 or (2) a higher amount based on each County’s proportionate share of funds using the County’s most recent homeless Point-in-Time count of both sheltered and unsheltered homeless persons (as published by HUD) compared to the State’s total homeless population.

- (2) Noncompetitive Allocation funds administered under Article II for which Project applications have not been submitted by the County to the Department within 30 months of the issuance of the Department's initial NOFA shall be made available for award to Counties in the Competitive Allocation.
 - (3) Funds for capital uses awarded under the Noncompetitive Allocation that are not expended within 60 months of the issuance of the Department's initial NOFA may be made available for award to Counties under the Competitive Allocation Program. The Department may extend this expenditure deadline on a showing of good cause by the Applicant.
- (d) Competitive Allocation. Competitive Allocation funds will be made available in accordance with Welfare and Institutions Code Section 5849.8 to Counties grouped together by population size as follows: (1) the County of Los Angeles; (2) Large Counties with a population greater than 750,000; (3) Medium Counties with a population between 200,000 to 750,000; and (4) Small Counties with a population less than 200,000.
- (1) Competitive Allocation funds shall be available in accordance with the requirements in Article II.
 - (2) The amount of funds made available to each group of counties under the Competitive Allocation will be determined first using a formula that provides each group with a proportionate share of funds based on the following two factors:
 - A. The proportionate share of homeless persons among the counties within each group based on the most recent Point-in-Time count of both sheltered and unsheltered homeless persons as published by HUD, and as compared to the State's total homeless population. This factor will be weighted at 70%; and
 - B. The proportionate share of Extremely Low-Income renter households that are paying more than 50 percent of their income for rent using HUD's Comprehensive Housing Affordability Strategy dataset. This factor will be weighted at 30%.
 - (3) Notwithstanding the calculation made pursuant to subdivision (d)(2), the Small County Allocation shall be eight percent of the funds made available in the Competitive Allocation or the proportionate share of need attributable to Small Counties according to the above formula factors, whichever is greater.
- (e) Alternative Process Allocation. Counties with at least five percent of the State's homeless population according to the most recent sheltered and unsheltered homeless Point-in-Time count may apply for the Alternative Process Allocation.
- (1) Alternative Process Allocation funds shall be available in accordance with requirements in Article III.
 - (2) Counties may directly receive and administer available funds attributable to their share of need as calculated under the Competitive Allocation and the Noncompetitive Allocation.

- (3) These funds shall be awarded by the Department to Counties qualifying to receive funds under the Alternative Process Allocation at least once annually in accordance with anticipated demand. The Department in consultation with the Alternative Process County will review and determine the anticipated demand for Projects based on documentation provided by the Alternative Process County.

NOTE: Authority cited: Section 5849.5, Welfare and Institutions Code. Reference cited: Sections 5849.8, 5849.9, 5849.10, Welfare and Institutions Code.

Section 103. Funding Rounds

- (a) NPLH funds shall be made available pursuant of multiple Notices of Funding of Availability. The first NOFA shall be issued no later than 150 days after the effective date of a final judgment, with no future opportunity for appeals, in any court proceeding affirming the validity of the contracts authorized by the NPLH Program and any bonds to fund the NPLH Program, with at least three additional funding rounds completed no later than one year after each prior funding round. Following the first four funding rounds, additional funding rounds shall occur at least annually until the remaining funds have been exhausted.
- (b) Following the fourth round of funding, HCD may provide notice that it is discontinuing use of one or more of the following:
 - (1) The competitive groupings provided for in Welfare and Institutions Code Section 5849.6.
 - (2) The Alternative Process Allocation authorized by Welfare and Institutions Code Section 5849.8(b).
 - (3) The rural set aside authorized by Welfare and Institutions Code Section 5849.8(c).

NOTE: Authority cited: Section 5849.5, Welfare and Institutions Code. Reference cited: Sections 5849.8, Welfare and Institutions Code.

ARTICLE II. NONCOMPETITIVE AND COMPETITIVE PROGRAM ALLOCATIONS

Section 200. Uses and Terms of Noncompetitive and Competitive Allocations

- (a) NPLH funds shall be used to finance capital costs of Assisted Units in Rental Housing Developments, including but not limited to, costs associated with the acquisition, design, construction, rehabilitation, or preservation of Assisted Units as set forth under 25 CCR 7304(b) except for:
 - (1) Development costs of a residential unit reserved for childcare facilities, after-school care and social service facilities;
 - (2) Off-site improvements, such as sewers, utilities and streets. Utility connections to the Project are an eligible Project cost; and

- (3) Costs for design features not consistent with use of sustainable or durable materials appropriate for similar Permanent Supportive Housing Projects.
- (b) NPLH funds may be used to capitalize operating subsidy reserves for Assisted Units pursuant to the requirements of Section 209.
- (c) Projects may use NPLH funds to rehabilitate existing affordable housing Projects. Projects proposed for rehabilitation will be underwritten based on the number of NPLH tenants the Project will house upon completion of the rehabilitation.
- (d) The total amount of funds awarded shall not exceed the eligible costs associated with Assisted Units. In determining these costs, the cost allocation rules in 25 CCR Section 7304(c) shall apply. For purposes of this subsection, the term “Assisted Units” shall mean “Restricted Units.”
- (e) Projects shall comply with the unit standards set forth in 25 CCR 8304.
- (f) The Competitive Allocation and the Noncompetitive Allocation funds awarded to Projects of five or more units shall be provided as post-construction, permanent loans underwritten and held by the Department as lender. These loans shall have an initial term of 55 years, or longer if necessary to match the period of affordability restrictions under the tax credit program, commencing on the date of recordation of the Department NPLH regulatory agreement.
- (g) Loans made by the Department shall have the following terms:
 - (1) Mandatory Annual Monitoring Payment. For the first 15 years of the loan term, annual monitoring payments in the amount of 0.42 percent of the outstanding principal loan balance not including the amount attributable to the COSR, shall be payable to the Department. After 15 years, the Department may reset the required payment amount to cover its monitoring costs. The Department may waive payment in writing of this amount in any given year if necessary to maintain Project feasibility only after receiving a written request from the Sponsor.
 - (2) Interest Payment. The loan shall bear simple interest at a rate of 3 percent per annum on the unpaid principal balance. All interest and principal payments shall be deferred for the term of the loan.
 - (3) Security. The loans shall be secured by the Project’s real property and improvements, subject only to liens, encumbrances and other matters of record approved by the Department.
 - (4) Subordination. The loans shall meet the subordination policy requirements described in 25 CCR Section 8315.
 - (5) Loan Payment. All Program loan payments (not including the 0.42percent annual monitoring fee on the capital portion of the loan) shall be applied in the following order: (1) to any expenses incurred by the Department to protect the property or the

Department's security interest in the property, or incurred due to the Sponsor's failure to perform any of the Sponsor's covenants and agreements contained in the deed of trust or other loan documents; (2) to the payment of accrued interest; and (3) to the reduction of principal.

- (6) Term. The total outstanding principal and interest, including deferred interest, shall be due and payable in full to the Department at the end of the loan term. Upon request by the Sponsor, the Department may approve extensions to the loan term if the Department determines both of the following are met:
 - A. The Sponsor is in compliance with the Regulatory Agreement and other Program loan documents and agrees to continue to comply during the extended term;
 - B. Starting at the time of the extension of the loan term, the Project must achieve Fiscal Integrity for at least 15 years, or the length of the extension if the extension is shorter than 15 years; and
 - C. The extension is necessary to continue operations consistent with Program requirements.

- (h) Maximum per-unit loan amounts for loans underwritten by the Department shall be determined as follows:
 - (1) Maximum per-unit loan amounts shall not exceed the total eligible costs required, when considered with other available financing and assistance, in order to:
 - A. Enable the funds to be used for the eligible uses set forth in Section 200;
 - B. Ensure that Rents for Assisted Units comply with Program requirements; and
 - C. Operate in compliance with all other Program requirements.
 - (2) The capital portion of the loan amount is further limited to the sum of a base amount per Restricted Unit, plus the amount per Restricted Unit required to reduce Rents from 30% of 30% of Area Median Income to the actual maximum restricted Rent for the Unit.
 - (3) For loan limit calculations, the Department shall include the number of Assisted Units within a Rental Housing Development and the number of bedrooms per Assisted Unit.
 - (4) For Assisted Units receiving rental assistance under renewable rental subsidy contracts, the loan amount will be based on the level of income restriction that will apply following the closing of the Program loan.
 - (5) Initial base amounts for the portion of the loan that does not include a COSR are set at:

- A. \$100,000 per unit for Projects using nine-percent low-income housing tax credits.
 - B. \$175,000 per unit for Projects that do not use nine-percent low-income housing tax credits.
- (6) The COSR portion of the loan shall be determined pursuant to the requirements of Section 209.
 - (7) The maximum loan amount per Project in the first funding round, including all eligible capital and COSR costs, shall be \$20,000,000.
 - (8) Beginning January 2018, the amounts in subparagraph (5) above, will be adjusted annually based upon increases in the Consumer Price Index.

NOTE: Authority cited: Section 5849.5, Welfare and Institutions Code. Reference cited: Sections 5849.7, 5849.8, 5849.9, Welfare and Institutions Code.

Section 201. Threshold Requirements for Noncompetitive Allocation

- (a) Available Noncompetitive Allocation funds must be awarded by the Department to the County within 18 months of the issuance of the Department’s initial NOFA.
- (b) To receive an award under the Noncompetitive Allocation, no later than 12 months following the issuance of Department’s initial NOFA, the County must:
 - (1) Submit a resolution from the County Board of Supervisors that the County will submit one or more Project applications within 30 months of the issuance of the Department’s initial NOFA that propose to utilize the County’s Noncompetitive Allocation.
 - (2) Submit a certification on a form created by the Department, or approved by the Department, certifying that prior to receiving their Noncompetitive Allocation funds, the Projects submitted by the County will have met all the requirements under Article II, III, or IV as applicable.
 - (3) Submit a County plan that specifies the goals, strategies and activities both in process or to be initiated to reduce homelessness and make it non-recurring. Any plan that meets the following requirements is acceptable, including but not limited to Continuum of Care Plans, a County Mental Health Services Act fund expenditure plan that includes a section that specifically focuses on homelessness, or any other County plan specific to homelessness. Projects proposed by the County should be clearly connected to the goals and strategies outlined in the plan.
 - (A) The County plan must discuss all of the following: (i) a description of homelessness county-wide, including a discussion of the estimated number of residents experiencing homelessness or chronic homelessness among single adults, families, and unaccompanied youth; (ii) to the extent possible, the estimated number of residents experiencing homelessness or chronic

homelessness who are also experiencing serious mental illness, co-occurring disabilities or disorders, or who are children with a Serious Emotional Disturbance; (iii) special challenges or barriers to serving the Target Population; (iv) County resources applied to address the issue; (v) available community-based resources; (vi) an outline of partners in ending homelessness; and (vii) proposed solutions to homelessness.

- (B) The plan must have been developed in a collaborative process with community input that includes the following groups:
- i. County representatives with expertise from behavioral health, public health, probation/criminal justice, social services, and housing departments.
 - ii. The local homeless Continuums of Care within the County.
 - iii. Housing and homeless services providers, especially those with experience providing housing or services to those who are chronically homeless.
 - iv. County health plans or other health care providers, especially those implementing pilots or other programs that allow the County to use Medi-Cal or other non-MHSA funding to provide or enhance services provided to NPLH tenants, or to improve tracking of health outcomes in housing.
 - v. Public Housing Authorities.
- (C) The plan shall be no older than 5 years old at the time of the County's application, and be easily accessible to the public.

NOTE: Authority cited: Sections 5849.5, 5849.9, Welfare and Institutions Code. Reference cited: Sections 5849.7(c), 5849.9, Welfare and Institutions Code.

Section 202. Project Threshold Requirements

For loans underwritten by the Department which are awarded under the Noncompetitive Allocation or to receive an award from the Competitive Allocation, a Project must meet all the following minimum requirements:

- (a) Eligible Applicant. The application must be submitted by a single County as the sole Applicant if it is the Development Sponsor, or jointly with another entity as Development Sponsor. Two or more Counties may apply together as joint Applicants if there is a commitment to collaborate in the provision or coordination of supportive services or other resources to the Project, and if NPLH tenants from each of the Applicant counties are expected to reside in the Project.
- (b) Eligible Use of Funds. The application proposes that the Project's use of the NPLH funds will be limited to the eligible uses described in Section 200.

- (1) Proposed Projects involving new construction and requiring the demolition of existing residential units are eligible only if the number of bedrooms in the new Project is at least equal to the total number of bedrooms in the demolished structures. The new units may exist on separate parcels provided all parcels are part of the same Rental Housing Development and meet the requirements of “Scattered Site Housing” described in Subsection 202 (i).
- (c) Noncompetitive Allocation. Projects utilizing funds from a County’s Noncompetitive Allocation shall prioritize persons with mental health supportive service needs who are Homeless or At-Risk of Chronic Homelessness.
- (d) Financial Feasibility. The Project meets the requirements of Section 206 and 207 and has Fiscal Integrity. Loans underwritten by the Department must also meet the requirements of Section 208 and have a minimum of five Assisted Units.
- (e) Experience. Collectively, among the members of the Project team consisting of the Applicant County, any other Development Sponsor, the lead service provider and the property manager, all of the following minimum experience requirements must be met:
 - (1) For applications in Counties with a population of 200,000 or greater:
 - (A) Development, ownership, or operation of Permanent Supportive Housing, or at least two affordable rental housing Projects in the last ten years, where one of those Projects contains at least one unit housing a tenant who could qualify as a member of the Target Population.
 - (B) The entity that is the lead service provider has three or more years of experience serving persons who could qualify as members of the Target Population. If this experience does not include experience serving persons in Permanent Supportive Housing, it must include experience helping persons address barriers to housing stability or providing other support services related to housing retention.
 - (C) The entity that is the property manager has three or more years’ experience serving persons who could qualify as members of the Target Population.
 - (2) For applications in counties with a population of less than 200,000, the minimum experience requirements of the Project team may be satisfied by the requirements in paragraph (e)(1), or collectively the Project team must have met all the following requirements:
 - (A) Development, ownership, or operation of Permanent Supportive Housing, or at least two affordable rental housing Projects in the last ten years, where one of those Projects contains one unit housing a tenant who could qualify as a member of a special needs population that experience housing barriers similar to those of the Target Population, including such barriers as difficulty retaining housing, and mental health or substance use issues;

- (B) The entity that is the lead service provider has three or more years' experience serving persons who could qualify as members of one or more special needs populations whose service needs are similar to those of the Target Population. If this experience does not include experience serving persons in Permanent Supportive Housing, it must include experience helping persons address barriers to housing stability or providing other support services related to housing retention; and
 - (C) The entity that is the property manager has three or more years' experience serving persons who could qualify as members of one or more special needs populations whose property management needs are similar to those of the Target Population, including such barriers as difficulty retaining housing, and mental health or substance use issues.
- (f) Site Control. The Development Sponsor must have site control of the proposed Rental Housing Development that meets the requirements of the Uniform Multi-Family Housing Regulation (UMR), 25 CCR Section 8303, which requires the Sponsor to have site control of the proposed Project property, in the name of the Sponsor or an entity controlled by the Sponsor. The ownership interest may be demonstrated by fee title, a leasehold interest, an enforceable option to purchase, a disposition and development agreement, an agreement giving the Sponsor exclusive rights to negotiate for acquisition, or a land sales contract. This includes compliance (if applicable) with UMR 25 CCR Section 8316 for a leasehold interest on the property.
- (g) Integration. Proposed Projects demonstrate integration of the Target Population with the general public. In order to demonstrate compliance with this requirement, the following conditions must all be met:
- (1) NPLH units must be integrated with other units in the development and not separated onto separate floors or areas of the building;
 - (2) To promote integration of the Target Population with other Project tenants, in Projects of greater than 20 units, the Department will fund no more than 49 percent of the Project's total units as NPLH Assisted Units. This limitation shall not be interpreted to preclude occupancy of any Project units by persons with disabilities, or restrictions by other funding sources, including but not limited to TCAC, that result in more than 49 percent of the total Project units being restricted to persons with disabilities;
 - (3) Applicants must certify that they will facilitate or provide regular community building activities, architectural design features which promote tenant interaction (for example, indoor and outdoor community space within the development, wide hallways); and
 - (4) The service plan and property management plan submitted with the application must document policies that promote participation by tenants in community activities, and do not impose restrictions on guests that would not be common in other unsubsidized rental housing in the community.

- (h) Article XXXIV. All Projects shall comply with Article XXXIV Section 1 of the California Constitution, as clarified by Public Housing Election Implementation Law (H&S Code Section 3700 et seq.). Article XXXIV documentation for loans underwritten by the Department shall be subject to the review and approval by the Department prior to the execution of the Standard Agreement.
- (i) Scattered Site Housing is permitted provided that the following conditions are all satisfied prior to the closing of the loan:
- (1) All of the development sites in the Rental Housing Development must have a single owner and property manager;
 - (2) All of the development sites shall be governed by one set of NPLH Program Documents, which among other things, shall include similar tenant selection criteria, serve similar tenant populations and have similar rent and income restrictions;
 - (3) If the Rental Housing Development has a COSR, there shall only be one COSR for all sites in the development;
 - (4) There may be at most one lender with required payments senior to the Department's loan;
 - (5) There must be a single audit and annual report that covers all development sites;
 - (6) The Department's NPLH Loan Documents must be secured against all development sites, with lien priority relative to local public agency lenders and use of cash flow available for residual receipts loan payments determined in accordance with 25 CCR Section 8315; and
 - (7) The Department must be named on insurance policies covering all sites, with coverage meeting Department requirements.
- (j) Environmental Conditions. The Project site is free from severe adverse environmental conditions, such as the presence of toxic waste that is economically infeasible to remove and that cannot be mitigated.
- (k) State and Local Requirements. All Assisted Units and other units of the Project must be on a permanent foundation and must meet all applicable State and local requirements pertaining to rental housing, including but not limited to requirements for minimum square footage, and requirements related to maintaining the property in a safe and sanitary condition.
- (l) Amenities. The Project site is reasonably accessible to public transportation, shopping, medical services, recreation, schools, and employment in relation to the needs of the Project tenants and what is typically available in that County.

- (m) Relocation. The Development Sponsor of a NPLH Project resulting in displacement of tenants shall be solely responsible for providing the assistance and benefits set forth in this subsection and in applicable state and federal law.
- (1) All tenants of a property who are displaced as a direct result of the development of a NPLH Project shall be entitled to relocation benefits and assistance as provided in Title 1, Division 7, Chapter 16 of the Government Code, commencing at Section 7260, and Subchapter 1 of Chapter 6 of Title 25 of the California Code of Regulations, commencing at Section 6000.
 - (2) The Development Sponsor shall prepare a relocation plan in conformance with the provisions of California Code of Regulations, Title 25, Section 6038. For loans underwritten by the Department, the relocation plan or any other relocation documentation shall be subject to the review and approval by the Department prior to the disbursement of Program funds.
- (n) Applications must contain:
- (1) A resolution from the County Board of Supervisors to, for a minimum of 20 years, make available to the Project's NPLH tenants mental health supportive services and coordinate the provision or referral to other services as outlined in the County's supportive services plan for the Project, including but not limited to, substance use services. The County's obligations pursuant to this requirement shall begin when a Project receives its certificate of occupancy, or other evidence of Project completion for Projects already occupied.
 - (2) An initial plan for providing supportive services based on the anticipated needs of the Target Population proposed to be served by the Project. The supportive services plan must meet the requirements outlined in Section 203.
 - (3) A property management plan that:
 - A. Utilizes a low-barrier tenant selection process which prioritizes those with the highest needs for available housing;
 - B. Implements Housing First practices, consistent with the core components set forth in Welfare and Institutions Code Section 8255 (b); and
 - C. Implements policies and practices to prevent evictions and to facilitate the implementation of reasonable accommodation policies.
 - (4) If not already submitted by the County, the County's plan to combat homelessness that meets the requirements of Section 201.

NOTE: Authority cited: Sections 5849.5, 5849.7(c), Welfare and Institutions Code. Reference cited: Sections 5849.7(c), 5849.8, 5849.9, Welfare and Institutions Code.

Section 203. Supportive Services

- (a) Each application selected for funding must include a Project-specific supportive services plan developed by the County in partnership with the Project Developer, supportive service providers, and the property manager.
- (b) The property management staff and service providers must make participation in supportive services by NPLH tenants voluntary. Access to or continued occupancy in housing cannot be conditioned on participation in services or on sobriety. The supportive services plan must describe the services to be made available to NPLH tenants in a manner that is voluntary, flexible and individualized, so NPLH tenants may continue to engage with supportive services providers, even as the intensity of services needed may change. Adaptability in the level of services should support tenant engagement and housing retention.
- (c) The following supportive services shall be made available to NPLH tenants based on tenant need. Available mental health services shall be provided directly by the County. The County or Project Developer shall coordinate the provision of or referral to these services as needed by individual tenants. Except as otherwise noted below, the following services can be provided at the housing development or off-site at another location easily accessible to tenants:
 - (1) Case management;
 - (2) Peer support activities;
 - (3) Mental health care, such as assessment, crisis counseling, individual and group therapy, and peer support groups;
 - (4) Substance use services, such as treatment, relapse prevention, and peer support groups;
 - (5) Support in accessing physical health care, including access to routine and preventive health and dental care, medication management, and wellness services;
 - (6) Benefits counseling and advocacy, including assistance in accessing SSI/SSP, enrolling in Medi-Cal, and obtaining other needed services; and
 - (7) Basic housing retention skills (such as unit maintenance and upkeep, cooking, laundry, and money management).
- (d) The following supportive services are not required to be made available, but are encouraged to be part of a County's supportive service plan. These services may be provided directly by the County, or the County may coordinate the provision of or referral to these services as needed by individual tenants.
 - (1) Services for persons with co-occurring mental and physical disabilities or co-occurring mental and substance use disorders not listed above;

- (2) Recreational and social activities;
 - (3) Transportation planning and assistance for access to off-site services;
 - (4) Educational services, including assessment, GED, school enrollment, assistance accessing higher education benefits and grants, and assistance in obtaining reasonable accommodations in the education process; and
 - (5) Employment services, such as supported employment, job readiness, job skills training, job placement, and retention services, or programs promoting volunteer opportunities for those unable to work.
- (e) The following additional information shall be provided in the supportive services plan:
- (1) Description of the Target Population to be served, and identification of any additional subpopulation target or occupancy preference for the NPLH Project that the Applicant wishes to undertake beyond what is permitted under the Target Population requirements. Any additional subpopulation targeting or occupancy preference for NPLH Project must be approved by the Department prior to construction loan closing and must be consistent with federal and state fair housing requirements;
 - (2) Description of tenant outreach, engagement and retention strategies to be used;
 - (3) Description of each service to be offered, how frequently each service will be offered or provided depending on the nature of the service, who will be providing the services and the location of the services;
 - (4) Description of how the supportive services are culturally and linguistically competent, including how services will be provided to NPLH tenants who do not speak English, or have other communication barriers, and how communication among the services providers, the property manager and these tenants will be facilitated;
 - (5) Estimated itemized budget, and sources of funding for services;
 - (6) Description of how the supportive services staff and property management staff will work together to prevent evictions, to adopt and ensure compliance with harm reduction principles, and to facilitate the implementation of reasonable accommodation policies from rent-up to ongoing operations of the Project;
 - (7) General service provider and property manager communication protocols;
 - (8) Description of how the physical design of the Project fosters tenant engagement, on-site supportive services provision, safety and security, and sustainability of furnishings, equipment, and fixtures; and
 - (9) Other information needed by the Department to evaluate the supportive services to be offered consistent with the No Place Like Home Program.

- (f) Copies of draft written agreements or memoranda of understanding between the County, service providers, and the Project owner and property manager must be provided which are consistent with the information set forth in the supportive services plan.
- (g) The Department may request that any necessary updates to the supportive services plan or related documents, including fully executed written agreements, be provided prior to loan closing or prior to the beginning of the initial rent-up period.

NOTE: Authority cited: Sections 5849.5, 5849.9, Welfare and Institutions Code. Reference cited: Sections 5849.7(c), 5849.8, 5849.9, Welfare and Institutions Code.

Section 204. Application Process

- (a) Funds available through the Competitive Allocation and the Noncompetitive Allocation shall be offered through an application process, as set forth in a NOFA. The Department shall periodically issue a NOFA that specifies, among other things, the amount of funds available, application requirements, the allocation of rating points and minimum eligibility threshold point scores for applications submitted under the Competitive Allocation, the deadline for submittal of applications, and other general terms and conditions of funding commitments.
- (b) Applications shall be on forms made available by the Department.
- (c) Applications shall be evaluated for compliance with the threshold requirements set forth in Sections 201 and 202 (as applicable).
- (d) The following applies to applications submitted under the Competitive Allocation:
 - (1) If the total amount of funds requested in a County population group set forth under Section 102 exceeds the amount of funds available for that group, those applications will be scored based on the application selection criteria in Section 205.
 - (2) Within each county population group, the applications with the highest number of points shall be selected for funding, provided that all threshold and eligibility requirements are met. The Department may elect not to evaluate compliance with some or all eligibility requirements for applications that are not within the fundable range, as indicated by a preliminary point scoring.
 - (3) In the event of a tie between applications, funds will be awarded to the application with the greatest number of NPLH units restricted to Chronically Homeless. If a second tie-breaker is needed, funds will be awarded to the application with the highest overall readiness point score under Section 205 (d).
 - (4) If requesting a COSR, the Applicant must comply with the requirements in Section 210 of these Guidelines.

- (5) A city receiving funds pursuant to the Bronzan-McCorquodale programs under Welfare and Institutions Code Section 5701.5 shall not be funded for more than one Project per funding round within the Competitive Allocation unless that Project is being submitted by the County in which that city is located within the County's own population group.
- (6) The Department reserves the right to do the following:
 - (A) Score an application as submitted in the event that information is missing from the application;
 - (B) Request clarification of unclear or ambiguous statements made in an application and other supporting documents where doing so will not impact the competitive scoring of the application;
 - (C) If the total funds requested for a county population group is less than the amount made available in the NOFA, request missing information necessary to fund an application.
- (e) Applications selected for funding shall be approved at amounts, terms, and conditions specified by the Guidelines and NOFA. For each Project selected for funding, the Department shall issue an award letter.

NOTE: Authority cited: Sections 5849.5, 5849.9, Welfare and Institutions Code. Reference cited: Sections 5849.7(c), 5849.8, 5849.9, Welfare and Institutions Code.

Section 205. Competitive Allocation Application Rating Criteria

Applications submitted within a competitive funding round shall be evaluated using the following criteria. Total available points shall equal 200.

(a) Percentage of Total Project Units Restricted to the Target Population – 70 points maximum

- (1) Projects will receive up to a maximum of 30 points in five point increments for up to 30 percent of their total Project units restricted to the Target Population as NPLH units.

Percentage of Projects Units that are NPLH Units	Point Score
5 -10 percent	5
10.1-15 percent	10
15.1 - 20 percent	15
20.1 - 25 percent	20
25.1-29 percent	25
30 percent and above	30

- (2) Projects will receive 40 points if the Applicant commits to do either of the following for the term of the Department's loan:
 - A. Commit to use a Coordinated Entry System (CES) to fill all of the NPLH Assisted Units based on use of a standardized assessment tool which prioritizes those with the highest need for Permanent Supportive Housing and the most barriers to housing retention.
 - B. If a separate alternate system must be used to refer persons At-Risk of Chronic Homelessness, a minimum of 40 percent of the NPLH Assisted Units must be reserved for persons who qualify as Chronically Homeless and a maximum of 30 percent of the NPLH Assisted Units may be reserved for persons who are At-Risk of Chronic Homelessness. All referrals must be based on a prioritization of those with the highest need for Permanent Supportive Housing, and the most barriers to housing retention.

(b) Leverage of Development Funding –30 points maximum

Applications will be scored based on the ratio of permanent development funding attributable to NPLH Assisted Units to the requested Program loan amount, up to a maximum of 30 points.

- (1) Deferred developer fees and funds deposited in a reserve to defray operating deficits will not be counted in this computation.
- (2) Funds from the NPLH Noncompetitive Allocation dedicated to the proposed Project will be counted.
- (3) Land donations will be counted, where the value is established by a current appraisal. In order for the donation to be counted, if a lease payment is required, it must be nominal; for example, no more than one dollar per year. Any appraisal required by the Department shall be prepared at the Sponsor's expense by an individual or firm which: (A) has the appropriate license and the knowledge and experience necessary to competently appraise low-income residential rental property; (B) is aware of, understands, and correctly employs those recognized methods and techniques that are necessary to produce a credible appraisal; (C) in reporting the results of the appraisal, communicates each analysis, opinion and conclusion in a manner that is not misleading as to the true value and condition of the property; and; (D) is an independent third party having no identity of interest with the Sponsor, the partners of the Sponsor, the intended partners of the Sponsor, or with the general contractor.
- (4) For Projects utilizing nine percent competitive low-income housing tax credits, 0.12 points will be awarded for each full five-percentage point increment above 50 percent. For example, an application proposing other funds equal to 100 percent of Program funds, will receive 12 points. An application where other funds equal 250 percent of Program funds will receive 30 points.
- (5) For other Projects, approximately 0.2 points will be awarded for each five-percentage point increment above 25 percent. For example, an application

proposing other funds equal to 100 percent of Program funds will receive 20 points, and an application where other funds equal 150 percent of Program funds will receive 30 points.

(c) Leverage of Rental or Operating Subsidies– 35 points maximum

Applications will be scored based on the percentage of NPLH Assisted Units that have committed non-HCD Project-based or sponsor-based rental subsidies or other non-HCD operating assistance; 1.75 points will be awarded for each five-percentage increment of committed assistance up to a maximum of 35 points.

The assistance will be deemed committed if it has been allocated to the Project or sponsor subject to HUD or other allocating agency approval, or if the Department approves other evidence that the assistance will reliably be available.

- (1) Rental assistance must be substantially similar in terms to Project-based or sponsor-based housing choice vouchers, including but not limited to Section 8 housing choice vouchers, VASH vouchers, Family Unification Program vouchers, Continuum of Care Supportive Housing (previously known as Shelter Plus Care) rental subsidy. Project-based assistance must ensure that the tenant pays no more than 30% of their income in rent.
- (2) Other long-term local commitments will also count toward this rating factor, including but not limited to contributions made to any supplemental capitalized operating subsidy reserve established to address projected operating deficits attributable to the NPLH Assisted Units.

(d) Readiness to Proceed – 40 points maximum

Ten points will be awarded for each of the following categories as documented in the application. Any application demonstrating that a particular category is not applicable to Project readiness for the subject Project shall be awarded points in that category.

- (1) Obtaining enforceable commitments for all needed construction financing, not including tax-exempt bonds, and low-income housing tax credits. To receive credit for funds from other Department programs, these funds must be awarded prior to finalizing the preliminary point scoring of the NPLH application;
- (2) Obtaining enforceable commitments for all deferred-payment permanent financing, grants and subsidies, in accordance with TCAC requirements and with the same exceptions as allowed by TCAC. To receive credit for deferred payment financing, grant funds and subsidies from other Department programs, these funds must be awarded prior to finalizing the preliminary point scoring of the NPLH application;
- (3) Completion of all necessary environmental clearances, (California Environmental Quality Act and National Environmental Policy Act), and completion of a Phase I Environmental Site Assessment and Phase II environmental studies, if necessary;

- (4) Obtaining all necessary and discretionary public land use approvals except building permits and other ministerial approvals, and obtaining local design review approval to the extent such approval is required.

(e) Extent of On-Site and Off-Site Supportive Services – 20 points maximum

Points will be awarded in each of the following categories as indicated below based on information provided in the Supportive Services Plan as set forth under Section 203.

- (1) On-site case management services (5 points);
- (2) Implementing evidence-based practices to engage and assist tenants in addressing behaviors that could lead to eviction, such as critical time intervention, trauma-Informed care, motivational interviewing, assertive community treatment, cognitive-behavioral therapy, or other practices recognized as evidence-based by the federal Substance Abuse and Mental Health Services Administration (SAMHSA), the California Department of Health Care Services (DHCS), or HUD. One point will be awarded for each evidence-based practice to be implemented, for a total of up to five points.
- (3) Offering services listed under Section 203 (d). Two points will be awarded for each category of services listed under Section 203 (d), for a total of up to eight points.
- (4) Resident involvement, such as strategies to engage tenants in community building and services planning and operations, and tenant satisfaction surveys to inform and improve services provision, building operations, and property management (2 points).

(f) Past History of Evidence Based Practices – 5 points maximum

Up to five points will be awarded to Projects where the County, developer, lead service provider, or property manager can document past experience with implementing evidence-based best practices that have led to a reduction of the number of Chronic Homeless or At Risk of Chronic Homelessness individuals within the Target Population. Similar experience with evidence-based practices for other special needs populations can also be included if this experience can be shown to be relevant to serving the Target Population. Examples of evidence-based practices include, but are not limited to:

- (1) Use of a critical time Intervention or assertive community treatment model,
- (2) Cognitive behavioral therapy,
- (3) Trauma-informed care,
- (4) Motivational interviewing and other tools to encourage engagement in services, and
- (5) Other practices recognized as evidence-based by SAMHSA, DHCS, or HUD.

(g) Bronzan-McCorquodale – 5 points maximum

Projects located in cities that are receiving funds pursuant to the Bronzan-McCorquodale programs under Welfare and Institutions Code Section 5701.5 may receive five additional points if the application was submitted through the County in which that city resides rather than by the city within its population group under Section 102.

NOTE: Authority cited: Section 5849.5, Welfare and Institutions Code. Reference cited: Sections 5849.7(c), 5849.8, Welfare and Institutions Code.

Section 206. Occupancy and Income Requirements

- (a) Total household income at time of move-in shall not exceed the 30 percent Area Median Income limit as published by the Department.
- (b) The Development Sponsor shall maintain documentation of tenant eligibility in all the following ways, as applicable:
 - (1) Documentation of a Serious Mental Disorder or of a Seriously Emotionally Disturbed Child or Adolescent must be done by a qualified mental health worker in accordance with the requirements of Welfare and Institutions Code Section 5600.3.
 - (2) Documentation of a person's status as Chronically Homeless, Homeless, or At-Risk of Chronic Homelessness as defined under these Guidelines must be done in accordance with procedures established through the local Coordinated Entry System or other procedures established by the County for determining whether a person qualifies as Chronically Homeless, At-Risk of Chronic Homelessness, or Homeless. Acceptable procedures are those in which use of relevant third-party documentation establishes compliance with the applicable definition in Section 101.
 - (3) In no event shall a person be required to be a client of the County behavioral health department or a recipient of mental health or other services in order to qualify for or remain in an Assisted Unit.
- (c) Occupancy requirements shall apply for the full term of the Program loan.

NOTE: Authority cited: Sections 5849.5, 5849.7(c), 5849.9, Welfare and Institutions Code. Reference cited: Sections 5849.8, 5849.9, Welfare and Institutions Code.

Section 207. Rent Limits

- (a) All Assisted Units shall be restricted to 30 percent of AMI or below as specified in the Project NPLH regulatory agreement.
- (b) If at the time of recertification, a NPLH household's income exceeds the income limit designated for the household's unit, but does not exceed 30 percent of AMI, the Sponsor may increase the household's Rent to an amount not exceeding the Rent limit applicable to the household's income level at the time of recertification. For purposes of this subsection, income levels shall consist of five percent increments of AMI.

- (c) The minimum amount of the transition reserve for renewable Project-based rental assistance described in subdivision 25 CCR Section 7312(f) shall be the amount sufficient to prevent rent increases for one year following the loss of the rental assistance. The minimum amount of the transition reserve for non-renewable Project-based rental assistance or operating subsidies shall be the amount sufficient to prevent rent increases for two years following the loss of the rental assistance.

NOTE: Authority cited: Sections 5849.5, 5849.7(c), 5849.9, Welfare and Institutions Code. Reference cited: Sections 5849.8, 5849.9, Welfare and Institutions Code.

Section 208. Underwriting Standards

- (a) In analyzing Project feasibility, the Department shall follow the underwriting requirements of its Uniform Multifamily Regulations (UMRs) as follows:
 - (1) 25 CCR Section 8308, (Operating Reserves),
 - (2) 25 CCR Section 8309, (Replacement Reserves),
 - (3) 25 CCR Section 8310 (Underwriting Standards),
 - (4) 25 CCR Section 8311 (Limits on Development Costs),
 - (5) 25 CCR Section 8312 (Developer Fee),
 - (6) 25 CCR Section 8314 (Use of Operating Cash Flow), and
 - (7) 25 CCR Section 8315 (Subordination Policy).
- (b) Notwithstanding the above, residential vacancy rates for NPLH Assisted Units shall be assumed to be 7 percent, unless a lower figure is required by another funding source (including TCAC) or is supported by compelling market evidence.
- (c) In addition to the operating reserve required by 25 CCR 8308, a Sponsor may establish a Capitalized Operating Subsidy Reserve (COSR) for the Assisted Units meeting the requirements of Section 209.

NOTE: Authority cited: Sections 5849.5, 5849.9, Welfare and Institutions Code. Reference cited: Sections 5849.7(c), 5849.8, 5849.9, Welfare and Institutions Code.

Section 209. Capitalized Operating Subsidy Reserve

- (a) For Projects receiving 9 percent low-income housing tax credits, not more than 100 percent of the total per unit amount for capital determined pursuant to Section 200 (h) may be provided per unit for a COSR to address Project operating deficits attributable to the NPLH Assisted Units.

- (b) For Projects not receiving 9 percent low-income housing tax credits, not more than \$175,000 per unit may be provided for a COSR to address Project operating deficits attributable to the NPLH Assisted Units. Beginning January 2018, this amount may be adjusted annually based upon increases in the Consumer Price Index.
- (c) In order to be eligible to receive a COSR, the Applicant must first demonstrate, and the Department must verify prior to issuing an award letter for the Project, that the Applicant or its development partners have tried to secure other Project-based rental or operating assistance to support the NPLH assisted units at 30 percent of AMI or below, in lieu of providing COSR assistance to that unit.
- (d) The COSR shall be sized to cover anticipated operating deficits attributable to the NPLH Assisted Units for a minimum of 20 years. The total amount of a Project COSR will be determined based upon the individual Project underwriting performed by the Department pursuant to the requirements of these Guidelines.
- (e) The following additional assumptions will be used for the purpose of establishing the total amount of a Project COSR:
 - (1) In Projects of greater than 20 units, NPLH will assist no more than 49 percent of total Project units;
 - (2) The vacancy rate for the NPLH Assisted Units shall be 7 percent;
 - (3) Thirty percent of the NPLH Assisted Units shall be receiving Project-based rental or operating subsidy sufficient to cover the operating costs for those units; and
 - (4) Forty percent of the NPLH assisted households shall have one household member who will be receiving income from Supplemental Security Income/State Supplementary Payments (SSI/SSP) within 36 months of initial occupancy.
- (f) The Department shall hold all Project COSR in a subaccount under the No Place Like Home Fund established pursuant to Welfare and Institutions Code Section 4849.4.
- (g) The Department will make an annual disbursement to the Project from the COSR subaccount based on the results of an independent bifurcated audit for the Project prepared by a certified public accountant for the prior operating year. The bifurcated audit must distinguish actual annual income and expenses for the NPLH Assisted Units and the other Project units in order to determine the amount of any operating deficit specifically attributable to the NPLH Assisted Units. In the first year of the Department's loan, the Department may base the amount of the COSR payment on the Department's most recent underwriting of the Project.
- (h) Notwithstanding the above, in order to sustain the availability of the COSR for a minimum of 20 years, distributions from the COSR shall be subject to the following.
 - (1) The Department may not disburse more than five percent of the total COSR award made to a Project per year, except that in any given year where the operating deficit attributable to the NPLH Assisted-Units exceeds this amount, the Department may,

in its sole discretion, increase the disbursement to up to 10 percent of the total COSR award.

- (2) Asset Management and partnership management fees and deferred developer fees shall only be paid in accordance with the requirements of Subsection (j).
- (i) If, after review of the Project's annual bifurcated audit, the Department finds that the Project did not need as much from the COSR as it received for that year, the Department may:
- (1) Provide less in COSR payments in a subsequent year to make up the difference between what the Project received and the actual amount of the operating deficit attributable to the NPLH Assisted Units;
 - (2) Require the Project to return to the Department the amount provided that was in excess of the amount of the operating deficit attributable to the NPLH Assisted Units. These funds shall be returned to the Project's COSR subaccount.
- (j) Operating expenses that are not eligible to be paid from the COSR include:
- (1) Costs associated with non-NPLH units;
 - (2) Any loan payments; however, the Department's 0.42 percent annual monitoring fee may be paid from the COSR;
 - (3) Ground lease payments;
 - (4) Sponsor distributions;
 - (5) Developer fees not paid in accordance with the requirements of subparagraph (6) below;
 - (6) Asset management fees, partnership management fees and deferred developer fees attributable to the NPLH Assisted Units that can be paid for out of cash flow from the non-NPLH units. Asset management fees, partnership management fees and deferred developer fees attributable to the NPLH Assisted Units that cannot be paid for out of cash flow from the non-NPLH units can only be paid out of the COSR if all other eligible Operating Expenses have been paid and the total amount of the COSR payment for that year does not exceed five percent of the total COSR award;
 - (7) Deposits to reserves beyond those required by HCD under the UMRs, including reserves required by other Project financing sources;
 - (8) Vacancy loss beyond three months for a tenant who has left the unit; and
 - (9) Supportive services costs not permitted as part of the Project budget under the UMRs.

- (k) Any funds remaining in the COSR after Year 20 shall continue to be disbursed by the Department to the Project in accordance with the requirements of this Section.

NOTE: Authority cited: Section 5849.5, Welfare and Institutions Code. Reference cited: Sections 5849.4, 5849.7(c), 5849.8, 5849.9, Welfare and Institutions Code.

Section 210. Operating Budgets

The Sponsor shall submit proposed operating budgets to the Department prior to permanent loan closing, and annually thereafter. These budgets shall be subject to Department written approval, and shall comply with the requirements in 25 CCR Section 7326.

NOTE: Authority cited: Section 5849.5, Welfare and Institutions Code. Reference cited: Sections 5849.8, 5849.9, Welfare and Institutions Code.

Section 211. Tenant Selection

Tenants shall be selected through use of a Coordinated Entry System (CES) or other similar system for those At-Risk of Chronic Homelessness in accordance with the provisions of 25 CCR Section 8305 and in compliance with Housing First requirements consistent with the core components set forth in Welfare and Institutions Code Division 8 Chapter 6.5 Section 8255 subsection (b), and basic tenant protections established under federal, state, and local law.

- (a) Reasonable selection criteria, as referred to in 25 CCR Section 8305(a)(1), shall include priority status under a local CES developed pursuant to 24 CFR 578.7(a)(8).
- (b) If the Coordinated Entry System existing in the County cannot refer persons At-Risk of Chronic Homelessness, the alternate system used must prioritize those with the greatest needs among this group for referral to available NPLH housing.
- (c) Sponsors shall accept tenants regardless of sobriety, participation in services or treatment, history of incarceration, credit, or history of eviction.
- (d) The requirements of 25 CCR 8205 (a)(4)(A) and 25 CCR 8205 (a)(4)(D) shall be implemented as approved by the Department in a manner that is consistent with the requirements of the CES.

NOTE: Authority cited: Section 5849.5, Welfare and Institutions Code. Reference cited: Sections 5849.8, 5849.9, Welfare and Institutions Code.

Section 212. Rental Agreements and Grievance Procedures

Rental or occupancy agreements for Assisted Units shall comply with 25 CCR Section 8307. Tenants shall not be required to maintain sobriety, be tested for substances, or participate in services or treatment.

NOTE: Authority cited: Section 5849.5, Welfare and Institutions Code. Reference cited: Sections 5849.8, 5849.9, Welfare and Institutions Code.

Section 213. Other Requirements

- (a) Labor Code Section 1720 et seq. requires payment of prevailing wages for certain developments paid for in whole or in part from any public funding source, and exempts other developments from this requirement. All funds provided under this Program are public funds within the meaning of these Labor Code sections. Program funding of a portion of a Project shall not necessarily, in and of itself, be considered public funding of the entire Project. Each Applicant shall be responsible for determining on a case-by-case basis the extent of applicability of State prevailing wage law to its individual Project. If applicable, prior to the close of the Program loan, the Development Sponsor shall provide to the Department a certification that prevailing wages have been paid or will be paid, and that the records shall be available consistent with the requirements of this subsection.
- (b) Projects must meet the accessibility requirements specified in the TCAC regulations, as may be amended and renumbered from time to time, including those of Section 10325(f)(7)(M) and, for senior projects, those of Section 10325(g)(2)(B) and (C). Exemption requests, as provided for in the TCAC regulations, must be approved in writing by the Department prior to the start of construction. Projects must also provide a preference for accessible units to persons with disabilities requiring the features of the accessible units in accordance with Section 10337(b)(2) of the TCAC regulations. Projects must also ensure that any other applicable federal, state, and local accessibility requirements are met.

NOTE: Authority cited: Section 5849.5, Welfare and Institutions Code. Reference cited: Sections 5849.8, 5849.9, Welfare and Institutions Code.

Section 214. Reporting

- (a) Not later than 90 days after the end of each Project's fiscal year, the Sponsor shall submit an independent audit of the development prepared by a certified public accountant and in accordance with the Department's current audit requirements.
- (b) For all Assisted Units in loans underwritten by the Department, Sponsors will be required to submit annual compliance reports similar to reports annually submitted to the Department under 40025 CCR 7300 et.seq.
- (c) On an annual basis, the County shall submit the data listed in paragraph (e) below for each of its NPLH Assisted Units. The County shall work with each Project's property manager and lead service provider to gather this data. The data may be gathered from the local Homeless Management Information System (HMIS) but is not required to be gathered from HMIS.
- (d) The data shall be submitted in electronic format on a form provided by the Department. The County and the property manager and lead service provider, shall work together to resolve any data quality concerns to the best of their ability prior to submission of the data to the Department.

- (e) The data below shall be submitted to the Department no later than September 30th of each year for the previous state fiscal year of activity (July 1st-June 30th) and shall include all the following information:
- (1) Project location, services, and amenities;
 - (2) Number of NPLH-Assisted Units, total units assisted by other housing programs, and total non-assisted units;
 - (3) Project occupancy restrictions;
 - (4) Number of individuals and households served,
 - (5) Homeless, veteran, and mental health status; and
 - (6) Average Project vacancy rate during the reporting period (12-month average).

For NPLH units only:

- (7) Average vacancy rate of NPLH units during the reporting period (12-month average);
- (8) Head of Household gender, race, ethnicity, age;
- (9) Income levels of NPLH tenants as a percentage of AMI, (i.e., 10 percent of AMI, 15 percent of AMI, 20percent of AMI, etc.);
- (10) The percentage of NPLH tenants who have lived in the building: less than 12 months, 12-24 months, and longer than 24 months;
- (11) The number of tenants who moved into an NPLH unit during the reporting period who, prior to Project entry, experienced the following: they were (A) Chronically Homeless, (B) Homeless, or (C) At-Risk of Chronic Homelessness, as defined under Section 101 of these Guidelines.
- (12) The number of tenants who served on active duty in the armed forces of the United States (for tenants over age 18),
- (13) The number of tenants who continue to have a “Serious Mental Disorder” or the number who are “Seriously Emotionally Disturbed Children or Adolescents” as defined in Welfare and Institutions Code Section 5600.3;
- (14) Of those who moved in during the reporting period, the number of tenants who were referred from:
 - (A) CES and/or;
 - (B) The County behavioral health department or a service provider acting on their behalf,

- (C) A Department of Developmental Services Regional Center, or
 - (D) Another source.
- (15) Of those who moved in during the reporting period, the length of time prior to moving in that they reported they were:
- (A) On the streets (including a vehicle or other place not meant for human habitation), or
 - (B) In an emergency shelter, safe haven, or interim housing.
- (16) Of those who moved in during the reporting period, and to the extent the information was available prior to referral to the Project, the number of tenants who had:
- (A) A physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post-traumatic stress disorder, or brain injury that:
 - (i) Is expected to be long-continuing or of indefinite duration;
 - (ii) Substantially impedes the individual's ability to live independently; and
 - (iii) Could be improved by the provision of more suitable housing conditions.
 - (B) A developmental disability, as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002); or
 - (C) The disease of acquired immunodeficiency syndrome (AIDS) or any condition arising from the etiologic agency for acquired immunodeficiency syndrome (HIV).
- (17) For tenants who exited NPLH units during the reporting period—
- (A) The number of tenants who exited during the reporting period to:
 - (i) other permanent housing,
 - (ii) the street, emergency shelter, transitional housing, or safe haven, and
 - (iii) an institutional destination, and the specific institutional destination, if known (including, but not limited to hospitalization or psychiatric hospitalization, residential substance use treatment facility, skilled nursing facility, or jail or prison).
- (18) The number of tenants who died during the reporting period.
- (19) For tenants who leased or remained in NPLH units during the reporting period:

- (A) Changes in employment income during the reporting period;
 - (B) Changes in non-employment cash income during the reporting period,
 - (C) Changes in total cash income during the reporting period,
- (f) Notwithstanding the requirements of paragraph (c), the Department may modify the data collected over time to conform to changes in the specific data metrics required by HUD through CES, or required by another state or federal agency.
- (g) If readily available, Counties may also provide aggregated data on: (1) emergency room visits for NPLH tenants before and after move in; (2) average number of hospital and psychiatric facility admissions and in-patient days before and after move-in; and (3) number of arrests and returns to jail or prison before and after move-in.
- (h) Data collected annually pursuant to subsections (c) through (g) will be compiled by the Department and made available on the Department's website.

NOTE: Authority cited: Section 5849.5, Welfare and Institutions Code. Reference cited: Sections 5849.8, 5849.9, 5849.11, Welfare and Institutions Code.

Section 215. Legal Documents

- (a) Upon the award of Program funds to a Project, the Department shall enter into one or more agreements with the Applicant(s), which may include a conditional commitment letter and a Standard Agreement issued by the Department committing monies from the No Place Like Home Fund in an amount sufficient to fund the approved loan amount. The agreement or agreements shall contain the following:
- (1) A description of the approved Project and the permitted uses of Program funds;
 - (2) The amount and terms of the loan;
 - (3) The regulatory restrictions to be applied to the Project through the Regulatory Agreement;
 - (4) Provisions governing the construction work and, as applicable, the acquisition of the Project site, and the disbursement of loan proceeds;
 - (5) Special conditions imposed as part of Department approval of the Project;
 - (6) Requirements for the execution and recordation of the agreements and documents required under the Program;
 - (7) Terms and conditions required by federal or state law;

- (8) Requirements regarding the establishment of escrow accounts for the deposit of documents and disbursement of loan proceeds;
 - (9) The approved schedule for the Project, including land acquisition if any, commencement and completion of construction or Rehabilitation work, and occupancy by Eligible Households;
 - (10) The approved Project development budget and sources and uses of funds and financing;
 - (11) Requirements for reporting to the Department;
 - (12) Terms and conditions for the inspection and monitoring of the Project in order to verify compliance with the requirements of the Program;
 - (13) Provisions regarding tenant relocation;
 - (14) Provisions regarding compliance with Article XXXIV Section 1 of the California Constitution, as clarified by Public Housing Election Implementation Law (H&S Code Section 3700 et seq.);
 - (15) Provisions relating to the erection and placement on or in the vicinity of the Project site a sign indicating that the Department has provided financing for the Project. The Department may also arrange for publicity of the Program loan in its sole discretion; and
 - (16) Other provisions necessary to ensure compliance with the requirements of the NPLH Program.
- (b) The Department shall enter into a Regulatory Agreement with the County Applicant or a separate Development Sponsor for not less than the original term of the loan that shall be recorded against the Rental Housing Development prior to the disbursement of funds. The Regulatory Agreement shall include, but not be limited to, the following:
- (1) The number, type and income level of Assisted Units pursuant to Sections 206, 207, and 208;
 - (2) Standards for tenant selection pursuant to Section 211;
 - (3) Provisions regulating the terms of the rental agreement pursuant to Section 212;
 - (4) Provisions related to an annual operating budget approved by the Department pursuant to Section 210;
 - (5) Provisions related to a management plan pursuant to Sections 202 and 217;
 - (6) Provisions related to a Rent schedule, including initial Rent levels for Assisted Units and non-Assisted Units pursuant to Section 207;

- (7) Conditions and procedures for permitting Rent increases pursuant to Section 207;
 - (8) Provisions for limitations on Distributions pursuant to Section 208 and Section 209;
 - (9) Provisions related to annual reports, inspections, independent audits and related reports;
 - (10) Provisions regarding the deposit and withdrawal of funds to and from reserve accounts;
 - (11) Assurances that the Rental Housing Development will be maintained in a safe and sanitary condition in compliance with state and local housing codes pursuant to Section 202;
 - (12) Description of the conditions constituting breach of the Regulatory Agreement and remedies available to the parties thereto;
 - (13) Special conditions of loan approval imposed by the Department;
 - (14) Provisions specifying that the Regulatory Agreement shall be binding on all assigns and successors in interest of the Sponsor and that all sales, transfers, and encumbrances shall be subject to Section 216; and
 - (15) Other provisions necessary to assure compliance with the requirements of the NPLH Program.
- (c) All loans shall be evidenced by a promissory note payable to the Department in the principal amount of the loan and stating the terms of the loan consistent with the requirements of the Program. The note shall be secured by a deed of trust on the Project property naming the Department as beneficiary or by other security acceptable to the Department. This deed of trust or other security shall be recorded junior only to such liens, encumbrances and other matters of record approved by the Department and shall secure the Department's financial interest in the Project and the performance of the Applicant's Program obligations.

NOTE: Authority cited: Section 5849.5, 5849.9, Welfare and Institutions Code. Reference cited: Sections 5849.7, 5849.8, 5849.9, Welfare and Institutions Code.

Section 216. Sales, Transfers, and Encumbrances

- (a) A Sponsor shall not sell, assign, transfer, or convey the Rental Housing Development, or any interest therein or portion thereof, without the express prior written approval of the Department. A sale, transfer or conveyance shall be approved only if all of the following requirements are met:
 - (1) The existing Sponsor is in compliance with the NPLH regulatory agreement, or the sale, transfer or conveyance will result in the cure of any existing violations;
 - (2) The successor-in-interest to the Sponsor agrees to assume all obligations of the

existing Sponsor pursuant to the NPLH regulatory agreement and the Program;

- (3) The successor-in-interest is an eligible Sponsor and demonstrates to the Department's satisfaction that it can successfully own and operate the Rental Housing Development and comply with all Program requirements; and
 - (4) No terms of the sale, transfer, or conveyance jeopardize or reduce either the Department's security or the successor's ability to comply with all Program requirements including but not limited to retaining Department approved reserve account balances.
- (b) If the Sponsor or its successor-in-interest is a partnership, the Sponsor shall not discharge or replace any general partner or amend, modify or add to its partnership agreement, or cause or permit the general partner to amend, modify or add to the organizational documents of the general partner, without the prior written approval of the Department. The Sponsor may transfer the limited partnership interests without the prior written approval of the Department.
- (c) The Department shall grant its approval of a sale, assignment, transfer, or conveyance subject to such terms and conditions as may be necessary to preserve or establish the Fiscal Integrity of the Project. Such conditions may include:
- (1) The deposit of sales proceeds, or a portion thereof, to maintain required reserves, or to offset negative cash flow;
 - (2) The recapture of syndication proceeds or other funds in accordance with special conditions included in any agreement executed by the Sponsor; or
 - (3) Such conditions as may be necessary to ensure compliance with the Program requirements.
- (d) The Sponsor shall not encumber, pledge, or hypothecate the Rental Housing Development, or any interest therein or portion thereof, or allow any lien, charge, or assessment against the Rental Housing Development without the prior written approval of the Department. The Department may permit refinancing of existing liens or additional financing secured by the Rental Housing Development to the extent necessary to maintain or improve the Fiscal Integrity of the Project, to maintain affordable Rents, to decrease Rents for the Target Population, or to fund Department approved improvements to the Project.

NOTE: Authority cited: Sections 5849.5, 5849.9 Welfare and Institutions Code. Reference cited: 5849.8, 5849.9, Welfare and Institutions Code.

Section 217. Management and Maintenance

- (a) The Sponsor shall be responsible for all management functions of the Rental Housing Development including selection of the tenants, annual recertification of household income and size, evictions, and collection of Rent.
- (b) The Sponsor shall be responsible for all repair and maintenance functions of the Rental

Housing Development, including ordinary maintenance and replacement of capital items. The Sponsor shall ensure maintenance of residential units, commercial space and common areas in accordance with local health, building, and housing codes, and the management plan.

- (c) The Sponsor shall ensure that the Rental Housing Development is managed by an entity approved by the Department that is actively in the business of managing permanent supportive housing. Any management contract entered into for this purpose shall be subject to Department approval and contain a provision allowing the Sponsor to terminate the contract upon 30-days' notice. The Sponsor shall terminate said contract as directed by the Department upon determination that management does not comply with Program requirements.

- (d) The Sponsor shall develop a management plan subject to Department written approval prior to loan closing. Any change to the plan shall be subject to the written approval of the Department. The plan shall be consistent with Program requirements and shall include the following:
 - (1) The role and responsibility of the Sponsor and its delegation of authority, if any, to the managing agent;
 - (2) Personnel policy and staffing arrangements, including ongoing training of staff in best practices for serving the Target Population;
 - (3) Plans and procedures for publicizing and achieving early and continued occupancy;
 - (4) Procedures for determining tenant eligibility and selecting tenants and for certifying and annually recertifying household status, income and size;
 - (5) Plans for carrying out an effective maintenance and repair program;
 - (6) Rent collection policies and procedures;
 - (7) A program for maintaining adequate accounting records and handling necessary forms and vouchers;
 - (8) Plans for enhancing tenant-management relations;
 - (9) The management agreement, if any;
 - (10) Provisions for periodic update of the management plan;
 - (11) Appeal and grievance procedures;
 - (12) Plans for collections for tenant-caused damages and preventing, and if necessary, processing evictions and terminations; and
 - (13) Description of how service staff and property management staff will work together to

prevent evictions and to facilitate the implementation of reasonable accommodation policies;

- (14) Provisions for meeting all reporting requirements of this Program; and
- (15) Provisions for addressing tenant exits; for example, placement in other permanent housing, referrals to other housing, as required by this Program;
- (16) Other provisions necessary to assure compliance with the requirements of the NPLH program.

NOTE: Authority cited: Sections 5849.5, 5849.9 Welfare and Institutions Code. Reference cited: Sections 5849.8, 5849.9, Welfare and Institutions Code.

Section 218. Defaults and Loan Cancellations

- (a) In the event of a breach or violation by the Sponsor of any of the provisions of the NPLH Program Documents:
 - (1) The Department may accelerate all amounts, including outstanding principal and interest, due under the loan and demand immediate repayment thereof. Upon a failure to repay such accelerated amounts in full, the Department may proceed with a foreclosure in accordance with the provisions of the deed of trust and State law regarding foreclosures.
 - (2) The Department may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to operate the Rental Housing Development in accordance with Program requirements.
 - (3) The Department may seek such other remedies as may be available under the relevant agreement or any law.
 - (4) If the breach or violation involves charging tenants Rent or other charges in excess of those permitted under the regulatory agreement, the Department may demand the return of such excess Rents or other charges to the respective households. In any action to enforce the provisions of the regulatory agreement, the Department may seek, as an additional remedy, the repayment of such overcharges.
- (b) The Department may cancel loan awards prior to funding under any of the following conditions:
 - (1) The objectives and requirements of the Program cannot be met;
 - (2) Implementation of the Project cannot proceed in a timely fashion in accordance with the approved plans and schedules;
 - (3) Special conditions have not been fulfilled within required time periods; or

- (4) There has been a material change, not approved by the Department in writing, in the principals or management of the Sponsor or Project.
 - (5) The Department, in writing and upon demonstration by the Sponsor of good cause, may extend the date for compliance with any of the conditions in this Subsection.
- (c) Upon receipt of a written notice from the Department of intent to cancel the loan, the Sponsor shall have the right to appeal to the Director. The Department may use any funds available to it to cure or avoid a Sponsor's default on the terms of any loan or other obligation that jeopardizes the fiscal integrity of a Project or the Department's security in the Project. Such defaults may include defaults or impending defaults in payments on mortgages, failures to pay taxes, or failures to maintain insurance or required reserves. The payment or advance of funds by the Department pursuant to this Subsection shall be solely within the discretion of the Department and no Sponsor shall be entitled to or have any right to payment of these funds. All funds advanced pursuant to this Subsection shall be part of the Program loan and, upon demand, due and payable to the Department. Where it becomes necessary to use state funds to assist a Project to avoid threatened defaults or foreclosures, the Department shall take those actions necessary, including, but not limited to, foreclosure or forced sale of the Project property, to prevent further, similar occurrences and ensure compliance with the terms of the applicable agreements.

NOTE: Authority cited: Sections 5849.5, 5849.9 Welfare and Institutions Code. Reference cited: Sections 5849.8, 5849.9, Welfare and Institutions Code.

ARTICLE III. ALTERNATIVE PROCESS ALLOCATION

Section 300. Alternative Process County Designation

To be designated as an Alternative Process County by the Department, the following requirements must be satisfied at least 30 days prior to issuance of the Department's initial NOFA in a given calendar year in which the Department determines allocation amounts pursuant to Section 102 (e) utilizing the most recent Point in Time Count of sheltered and unsheltered homeless persons as published by HUD. The Department shall solicit information related to qualifications to become an Alternative Process County no later than 90 days prior to issuance of the NOFA. These requirements must be satisfied once every two years concurrent with running the formula allocation under Section 102, unless the Alternative Process County designation has been revoked or relinquished.

- (a) The County's most recent Homeless Point-in-Time Count of sheltered and unsheltered homeless persons as published by HUD must equal at least five percent of the State's total homeless population;
- (b) The County or its subcontractor must have demonstrated ability to finance permanent supportive housing, and monitor Program requirements for the required period of affordability as evidenced by documentation of all of the following:
 - (1) Administration of at least one local or federally funded affordable housing program in the past five years that funded a minimum of four multifamily rental Project loans per year, including at least one loan per year for Permanent Supportive Housing.

- (2) A description of its proposed method of distributing NPLH funds that meets the requirements outlined in Section 301 and includes an estimate of how frequently awards will be made. At a minimum, awards shall be made on an annual basis until all funds available to the County have been committed.
 - (3) A description of the underwriting standards, financial management systems, reporting, and long-term monitoring systems currently in place that will be utilized in administering NPLH funds in compliance with these Guidelines and other Program requirements. This shall include standards for determining the amount of any COSR to be provided to a Project in accordance with the requirements of Section 305.
- (c) The County or its subcontractor must have a past history of committing project based vouchers to Permanent Supportive Housing as evidenced by a list of projects along with the number of project-based vouchers or locally-funded rental assistance programs that the County public housing authority or its city public housing authorities or other local departments have committed to homeless and other special needs populations in Permanent Supportive Housing in the last two years.
 - (d) Past performance delivering supportive services to the Target Population in housing as evidenced by a list of projects where the County or subcontractor is currently providing or coordinating the provision of supportive services to the Target Population. Along with this list, the County must include a description of the types of services offered, the financing sources for those services, and whether those services are provided on-site or off-site for the listed projects.
 - (e) Evidence of an operational CES, including a description of how the CES will prioritize the most vulnerable within the Target population for available NPLH units. The CES must be able to comply with these requirements by the time the Department designates the County as an Alternative Process County.
 - (f) If existing CES systems are not equipped to assess the needs of, provide housing navigation services to, or locate supportive housing for persons At-Risk of Chronic Homelessness, the County must also describe what alternate system it will put in place to ensure that the most vulnerable persons among this group will be prioritized for available housing. This system must be in place prior to rent-up of the County's first NPLH Assisted Project.
 - (g) The County must commit to provide mental health services, and to coordinate the provision of or referral to other supportive services, including but not limited to substance use treatment services, to NPLH tenants for a minimum of 20 years. The County's obligations pursuant to this requirement shall begin when a Project receives its certificate of occupancy, or other evidence of Project completion for Projects already occupied.
 - (h) The County must commit to implementing measures that promote integration of the Target Population into the community.
 - (1) In Projects of more than 20 units, the County may choose to fund or otherwise restrict no more than 49 percent of a Project's total units to the Target Population.

- (2) If the County will fund or restrict more than 49 percent of a Project's total units to the Target Population, it must document specific measures it will undertake to ensure that the requirements of *Olmstead v. L.C.* (527 U.S. 581 (1999)) are being met in its implementation of the Program.
 - (3) The County must describe the processes it has in place to ensure that funded Projects will meet federal, state, and local fair housing, accessibility, and nondiscrimination requirements, and to ensure they are not excluding any potential tenants on the basis of disability.
- (i) The County must have a plan to address homelessness that meets the requirements of Section 201.
 - (j) The Department may impose restrictions on a County's designation as an Alternative Process County that are consistent with the County's experience level or proposed Program design.
 - (k) An Alternative Process County may contract with a city to perform the functions of the County as set forth in this Article as long as that city meets the experience requirements in paragraphs (b), (c), and (d) of this Section and the city agrees to administer the NPLH Program county-wide.

NOTE: Authority cited: Section 5849.8(b) Welfare and Institutions Code. Reference cited: Section 5849.8(b), Welfare and Institutions Code.

Section 301. Method of Distribution

- (a) Before committing funds to a Project, Alternative Process Counties shall evaluate the following:
 - (1) Whether the proposed use of Program funds is eligible as set forth under Section 302;
 - (2) The development team's capacity to develop, own, and operate Permanent Supportive Housing for the Target Population through examination of the experience and qualifications of the developer, service providers, and property manager;
 - (3) Each Project's financial feasibility for the period of affordability. All Projects shall remain affordable for a minimum of 55 years and shall meet the income, rent, and underwriting restrictions in Sections 303 and 304;
 - (4) Suitability of each Project's location for the Target Population, including proximity to transportation, services, and other amenities in a manner that ensures integration of the Target Population in the community;

- (5) The Project site must be free from severe adverse environmental conditions, such as the presence of toxic waste that is economically infeasible to remove and that cannot be mitigated.
- (6) All Assisted Units and other units of the Project must be on a permanent foundation and must meet all applicable State and local requirements pertaining to rental housing, including but not limited to requirements for minimum square footage, and requirements related to maintaining the property in a safe and sanitary condition.
- (7) Each Project's readiness to proceed to construction;
- (8) Capital, operating subsidy, and supportive services leverage;
- (9) The Project's proposed supportive services. Before awarding a Project funds, the Project must meet, at a minimum, the requirements of Section 203;
- (10) Proposed measures for integrating the Target Population within the community. At a minimum:
 - A. NPLH units must be integrated with other units in the development and not separated onto separate floors or areas of the building; and
 - B. Funded Projects must encourage social interaction through community-building activities and architectural design.
- (11) Compliance with the requirements in Section 202 relating to property management practices;
- (12) All Assisted Units in a Scattered Site or Shared Housing Project must have common ownership, financing, and property management. Prior to move-in, each tenant who is not a minor accompanied by an adult or two adults who constitute a single household must also sign a lease and shall have all the rights and responsibilities of tenancy, have a bedroom door with a workable lock, and be allowed choice of roommates;
- (13) All Projects shall comply with Article XXXIV Section 1 of the California Constitution, as clarified by Public Housing Election Implementation Law (H&S Code Section 3700 et seq.);
- (14) All Projects shall comply with applicable state and federal relocation laws including Government Code, commencing at Section 7260, and 25 CCR commencing at Section 600; and
- (15) Compliance with the other requirements of Sections 302.

NOTE: Authority cited: Section 5849.8(b) Welfare and Institutions Code. Reference cited: Section 5849.8(b), Welfare and Institutions Code.

Section 302. Uses and Terms of Program Assistance

- (a) An Alternative Process County shall allocate NPLH funds for the same eligible uses identified in Section 200(a).
- (b) NPLH funds may be used to capitalize operating subsidy reserves for Assisted Units subject to the limitations specified in Section 305.
- (c) The County may only use Program funds for Projects within its geographic boundaries.
- (d) Program assistance may be provided as predevelopment, construction, or post-construction permanent financing. If predevelopment or construction financing is provided, this assistance must convert to post construction permanent financing.
- (e) Financing for eligible uses shall be provided in the form of a deferred payment loan that shall have an initial affordability period of 55 years or longer commencing on the date of recordation of the regulatory agreement. The loan may bear a zero percent interest rate. Pursuant to Welfare and Institutions Code Section 5849.4(b), any interest payment, loan repayments, or other return of funds must be returned to the Department and deposited in the No Place Like Home Fund established by Welfare and Institutions Code Section 5849.4.
- (f) Program assistance shall be secured by the Project's real property and improvements, and subject only to liens, encumbrances and other matters of record approved by the County.
- (g) Up to 10 percent of Program funds awarded to the County by the Department may be used by the County for Program administration costs. The County may also charge reasonable and customary annual monitoring fees for compliance monitoring during the period of affordability. These fees must be based upon the average actual cost of performing the monitoring of the Assisted Units. The basis for determining the amount of the fee must be documented and the fee must be included in the costs of the Project as part of the Project underwriting.
- (h) Alternative Process Allocation funds not committed to Projects within 24 months of award by the Department shall be returned to the Department and made available for award to Counties in the Competitive Allocation. Evidence of committed funds may include award letters or commitment letters.

NOTE: Authority cited: Section 5849.8(b) Welfare and Institutions Code. Reference cited: Section 5849.8(b), Welfare and Institutions Code.

Section 303. Occupancy Requirements

- (a) Occupancy of all Assisted Units shall be restricted to households with at least one member who qualifies as a member of the Target Population. Total household income at time of move-in shall not exceed the 30 percent Area Median Income (AMI) limit as published by TCAC or the Department.

- (b) Projects shall maintain documentation of tenant eligibility consistent with these Guidelines.
 - (1) Documentation of a Serious Mental Disorder or a Seriously Emotionally Disturbed Child or Adolescent must be done by a qualified mental health worker in accordance with the requirements of WIC Section 5600.3.
 - (2) Documentation of a person's status as Chronically Homeless, Homeless, or At-Risk of Chronic Homelessness as defined under these Guidelines must be done in accordance with procedures established through the local Coordinated Entry System (CES) or other procedures established by the County for determining whether a person qualifies as Chronically Homeless, At-Risk of Chronic Homelessness, or Homeless as defined in Section 101.
 - (3) In no event shall a person be required to be a client of the County behavioral health department or a recipient of mental health or other services in order to qualify for or remain in an Assisted Unit.
- (c) Occupancy requirements shall apply for the full term of the Program loan.

NOTE: Authority cited: Section 5849.8(b) Welfare and Institutions Code. Reference cited: Section 5849.8(b), Welfare and Institutions Code.

Section 304. Underwriting Standards and Other Requirements

- (a) All Assisted Units shall be restricted to 30 percent AMI or below as specified in the Project regulatory agreement with the County.
- (b) Before committing funds to a Project, the County must evaluate the Project in accordance with underwriting standards it has chosen to use for this Program. These standards must consider at a minimum such things as: the reasonableness of projected construction and operating expenses, income and expense escalators, vacancy rate assumptions, debt coverage ratio, operating reserves, replacement reserves, budgeted construction contingency, limits on development costs, developer fees, asset management and partnership fees, and the use of operating cash flow.
- (c) The maximum amount of assistance provided per unit shall take into account the number of bedrooms per unit or other measures of unit size, as well as the level of affordability provided per unit, with more affordable units provided more subsidy.
- (d) The total amount of Program assistance to a Project shall not exceed the eligible costs associated with Assisted Units in accordance with a methodology that allocates costs among the Assisted and non-assisted units in reasonable proportion to their anticipated share of costs.
- (e) Labor Code Section 1720 et seq. requires payment of prevailing wages for certain developments paid for in whole or in part from any public funding source, and exempts other developments from this requirement. All funds provided under this Program are public funds within the meaning of these Labor Code sections. Program funding for a

portion of a Project shall not necessarily, in and of itself, be considered public funding of the entire Project. The County shall be responsible for determining on a case-by-case basis the extent of applicability of State prevailing wage law to each individual Project.

- (c) Projects must meet the accessibility requirements specified in the TCAC regulations, as may be amended and renumbered from time to time, including those of Section 10325(f)(7)(M) and, for senior Projects, those of Section 10325(g)(2)(B) and (C), or a higher standard if required by the County. Exemption requests, as provided for in the TCAC regulations, must be approved by the County. Projects must also provide a preference for accessible units to persons with disabilities requiring the features of the accessible units in accordance with Section 10337(b)(2) of the TCAC regulations, or a higher standard if required by the County. Projects must also ensure that any other applicable federal, state, and local accessibility requirements are met.

NOTE: Authority cited: Section 5849.8(b) Welfare and Institutions Code. Reference cited: Section 5849.8(b), Welfare and Institutions Code.

Section 305. Capitalized Operating Subsidy Reserve

- (a) Not more than 100 percent of the total per unit amount provided for capital may be provided for a Capitalized Operating Subsidy Reserve (COSR) to address Project operating deficits attributable to NPLH Assisted Units.
- (b) In order to be eligible to receive a COSR, the Applicant must first demonstrate, and the County must verify prior to issuing an award letter for the Project, that the Applicant or its development partners have tried to secure other Project-based rental or operating assistance to support the NPLH-assisted units in lieu of having a COSR.
- (c) COSRs may be provided in the form of a zero-interest deferred payment forgivable loan with a term of not less than 20 years.
- (d) The COSR shall be sized to cover anticipated operating deficits attributable to the NPLH Assisted Units for a minimum of 20 years. The total amount of a Project COSR will be determined based upon the individual Project underwriting performed by the County pursuant to the requirements of the County's Method of Distribution.
- (e) In determining how to size Project COSRs, the County shall also consider such things as: (1) the maximum percentage of units it will assist per Project; (2) anticipated Project vacancy rates; (3) the anticipated percentage of Assisted Units that will have other operating or rental subsidy, (4) the anticipated percentage of households that are expected to be receiving SSI/SSP or other sources of stable income; and (5) operating expenses that the County will consider ineligible for payment from the COSR.

The County shall hold each Project COSR in a segregated interest-bearing account for the benefit of the Project's NPLH Assisted Units for as long as funds remain in the COSR but for not less than 20 years.

- (f) The County shall establish procedures for disbursement of amounts from the COSR to the Project based on the results of an independent bifurcated audit prepared by a

certified public accountant which establishes the amount of Project operating deficit, if any, attributable to the NPLH Assisted Units.

- (g) The County shall review each COSR balance at least once annually to determine if adjustments need to be made to disbursement levels in order to ensure the long-term sustainability of each COSR.

NOTE: Authority cited: Section 5849.8(b) Welfare and Institutions Code. Reference cited: Section 5849.8(b), Welfare and Institutions Code.

Section 306. Operating Budgets

The County shall review proposed annual operating budgets of funded Projects to ensure that budget line items, including any proposed rent increases, are reasonable and necessary in light of costs for comparable Permanent Supportive Housing Projects and prior year budgets.

NOTE: Authority cited: Section 5849.8(b) Welfare and Institutions Code. Reference cited: Section 5849.8(b), Welfare and Institutions Code.

Section 307. Tenant Selection, Rental Agreements and Grievance Procedures

- (a) Chronically Homeless and Homeless persons shall be referred to Assisted Units through the local Coordinated Entry System (CES).
- (b) If the CES existing in the County cannot refer persons At-Risk of Chronic Homelessness, the alternate system used must prioritize those with the greatest needs among this group for referral to available NPLH housing.
- (c) Projects utilizing funds from a County's Noncompetitive Allocation under Section 102 (c) shall prioritize persons with mental health supportive service needs who are Homeless or At-Risk of Chronic Homelessness
- (d) The County shall have reasonable standards for Project rental agreements, property management plans, and tenant grievance procedures to ensure compliance with Housing First requirements consistent with the core components set forth in Welfare and Institutions Code Section 8255(b), and compliance with basic tenant protections established under federal, state, and local law.
- (e) Tenants shall be accepted regardless of sobriety, participation in services or treatment, history of incarceration, credit, or history of eviction.

NOTE: Authority cited: Section 5849.8(b) Welfare and Institutions Code. Reference cited: Section 5849.8(b), Welfare and Institutions Code.

Section 308. Disbursement of Funds

- (a) Of the amounts for Project activities awarded annually to the County under Section 102 (e), the Department shall disburse funds in no more than two draws per year to the County if the Department has received all of the following:

- (1) An award letter or other evidence of commitment of NPLH funds by the County to the specific Project(s) for which funds are being requested;
 - (2) A cash flow analysis which indicates how much the County is projected to need for those Projects for the specific period of time for which funds are being requested
 - (3) A certification that the County awarded the funds to the specific Project(s) in accordance with the Method of Distribution approved by the Department under Section 301.
- (b) The amount of funds disbursed by the Department annually to the County for its Program administration costs shall not exceed 10 percent of the amount anticipated to be awarded annually by the Department to the County pursuant to Section 102 (e). The Department shall disburse Program administration funds no more than once per year.
- (c) All requests for disbursement of funds shall be made by the County on forms provided by the Department.

Section 309. Reporting

- (a) The County and Project owners shall comply with the reporting requirements of Section 214 except for subsections (a) and (b).
- (b) For each Project completed by June 30th of the reporting year, the County shall submit to the Department a Project completion report with evidence acceptable to the Department that the Project is complete, and that all NPLH units in that Project are occupied by persons meeting the income, rent, and tenant eligibility requirements for those units. This information shall be provided on forms made available by the Department.
- (c) The Department may extend the deadline for submission of a Project completion report, if a Project was completed less than 150 days prior to the deadline for submission of the report under Section 214 (e) in order to enable the Project to submit occupancy information based on an initial rent-up period not to exceed 120 days.

NOTE: Authority cited: Section 5849.8(b) Welfare and Institutions Code. Reference cited: Section 5849.8(b), Welfare and Institutions Code.

Section 310. Legal Documents

After the County is sent a letter providing notice of award and prior to actual disbursement of funds pursuant to that award, the Department and County shall enter into a State "Standard Agreement," which shall constitute a conditional commitment of said funds. The Standard Agreement shall require the County to comply with the requirements and provisions of the NPLH Program statutes, these Guidelines, and generally applicable State contracting rules and requirements. The Standard Agreement shall encumber State monies in an amount no more than is available to the County under Section 102, and said amount shall be consistent with the corresponding award letter. The Standard Agreement shall contain the terms necessary to

ensure the County complies with all NPLH Program requirements, including but not limited to, the following:

- (a) Requirements for the execution of an operating reserve agreement, or other Project-specific contracts as may be applicable;
- (b) On all loans held by the County, requirements for a promissory note payable to the County in the principal amount of the loan. The promissory note shall be secured by a deed of trust against the fee estate underlying the property or an acceptable leasehold security naming the County as the primary beneficiary. Such security shall be executed prior to the disbursement of funds to a Project.
- (c) Requirements, where appropriate, for the execution and recordation of covenants, regulatory agreements, or other instruments restricting the use and occupancy of and appurtenant to a Project and the property thereunder (for the purposes of this Article III, all such documents are collectively herein referred to as the "AP Program Agreements");
- (d) The County's responsibilities for timing of all local awards of funds, as well as any reporting requirements;
- (e) Remedies available to the Department in the event of a violation, breach or default of the Standard Agreement; and
- (f) Any and all other provisions necessary to ensure compliance with the requirements of the NPLH Program and applicable State and Federal law.

NOTE: Authority cited: Section 5849.8(b) Welfare and Institutions Code. Reference cited: Section 5849.8(b), Welfare and Institutions Code.

Section 311. Monitoring

- (a) The County is responsible for managing the day-to-day operations of the NPLH Project, ensuring that NPLH funds are used in accordance with all Program requirements and written agreements. The County must take appropriate action when performance problems arise. While the County may use subcontractors to perform these functions, contracting out these functions will not relieve the County of these responsibilities. The performance and compliance of each Project must be reviewed as set forth in paragraph (b). The County must have and follow written policies, procedures, and systems, including a system for assessing risk of activities and Projects and a system for monitoring Projects, to ensure developers, property managers, and services providers are meeting all Program requirements.
- (b) To ensure that funded Projects are completed, Projects are able to meet long-term affordability, and Projects are meeting other Program requirements as set forth in these Guidelines and in statute, the County must meet the following minimum requirements for Project monitoring:
 - (1) On-site inspections of all Projects as needed during construction, at Project completion, and at least once every three years during the term of the loan;

- (2) Annual review of Project operating budgets, audits or other certified financial statements. All Projects that receive a COSR must submit a bifurcated annual audit. The bifurcated audit must distinguish actual annual income and expenses of units that receive capitalized operating subsidies from those units that do not receive the subsidies;
 - (3) Annual review of supportive services plans and outcome measures to ensure that the supportive services being offered are the most appropriate and effective for existing NPLH tenants and the tenants proposed to be served in the Project regulatory agreement;
- (c) The Department will review the performance of each Alternative Process County in carrying out its Program responsibilities whenever determined necessary by the Department in order to assess the existence and use of County processes in meeting Program requirements such as:
- (1) Award of funds in accordance with the approved County method of distribution pursuant to Section 301;
 - (2) Use of processes which address compliance with Program requirements on an ongoing basis, including but not limited to:
 - A. Use of underwriting standards to determine Project feasibility,
 - B. Uses and terms of Program assistance,
 - C. Occupancy requirements,
 - D. Documentation of local property inspections to assess compliance with habitability and accessibility standards related to maintaining the property in a safe and sanitary condition,
 - E. Processes to assess the availability and appropriateness of the supportive services plan and the property management plan for the Target Population, and
 - F. Documentation of compliance with reporting requirements.
- (d) In conducting performance reviews, the Department will rely primarily on information obtained from the County's records and reports, findings from County on-site monitoring, and County financial reports that the County shall make available upon request by the Department. Where applicable, the Department may also consider relevant information pertaining to a County's performance gained from other sources, including citizen comments, complaint determinations, government regulatory information referrals or determinations, and litigation.

NOTE: Authority cited: Section 5849.8(b) Welfare and Institutions Code. Reference cited: Sections 5849.8(b), 5849.11, Welfare and Institutions Code.

Section 312. Defaults and Cancellations

- (a) The Department may revoke an Alternative Process County designation if the County or its funded Projects have engaged in repeated violations of Program requirements that cannot be satisfactorily resolved to bring the County into compliance. This may include failure of the County to obtain substantial compliance from a Project Sponsor with Program requirements within a reasonable period of time. Prior to revoking an Alternative Process County designation, the Department will work with the County for a period of not less than 90 days to identify and implement measures that can be taken to bring the County into compliance.
- (b) With at least 30 days written notice to the County, the Department may cancel or reduce funding allocations to the County or terminate or amend Standard Agreements under any one of the following conditions:
 - (1) Implementation of the County NPLH Program is not in compliance with Program requirements;
 - (2) Implementation of the County NPLH Program is not in compliance with the time frames and goals stated in the Standard Agreement;
 - (3) Special conditions for funding as stated in the Standard Agreement have not been fulfilled; or
 - (4) The department has been notified of a reduction in or elimination of NPLH bond proceeds.
- (c) Upon notification by the Department that the funding allocation is canceled or reduced and the Standard Agreement is terminated or amended, the County shall:
 - (1) Complete all work affected by the cancellation or reduction that is in progress; and
 - (2) Terminate any other planned activities that cannot be paid for with NPLH funds as a result of the termination or reduction.
- (d) Notwithstanding the above, the County shall continue to carry out all of its responsibilities under the Program to Projects it funded prior to discontinuing as an Alternative Process County. This includes, but is not limited to loan servicing, Project monitoring, and submitting required reports.

NOTE: Authority cited: Section 5849.8(b) Welfare and Institutions Code. Reference cited: Section 5849.8(b), Welfare and Institutions Code.

Section 313. Rescission of Alternative County Designation

- (a) A County may discontinue receiving funds as an Alternative Process County with a minimum 180-day written notice to the Department.

- (b) Following a written notice by an Alternative Process County to the Department, the amounts previously available to the County will be returned to the Department and are available for reallocation pursuant to Section 102(d) (Competitive Allocation) in the next funding round. The County will be able to participate in the Competitive Allocation pursuant to the requirements of Articles I and II in the next funding round.
- (c) Notwithstanding the above, the County shall continue to carry out all of its responsibilities under the Program for Projects it made awards to prior to discontinuing as an Alternative Process County.
- (d) Once a County decides not to continue participating as an Alternative Process County, this decision remains in effect for a minimum of three years. After the expiration of this period, the County may choose to apply for recertification as an Alternative Process County for future funding rounds under this Article III.

NOTE: Authority cited: Section 5849.8(b) Welfare and Institutions Code. Reference cited: Section 5849.8(b), Welfare and Institutions Code.

ARTICLE IV. NONCOMPETITIVE ALLOCATION SHARED HOUSING REQUIREMENTS

Section 400. Noncompetitive Allocation Shared Housing Administration

- (a) Shared Housing shall not be funded out of the Competitive Allocation.
- (b) Counties may choose to administer their Noncompetitive Allocation funds to provide Shared Housing. Counties exercising this option may utilize up to 10 percent of the amount of their Noncompetitive Allocation utilized for Shared Housing for associated administration costs in accordance with the requirements of Section 408. Counties may also charge a long-term monitoring fee not to exceed 0.42 percent of each Project loan.
- (c) Noncompetitive Allocation funds for Shared Housing for which Project applications have not been submitted to the County within 30 months of the Department's issuance of the initial NOFA shall be made available for award to Counties in the Competitive Allocation. Funds for capital uses awarded under the Noncompetitive Allocation that are not expended within 60 months of the issuance of the Department's initial NOFA may be made available under the Competitive Allocation Program. The Department may extend this expenditure deadline on a showing of good cause by the Applicant.
- (d) Counties wishing to fund Shared Housing Projects must commit to assume responsibility for all of the following for a minimum of 20 years:
 - (1) Project underwriting to ensure Project financial feasibility. Counties may use their own underwriting standards rather than those used by the Department for loans that they will underwrite;
 - (2) Monitoring of all work performed;

- (3) Loan servicing;
 - (4) Making available to NPLH tenants mental health supportive services, and coordinating the provision or referral to other services, as outlined in the County's supportive services plan for the funded Project(s), including but not limited to, substance use services. The County's obligations pursuant to this requirement shall begin when a Project receives its certificate of occupancy, or other evidence of Project completion for Projects already occupied;
 - (5) Long-term monitoring of the assisted Projects to ensure compliance with NPLH income and rent restrictions, physical condition in compliance with State and local codes, and compliance with all other NPLH Program requirements.
- (e) To be designated to administer their Noncompetitive Allocation, Counties shall submit documentation of the following at least 30 days prior to issuance of the Department's initial NOFA. The Department shall solicit this information as necessary no later than 90 days prior to issuance of the NOFA.
- (1) Demonstrated ability to finance proposed Shared Housing development activities with local and federal funds, and monitor Program requirements for a minimum of 20 years.
 - (2) A description of the proposed method of distributing NPLH funds that meets the requirements outlined in Section 401 and includes an estimate of how frequently awards will be made.
 - (3) A description of the underwriting standards, financial management systems, reporting, and long-term monitoring systems currently in place that will be utilized in administering NPLH funds in compliance with these Guidelines and other Program requirements. This shall include standards for determining the amount of any COSR to be provided to a Project in accordance with the requirements of Section 405.
 - (4) A description of the Project-based vouchers available to Assisted Units.
 - (5) Past performance of delivering supportive services to the Target population, or other special needs populations that experience housing barriers similar to those of the Target Population, including such barriers as difficulty retaining housing, and mental health or substance use issues.

- (6) A description of how the County will prioritize the most vulnerable within the Target population who are Homeless or At-Risk of Chronic Homelessness for available NPLH units.
- (7) A plan to combat homelessness that meets the requirements of Section 201.
- (8) A plan for implementing measures which promote integration of the Target Population into the community in accordance with the requirements of Section 401.

NOTE: Authority cited: Section 5849.9(c), Welfare and Institutions Code. Reference cited: Sections 5849.7(c)(4), 5849.9, Welfare and Institutions Code.

Section 401. Shared Housing Noncompetitive Allocation Method of Distribution

Before committing funds to a Shared Housing Project, Counties shall evaluate the following.

- (a) Whether the proposed use of Program funds is eligible as set forth under Section 402;
- (b) The development team's capacity to develop, own, and operate Permanent Supportive Housing for the Target Population through examination of the experience and qualifications of the developer, service providers, and property manager;
- (c) Each Project's financial feasibility for the period of affordability. All Projects shall remain affordable for a minimum of 20 years and shall meet the income, rent, and underwriting restrictions in Sections 403 and 404;
- (d) Suitability of each Project's location for the Target Population, including proximity to transportation, services, and other amenities in a manner that ensures integration of the Target Population in the community;
- (e) Each Project's readiness to proceed with proposed development activity;
- (f) Capital, operating subsidy, and supportive services leverage;
- (g) The Project site must be free from severe adverse environmental conditions, such as the presence of toxic waste that is economically infeasible to remove and that cannot be mitigated;
- (h) All Assisted Units and other units of the Project must be on a permanent foundation and must meet all applicable State and local requirements pertaining to rental housing, including but not limited to requirements for minimum square footage, and requirements related to maintaining the property in a safe and sanitary condition;

- (i) The Project's proposed supportive services. Before awarding a Project funds, the Project must meet, at a minimum, the requirements of Section 203;
- (j) Proposed measures for integrating the Target Population within the community. At a minimum:
 - (1) NPLH Projects must be integrated with other housing in the community; and
 - (2) Funded Projects must encourage social interaction through community-building activities and architectural design.
- (k) Compliance with the requirements in Section 202 relating to property management practices;
- (l) Prior to move-in, each tenant who is not a minor accompanied by an adult or two adults who constitute a single household must also sign a lease and shall have all the rights and responsibilities of tenancy, have a bedroom door with a workable lock, and be allowed choice of roommates; and
- (m) All Projects shall comply with Article XXXIV Section 1 of the California Constitution, as clarified by Public Housing Election Implementation Law (H&S Code Section 3700 et seq.).

NOTE: Authority cited: Section 5849.9(c), Welfare and Institutions Code. Reference cited: Sections 5849.7(c)(4), 5849.9, Welfare and Institutions Code.

Section 402. Uses and Terms of Program Assistance

- (a) Counties shall allocate funds for Shared Housing for the same eligible uses identified in Section 200(a).
- (b) NPLH funds may be used for a COSR for Assisted Units subject to the limitations specified in Section 405.
- (c) Program assistance may be provided as predevelopment, construction, or post-construction permanent financing. If predevelopment or construction financing is provided, this assistance must convert to post construction permanent financing.
- (d) Financing for eligible uses shall be provided in the form of a deferred payment loan that shall have an initial affordability period of 20 years or longer commencing on the date of recordation of the regulatory agreement. The loan may bear a zero percent interest rate. Pursuant to Welfare and Institutions Code Section 5849.4(b), any interest payment, loan repayments, or other return of funds must be returned to the Department and deposited

in the No Place Like Home Fund established by Welfare and Institutions Code Section 5849.4.

- (e) Program assistance shall be secured by the Project's real property and improvements, and subject only to liens, encumbrances and other matters of record approved by the County.

NOTE: Authority cited: Section 5849.9(c), Welfare and Institutions Code. Reference cited: Sections 5849.7(c)(4), 5849.9, Welfare and Institutions Code.

Section 403. Occupancy Requirements

- (a) Occupancy of all Assisted Units shall be restricted to households with at least one member who qualifies as a member of the Target Population. Total household income at the time of move-in shall not exceed the 30 percent AMI limit as published by TCAC or the Department.
- (b) Projects shall maintain documentation of tenant eligibility consistent with these Guidelines.
 - (1) Documentation of a Serious Mental Disorder or a Seriously Emotionally Disturbed Child or Adolescent must be done by a qualified mental health worker in accordance with the requirements of WIC Section 5600.3.
 - (2) Documentation of a person's status as Chronically Homeless, Homeless, or At-Risk of Chronic Homelessness as defined under these Guidelines must be done in accordance with procedures established through the local CES or other procedures established by the County for determining whether a person qualifies as Chronically Homeless, At-Risk of Chronic Homelessness, or Homeless as defined in Section 101.
 - (3) In no event shall a person be required to be a client of the County behavioral health department or a recipient of mental health or other services in order to qualify for or remain in an Assisted Unit.
- (c) Occupancy requirements shall apply for the full term of the Program loan.

NOTE: Authority cited: Section 5849.9(c), Welfare and Institutions Code. Reference cited: Sections 5849.7(c)(4), 5849.9, Welfare and Institutions Code.

Section 404. Underwriting Standards and Other Requirements

- (a) All Assisted Units shall be restricted to 30 percent AMI or below as specified in the Project regulatory agreement with the County.

- (b) Before committing funds to a Project, the County must evaluate the Project in accordance with underwriting standards it has chosen to use for Shared Housing. These standards must consider at a minimum such things as: the reasonableness of projected development and operating expenses, income and expense escalators, vacancy rate assumptions, debt coverage ratio, operating reserves, replacement reserves, budgeted rehabilitation or construction contingency, limits on development costs, and the use of operating cash flow.
- (c) The maximum amount of assistance provided per unit shall take into account the number of bedrooms per unit or other measures of unit size, as well as the level of affordability provided per unit, with more affordable units provided more subsidy.
- (d) The total amount of Program assistance to a Project shall not exceed the eligible costs associated with Assisted Units in accordance with a methodology that allocates costs among the Assisted and any non-Assisted units in reasonable proportion to their anticipated share of costs.
- (e) Labor Code Section 1720 et seq. requires payment of prevailing wages for certain developments paid for in whole or in part from any public funding source, and exempts other developments from this requirement. All funds provided under this Program are public funds within the meaning of these Labor Code sections. Program funding for a portion of a Project shall not necessarily, in and of itself, be considered public funding of the entire Project. The County shall be responsible for determining on a case-by-case basis the extent of applicability of State prevailing wage law to each individual Project.
- (f) All Projects shall comply with applicable state and federal relocation laws including Government Code, commencing at Section 7260, and 25 CCR commencing at Section 600;
- (g) All Projects shall comply with and maintain copies of local inspection records documenting evidence of compliance with all applicable federal, state, and local accessibility requirements.

NOTE: Authority cited: Section 5849.9(c), Welfare and Institutions Code. Reference cited: Sections 5849.7(c)(4), 5849.9, Welfare and Institutions Code.

Section 405. Capitalized Operating Subsidy Reserve

- (a) Not more than 100 percent of the NPLH amount for capital provided per-bedroom may be provided per bedroom for a Capitalized Operating Subsidy Reserve (COSR) to address Project operating deficits attributable to NPLH Assisted Units.
- (b) In order to be eligible to receive a COSR, the Applicant must first demonstrate, and the County must verify prior to issuing an award letter for the Project, that the Applicant or its

development partners have tried to secure other Project-based rental or operating assistance to support the NPLH-assisted units in lieu of having a COSR.

- (c) COSRs may be provided in the form of a zero-interest deferred payment forgivable loan with a term of not less than 20 years. Pursuant to Welfare and Institutions Code Section 5849.4(b), any interest payment, loan repayments, or other return of funds must be returned to the Department and deposited in the No Place Like Home Fund established by Welfare and Institutions Code Section 5849.4.
- (d) The COSR shall be sized to cover anticipated operating deficits attributable to the NPLH Assisted Units for a minimum of 20 years. The total amount of a Project COSR will be determined based upon the individual Project underwriting performed by the County pursuant to the requirements of the County's Method of Distribution as established under Section 401.
- (e) In determining how to size Project COSRs, the County shall also consider such things as: (1) the maximum percentage of units it will assist per Project; (2) anticipated Project vacancy rates; (3) the anticipated percentage of Assisted Units that will have other operating or rental subsidy; (4) the anticipated percentage of households that are expected to be receiving SSI/SSP or other sources of stable income; and (5) operating expenses that the County will consider ineligible for payment from the COSR.
- (f) The County shall hold each Project COSR in a segregated interest-bearing account for the benefit of the Project's NPLH Assisted Units for as long as funds remain in the COSR but for not less than 20 years.
- (g) The County shall establish procedures for disbursement of amounts from the COSR to the Project based on the results of an independent bifurcated audit prepared by a certified public accountant which establishes the amount of Project operating deficit, if any, attributable to the NPLH Assisted Units.
- (h) The County shall review each COSR balance at least once annually to determine if adjustments need to be made to disbursement levels in order to ensure the long-term sustainability of each COSR.

NOTE: Authority cited: Section 5849.9(c), Welfare and Institutions Code. Reference cited: Sections 5849.7(c), 5849.9, Welfare and Institutions Code.

Section 406. Operating Budgets

The County shall review proposed annual operating budgets of funded Projects to ensure that budget line items, including any proposed rent increases, are reasonable and necessary in light of costs for comparable Permanent Supportive Housing Projects and prior year budgets.

NOTE: Authority cited: Section 5849.9(c), Welfare and Institutions Code. Reference cited: Sections 5849.7(c)(4), 5849.9, Welfare and Institutions Code.

Section 407. Tenant Selection, Rental Agreements and Grievance Procedures

- (a) Chronically Homeless and Homeless persons shall be referred to Assisted Units through the local Coordinated Entry System (CES).
- (b) If the CES existing in the County cannot refer persons At-Risk of Chronic Homelessness, the alternate system used must prioritize those with the greatest needs among this group for referral to available NPLH housing.
- (c) Shared Housing Projects shall prioritize persons with mental health supportive service needs who are Homeless or At-Risk of Chronic Homelessness
- (d) The County shall have reasonable standards for Project rental agreements, property management plans, and tenant grievance procedures to ensure compliance with Housing First requirements consistent with the core components set forth in Welfare and Institutions Code Section 8255(b), and compliance with basic tenant protections established under federal, state, and local law.
- (e) Tenants shall be accepted regardless of sobriety, participation in services or treatment, history of incarceration, credit, or history of eviction.

NOTE: Authority cited: Section 5849.9(c), Welfare and Institutions Code. Reference cited: Sections 5849.7(c)(4), 5849.9, Welfare and Institutions Code.

Section 408. Disbursement Process.

- (a) Of the amounts for Project activities provided under this Article, the Department shall disburse no more than two draws per Project to the County if the Department has received all of the following:
 - (1) An award letter or other evidence of commitment of NPLH funds by the County to the specific Project(s) for which funds are being requested;
 - (2) A certification that the County awarded the funds to the specific Project(s) in accordance with the Method of Distribution approved by the Department under Section 401.
- (b) The initial request for disbursement may be an advance of up to 50 percent of the amount of NPLH funds awarded per Project. The remainder shall be disbursed when a Project completion report is received by the Department in accordance with paragraph (e) below.

- (c) The Department shall disburse Program administration funds in an amount not to exceed 10 percent of the total amount of Project funds awarded by the County per year pursuant to the requirements of Section 401.
- (d) All requests for disbursement of funds shall be made by the County on forms provided by the Department.
- (e) In order to receive the remainder of a Project's funds under paragraph (b), the County shall provide the Department with evidence acceptable to the Department that the Project is complete, and that all NPLH units in that Project are occupied by persons meeting the income, rent, and tenant eligibility requirements for those units. This information shall be provided on forms made available by the Department.

Section 409. Reporting

The County and Project owners shall comply with the reporting requirements of Section 214 except for subsections (a) and (b).

NOTE: Authority cited: Section 5849.9(c), Welfare and Institutions Code. Reference cited: Sections 5849.7(c)(4), 5849.9, 5849.11 Welfare and Institutions Code.

Section 410. Legal Documents

After the County is sent a letter providing notice of award and prior to actual disbursement of funds pursuant to that award, the Department and County shall enter into a State "Standard Agreement," which shall constitute a conditional commitment of said funds. The Standard Agreement shall require the County to comply with the requirements and provisions of the NPLH Program statutes, these Guidelines, and generally applicable State contracting rules and requirements. The Standard Agreement shall encumber State monies in an amount no more than is available to the County under Section 102, and said amount shall be consistent with the corresponding award letter. The Standard Agreement shall contain the terms necessary to ensure the County complies with all NPLH Program requirements, including but not limited to, the following:

- (a) Requirements for the execution of an operating reserve agreement, or other Project-specific contracts as may be applicable;
- (b) On all loans held by the County, requirements for a promissory note payable to the County in the principal amount of the loan. The promissory note shall be secured by a deed of trust against the fee estate underlying the property or an acceptable leasehold security naming the County as the primary beneficiary. Such security shall be executed prior to the disbursement of funds to a Project.

- (c) Requirements, where appropriate, for the execution and recordation of covenants, regulatory agreements, or other instruments restricting the use and occupancy of and appurtenant to a Project and the property thereunder (for the purposes of this Article IV, all such documents are collectively herein referred to as the “Noncompetitive Allocation Program Agreements”);
- (d) The County’s responsibilities for timing of all local awards of funds, as well as any reporting requirements;
- (e) Remedies available to the Department in the event of a violation, breach or default of the Standard Agreement; and
- (f) Any and all other provisions necessary to ensure compliance with the requirements of the NPLH Program and applicable State and Federal law.

NOTE: Authority cited: Section 5849.9(c), Welfare and Institutions Code. Reference cited: Sections 5849.7(c)(4), 5849.9, Welfare and Institutions Code.

Section 411. Monitoring

- (a) The County is responsible for managing the day-to-day operations of the NPLH Project, ensuring that NPLH funds are used in accordance with all Program requirements and written agreements. The County must take appropriate action when performance problems arise. While the County may use subcontractors to perform these functions, contracting out these functions will not relieve the County of these responsibilities. The performance and compliance of each Project must be reviewed as set forth in paragraph (b). The County must have and follow written policies, procedures, and systems, including a system for assessing risk of activities and Projects and a system for monitoring Projects, to ensure developers, property managers, and services providers are meeting all Program requirements.
- (b) To ensure that funded Projects are completed, Projects are able to meet long-term affordability, and Projects are meeting other Program requirements as set forth in these Guidelines and in statute, the County must meet the following minimum requirements for Project monitoring:
 - (1) On-site inspections of all Projects as needed during construction or rehabilitation, at Project completion, and at least once every three years during the term of the loan;
 - (2) Annual review of Project operating budgets, audits or other certified financial statements. All Projects that receive a COSR must submit a bifurcated annual audit. The bifurcated audit must distinguish actual annual income and expenses of units that receive capitalized operating subsidies from those units that do not receive the subsidies;

- (3) Annual review of supportive services plans and outcome measures to ensure that the supportive services being offered are the most appropriate and effective for existing NPLH tenants and the tenants proposed to be served in the Project regulatory agreement;
- (c) The Department will review the performance of each County in carrying out its Program responsibilities whenever determined necessary by the Department in order to assess the existence and use of County processes in meeting Program requirements such as:
- (1) Award of funds in accordance with the approved County method of distribution pursuant to Section 401.
 - (2) Use of processes which address compliance with Program requirements, on an ongoing basis including but not limited to:
 - A. Use of underwriting standards to determine Project feasibility,
 - B. Uses and terms of Program assistance,
 - C. Occupancy requirements,
 - D. Documentation of local property inspections to assess compliance with habitability and accessibility standards related to maintaining the property in a safe and sanitary condition,
 - E. Processes to assess the availability and appropriateness of the supportive services plan and the property management for the Target Population, and
 - F. Documentation of compliance with reporting requirements.
- (d) In conducting performance reviews, the Department will rely primarily on information obtained from the County's records and reports, findings from County on-site monitoring, and County financial reports that the County shall make available upon request of the Department. Where applicable, the Department may also consider relevant information pertaining to a County's performance gained from other sources, including citizen comments, complaint determinations, government regulatory information referrals or determinations, and litigation.

NOTE: Authority cited: Section 5849.9(c), Welfare and Institutions Code. Reference cited: Sections 5849.7(c)(4), 5849.9, 5849.11 Welfare and Institutions Code.

Section 412. Defaults and Cancellations

- (a) The Department may revoke a County's ability to administer funds pursuant to this Article if the County or its funded Projects have engaged in repeated violations of Program requirements that cannot be satisfactorily resolved to bring the County into compliance. This may include failure of the County to obtain substantial compliance from a Project Sponsor with Program requirements within a reasonable period of time. Prior to revocation, the Department will work with the County for a period of not less than 90 days to identify and implement measures that can be taken to bring the County into compliance.

- (b) With at least 30 days written notice to the County, the Department may cancel or reduce funding allocations to the County or terminate or amend Standard Agreements under any one of the following conditions:
 - (1) Implementation of the County NPLH Program is not in compliance with Program requirements;

 - (2) Implementation of the County NPLH Program is not in compliance with the time frames and goals stated in the Standard Agreement;

 - (3) Special conditions for funding as stated in the Standard Agreement have not been fulfilled; or

 - (4) The department has been notified of a reduction in or elimination of NPLH bond proceeds.

- (c) Upon notification by the Department that the funding allocation is canceled or reduced and the Standard Agreement is terminated or amended, the County shall:
 - (1) Complete all work affected by the cancellation or reduction that is in progress; and

 - (2) Terminate any other planned activities that cannot be paid for with NPLH funds as a result of the termination or reduction.

 - (3) Return any unobligated NPLH funds to the Department.

- (d) Notwithstanding the above, the County shall continue to carry out all of its responsibilities under the Program to Projects it made awards to prior to discontinuing administering funds pursuant to this Article.

NOTE: Authority cited: Section 5849.9(c), Welfare and Institutions Code. Reference cited: Sections 5849.7(c)(4), 5849.9, Welfare and Institutions Code.

Assembly Bill 917

College Student Suicide Prevention

Assemblymember Dr. Joaquin Arambula

As introduced February 16, 2017

ISSUE

Suicide is the second leading cause of death among college students, claiming the lives of 1,100 students each year. In California alone, there are close to 200 deaths in the California public colleges systems. Not all colleges and universities have suicide prevention policies in place or provide the appropriate mental health and crisis intervention services in order to support their students.

CURRENT LAW

Current suicide prevention policies in the Education Code are limited to grades 7 to 12.

BACKGROUND

The effects of untreated mental health needs are long-lasting and can include college students dropping out of school, experiencing homelessness, and dying of suicide. The rate of death by suicide and attempted suicide is shockingly high for college students. Research shows that:

- Mental health concerns impact students' ability to succeed - almost one third of all college students report having felt so depressed that they had trouble functioning.
- 31% of undergraduate college students have seriously considered suicide and 10% of undergraduate college students have attempted suicide.
- The average lifetime cost of death by suicide for ages 20-24 for work loss and medical cost is more than \$1.89 million per young person.
- A conservative estimate for total cost to the state from public college student deaths by suicide is \$350 million each year.

Several states in the U.S. have enacted laws to establish suicide prevention policies in their college systems. In Ohio, institutions of higher

education are mandated to implement a suicide prevention policy that includes information regarding crisis intervention services, local mental health programs, requires the college put in place communication plans to outreach to students, and "postvention" plans after the loss of a person to suicide. Texas passed a law that requires undergraduate, graduate, and professional students to be provided with information on mental health and suicide prevention services, as well as early warning signs of suicide risk.

California has historically invested resources in statewide initiatives around suicide prevention through CalMHSA, and developed a number of well researched recommendations and programs for colleges around suicide awareness and prevention. However, state level funding has been dramatically reduced in recent years. Additionally, as there is no universal requirement for institutes of higher education to enact suicide prevention policies in the state, variations and inconsistencies in suicide prevention efforts are unavoidable.

THIS BILL

AB 917 would require California Community Colleges, California State Universities, and strongly urge the Universities of California, in addition to all private colleges and universities to adopt policies on the prevention of student suicides. It would also require the California Department of Education (CDE) to adopt and maintain a model suicide prevention policy for universities and colleges to implement on their campuses.

SUPPORT

The Steinberg Institute (Sponsor)

CONTACT

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Assembly Bill 1315

Early Psychosis Detection and Intervention Funding

Assembly Member Mullin

PURPOSE

The purpose of AB 1315 is to address an unmet need to provide evidence-based early psychosis detection and intervention services and supports to transition-aged youth and young adults who are at-risk of, or experiencing, psychotic symptoms or have psychotic disorders.

Fifty percent of all mental illness begins by the age of 14 and 75 percent by the age of 24, yet young people are often reluctant and afraid to seek help. Approximately 100,000 adolescents and young adults experience first episode psychosis each year.

Untreated psychosis increases a person's risk for suicide, involuntary emergency care, poor clinical outcomes, and can initiate a trajectory of accumulating disability into later adulthood. The average delay in receiving diagnosis and treatment for psychotic disorders is 18.5 months following the onset of psychotic symptoms.

Clinical research conducted world-wide supports a variety of evidence-based interventions for ameliorating psychotic symptoms and promoting functional recovery-oriented treatment.

Changing the paradigm from reactive to proactive early detection and treatment has demonstrated efficacy and is cost-beneficial as recognized by the federal SAMHSA and the National Institute of Mental Health, as well as independent evaluators. The principal goal is to intervene early, and to improve the client experience in accessing services and working towards lasting recovery and wellness.

SUMMARY

AB 1315 will serve as a catalyst to invigorate evidence-based practices and will address a significant unmet gap in California's delivery system for transition-aged youth and young adults.

AB 1315 establishes a special fund and a competitive selection process to make awards as

specified to create new, and expand existing, evidence-based early psychosis detection and intervention services and supports.

The Early Psychosis Detection and Intervention Fund will be created for the purpose of private donations, and the deposit of other federal or state grants as applicable. Awards from this fund will be made according to a competitive selection process across interested County Behavioral Health Departments. Awardees will meet specified requirements for evidence-based services and supports, and provide a contribution of local funds, such as local Mental Health Services Act funds.

This private-public partnership is new and integral to achieving innovation in mental health care services for this very vulnerable target population.

The Mental Health Services Oversight and Accountability Commission (Commission) will administer the competitive process with the expertise and assistance of an Advisory Committee.

A key aspect of AB 1315 is a focus on outcome oriented, evidence-based practices, with a designated evaluation framework as a component to the competitive selection process.

EXISTING LAW

Existing law provides for the following:

(1) The Medi-Cal Program under which County Behavioral Health Departments provide specialty mental health services, including those offered under the Early and Periodic Screening, Diagnoses, and Treatment (EPSDT) Program (0-21 years). EPSDT provides services to eligible individuals who are diagnosed with experiencing serious emotional disturbance. This area of law primarily operates under a 1915b federal Waiver which, among other things, enables County Behavioral Health Departments to operate as Prepaid Inpatient Health Plans.

(2) The Mental Health Services Act provides funding and a framework for community-based programs in the areas of innovation, prevention and early intervention, and community services and supports. Generally, funds are allocated to counties base upon formulas with County Behavioral Health Departments administering programmatic components of the service delivery system. The Mental Health Services Oversight and Accountability Commission (Commission) provides oversight.

(3) The federal Substance Abuse and Mental Health Services Administration (SAMHSA) provides a small amount of federal funding for the support of certain mental health and substance use disorder services. A portion of this amount is designated for early psychosis detection and intervention programs.

Existing law does not directly address in any comprehensive manner the specific need for evidence-based early psychosis detection and intervention services and supports, or funding for it comprehensively.

SOLUTION

AB 1315 provides a unique opportunity to incentivize County Behavioral Health Departments to address a glaring gap in services for California's transition-aged youth and young adults. Implementation of the Early Psychosis Detection and Intervention Fund and the competitive selection process would provide cost-beneficial, evidence-based services and supports to a target population in need. Funds will be available and programmatic components are known for implementation to be successful.

SUPPORT

Steinberg Institute

CONTACT

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ADVANCING MENTAL HEALTH POLICY & INSPIRING LEADERSHIP

Continuing Medical Education on Mental Health Fact Sheet

SUMMARY

This bill would establish an optional continuing medical education (CME) training on mental health issues in a primary care setting for medical professionals that are required to take CME's as part of their license renewal process.

BACKGROUND

The requirement for physicians to participate in Continuing Medical Education (CME) was established to create the most competent licensing population possible and to enhance consumer protection. Under California law, physicians and surgeons must complete at least 50 hours of approved CME during each biennial renewal cycle.

In the era of integrated health care, it is imperative that all medical professionals are trained in recognizing the early signs of mental health issue in children and young adults. This is especially important for Pediatricians and general practitioners to ensure they are fully supported in identifying mental health concerns and appropriately treating them. In fact, in the U.S., approximately 60 percent of mental health care visits are directed to a primary care physician. Considering that 50 percent of all cases of mental illness begin by age 14 and by age 24 the rate is 75 percent, the need to equip physicians with the tools and knowledge to meet the demands of these young people is paramount.

The average length of untreated mental illness in children and youth is from the onset of mental health symptoms is 8-10 years. In these long years, the severity of the condition can

dramatically worsen and cause undue stress and strife for the child, their family, their education, and often their future. According to the Centers for Disease Control (CDC), the suicide rate among U.S. middle school-aged kids between ages 10 and 14 is increasing. The CDC also found that for the first time, more kids in that age range have died by suicide than by car accidents.

Pediatricians and general practitioners need to be supported in their work and provided with robust evidence based practices and training around early intervention for mental health issues in their patients.

SOLUTION

Direct the California Medical Board to establish a Continuing Medical Education (CME) training on early identification and treatment of mental health issues. This optional CME training would be offered to all practicing physicians and other qualifying medical professionals. The training would focus on medical practitioners that treat children and youth on how to recognize the signs and symptoms of an emerging or existing mental health condition and how to provide or refer that young person to appropriate care and treatment.

This bill would include within the Business & Professions Code list of criteria that meets CME standards a reference to the integration of mental and physical health.

C TAB SECTION

DATE OF MEETING 06/15/2017

MATERIAL
PREPARED BY: Wiseman

DATE MATERIAL
PREPARED 05/23/2017

AGENDA ITEM:	CMHPC Policy Platform
ENCLOSURES:	<ul style="list-style-type: none">• 2017 Policy Platform• Legislative Platforms for the Steinberg Institute, Council on Mentally Ill Offender and the County Behavioral Health Directors Association

BACKGROUND/DESCRIPTION:

The Advocacy Committee will review the 2017 Policy Platform.

The Advocacy Committee will review the legislative priorities of several other mental health advocates.

CALIFORNIA MENTAL HEALTH PLANNING COUNCIL
POLICY PLATFORM
January 2017

The California Mental Health Planning Council has federal and state mandates/duties to review State Plans, advocate for individuals with serious mental illness, children with severe emotional disturbance and other individuals with mental illnesses or emotional problems and to monitor the mental health services within the State.

The statements below are the Council's guiding principles.

1. Support proposals that embody the principles of the Mental Health Master Plan.
2. Support policies that reduce and eliminate stigma and discrimination.
3. Support proposals that address the human resources problem in the public mental health system with specific emphasis on increasing cultural diversity in efforts to reduce disparities and promoting the employment of consumers and family members.
4. Support proposals that augment mental health funding, consistent with the principles of least restrictive care and adequate access, and oppose any cuts.
5. Support legislation that safeguards mental health insurance parity and ensures quality mental health services in health care reform.
6. Support expanding affordable housing and affordable supportive housing.
7. Actively advocate for the development of housing subsidies and resources so that housing is affordable to people living on Social Security Income (SSI)/Social Security Disability (SSD)/Social Security Disability Insurance (SSDI) and people with similar limited incomes.
8. Support expanding employment options for people with psychiatric disabilities, particularly processes that lead to certification and more professional status and establish stable career paths.
9. Support proposals to lower costs by eliminating duplicative, unnecessary, or ineffective regulatory or licensing mechanisms of programs or facilities.
10. Support initiatives that reduce the use of seclusion and restraint to the least extent possible.
11. Support adequate funding for evaluation of mental health services.
12. Support initiatives that can reduce disparities and improve access to mental health services, particularly to unserved, underserved populations, and maintain or improve quality of services.

CALIFORNIA MENTAL HEALTH PLANNING COUNCIL
POLICY PLATFORM
January 2017

13. Oppose bills related to “Not In My Back Yard” (NIMBY) and restrictions on housing and siting facilities for providing mental health services.
14. Support initiatives that provide comprehensive health care and improved quality of life for people living with mental illness, and oppose any elimination of health benefits for low income beneficiaries, and advocate for reinstatement of benefits that have been eliminated.
15. Oppose legislation that adversely affects the principles and practices of the Mental Health Services Act.
16. Support policy that enhances the quality of the stakeholder process, improves the participation of consumers and family members, and fully represents the racial/cultural and age demography of the targeted population.
17. Support policies that require the increased use and coordination of data and evaluation processes at all levels of mental health services.
18. Support policies that promote appropriate services to be delivered in the least restrictive setting possible.
19. Support policies or legislation that promote the mission, training and resources for local behavioral health boards and commissions.
20. Support policies/initiatives that promote the integration of mental health, substance use disorders and physical health care services.

The policies below are issues of interest to the Council.

1. Support proposals that advocate for blended funding for programs serving clients with co-occurring disorders that include mental illness.
2. Support proposals that advocate for providing more effective and culturally appropriate services in the criminal and juvenile justice systems for persons with serious mental illnesses and/or children, adolescents, and transition-aged youth with serious emotional disturbances, including clients with co-occurring disorders.
3. Support proposals that specify or ensure that the mental health services provided to Assembly Bill 109 (AB109) populations are paid for with AB 109 funding.
4. Support the modification or expansion of curricula for non-mental health professionals to acquire competency in understanding basic mental health issues and perspectives of direct

CALIFORNIA MENTAL HEALTH PLANNING COUNCIL
POLICY PLATFORM
January 2017

consumers across the age spectrum and family members and those from ethnic/racial/cultural populations.

5. Promote the definition of outreach to mean “patient, persistent, understanding, respectful and non-threatening contact” when used in context of engaging hard to reach populations.

6. Support policies, legislation or statewide initiatives that ensure the integrity of processes at the local behavioral health boards and commissions.

7. Support the modification or expansion of curricula for Mental Health professionals to fully encompass the concepts of wellness, recovery, resiliency, cultural and linguistic competence, cultural humility, and perspectives of consumers, family members and members of cultural communities.

Collateral Partners' Advocacy, Legislation, Policy and/or Value Statements

Mental Health America (MHA)

Position Statements

[Link to the web page http://www.mentalhealthamerica.net/position-statements](http://www.mentalhealthamerica.net/position-statements)

Steinberg Institute

Legislation Focus

[Link to the web page http://steinberginstitute.org/legislation/](http://steinberginstitute.org/legislation/)

California Coalition for Mental Health (CCMH)

Advocating sound mental health public policy

[Link to the web page https://www.californiamentalhealth.org/](https://www.californiamentalhealth.org/)

[Link to the web page https://www.californiamentalhealth.org/committees](https://www.californiamentalhealth.org/committees)

California Behavioral Health Directors Association of California (CBHDA)

Key Policy Areas

[Link to the web page http://www.cbhda.org/key-policy-areas/](http://www.cbhda.org/key-policy-areas/)

National Alliance on Mental Illness – California (NAMI-CA)

Advocacy and Legislation

[Link to the web page http://namica.org/advocacy-legislation/](http://namica.org/advocacy-legislation/)

Public Policy Platform

[Link to the web page http://namica.org/wp-content/uploads/2017/04/Public_Policy_Platform-9th-Edition-2016-5.26.pdf](http://namica.org/wp-content/uploads/2017/04/Public_Policy_Platform-9th-Edition-2016-5.26.pdf)

National Alliance on Mental Illness

Policy Platform

[Link to the web page https://www.nami.org/About-NAMI/Policy-Platform](https://www.nami.org/About-NAMI/Policy-Platform)

Council on Mentally Ill Offenders (COMIO)

COMIO – building bridges between criminal justice and behavioral health systems to prevent incarceration

[Link to the web page http://www.cdcr.ca.gov/COMIO/About_Us.html](http://www.cdcr.ca.gov/COMIO/About_Us.html)

California State Association of Counties (CSAC)

Priorities and Policy Areas

[Link to the web page http://www.counties.org/priorities-and-policy-areas](http://www.counties.org/priorities-and-policy-areas)

California Mental Health Services Authority (CalMESA)

Overview – Values

[Link to the web page http://calmhsa.org/about-us/overview/](http://calmhsa.org/about-us/overview/)

California Association of Social Rehabilitation Agencies (CASRA)
Advocacy

[Link to web page http://www.casra.org/policy/advocacy.html](http://www.casra.org/policy/advocacy.html)

California Association of Alcohol and Drug Program Executives, Inc. (CAADPE)
Advocacy – Always Working Towards Advancing Recovery Environments (AWARE)

[Link to web page http://www.caadpe.org/advocacy/advocacy.html](http://www.caadpe.org/advocacy/advocacy.html)

California Consortium of Addition Programs and Professionals (CCAPP)
Advocacy – California Comprehensive Addition and Recovery Act (CCARA)

[Link to web page http://ccara.info/](http://ccara.info/)

4 Pillars of CCARA

[Link to web page http://ccara.info/index.php/4-pillars-of-ccara/](http://ccara.info/index.php/4-pillars-of-ccara/)

California Council of Community Behavioral Health Agencies (CCCBHA)
CCCBHA 2017 Legislative Priorities

[Link to web page http://www.cccbha.org/page/Legislative](http://www.cccbha.org/page/Legislative)

The legislative priorities for the Steinberg Institute, Council on Mentally Ill Offenders and the County Behavioral Health Directors Association of California are on the following pages.

Steinberg Institute

Legislation

The Steinberg Institute is focused on legislation that serves to address our current areas of concentration which include housing and homelessness, mental health needs of students, the criminalization of mental illness, the plight of veterans, reducing racial disparities, psychiatric crisis care, and integrative health services.

“No Place like Home” Housing Initiative:

California has more than one third of the nation’s chronically homeless – those with mental illness or other significant problems. Of the 29,178 chronically homeless in California, over 85 percent are unsheltered, with this group absorbing the greatest amount of taxpayers’ resources, sometimes up to \$100,000 annually per person in public costs for emergency room visits, hospital stays, law enforcement, and other social services.

To assist local communities in preventing and addressing homelessness, the Steinberg Institute has partnered with Senate President pro Tem Kevin de Leon, a bipartisan coalition of members from the California State Senate and Assembly, and multiple stakeholder groups on a first-of-its kind “No Place like Home” permanent supportive housing initiative.

This unprecedented policy framework re-purposes a small percentage of Proposition 63 (2004) – The Mental Health Services Act – funds and leverages a \$2 billion revenue bond and billions of additional dollars from other local, state, and federal funds.

This proposal builds on years of research and best practices and is guided by the core belief that no individual or family in California should ever experience the uncertainty and pain of living without a home.

Public College Mental Health Services:

Both research and the poignant stories shared by college students and their families, faculty, and staff report serious and significantly increased rates of mental health issues among college-aged youth. The demand for quality mental health services that respond to our diverse college student population is a growing need that we must address.

Research shows that:

- 1 in 4 students have a diagnosable mental illness.
- 40% of students do not seek help when they need it.
- 8 out of 10 people who experience psychosis have their first episode between the ages of 15 and 30.
- Depression is the number one reason students drop out of school, and can lead to suicide, homelessness etc.
- Suicide is the second leading cause of death among college students, claiming more than 1,100 lives every year.

This proposal seeks to create a College Mental Health Services Trust to fund competitive grants for mental health services for students in the public college system. The grant trust would dedicate a small percentage of Proposition 63 funds and require matching funds from public college campus applicants. The grants would be awarded to applicants that focus on local collaboration between county behavioral health departments and colleges as well as plan to provide direct services to underserved and vulnerable populations.

Decriminalization of Mental Illness:

The criminalization of individuals with mental illness persists as one of the most substantial human rights and criminal justice issues we face as a state and as a nation. Jails and prisons have become California's defacto mental health facilities with those who live with mental illness being far more likely to be incarcerated than to be receiving the care they need.

Our proposal would allow a court to consider the mental health status of an individual found guilty of a crime during sentencing and to incorporate mental health services in their sentencing when there is no threat to public safety. This solution to an ongoing challenge is strategic, cost-effective, and seeks to change the way individuals living with mental illness are treated at a key point in the criminal justice system.

Crisis Care Services:

For individuals experiencing a mental health crisis, treatment options are frequently limited and prove hard to access in California. The brunt of the initial treatment responsibility defaults to emergency departments (ED). While some individuals who are assessed and stabilized in an ED may be discharged to receive outpatient follow-up, others require an inpatient level of care. For these individuals, a bed that meets their needs must be located.

The 22% decrease in the number of acute psychiatric beds from 2004 to 2013 and the challenges emergency department staff experience as they call facility after facility to find an available bed has resulted in more and more patients are being "boarded" or left to languish in an ER while in a mental health crisis. This often leads to a worsening of an individual's condition while their mental health needs are not being met for hours and sometimes even days. This kind of delay in crisis services isn't experienced with such frequency by any other patient population or diagnosis.

This proposal would create a web-based psychiatric inpatient bed registry to collect and display up-to-the-minute information about available beds. Since all facilities that maintain psychiatric beds would update the registry as beds become available, emergency department staff would be able to search available beds to locate potential facilities to transfer an individual requiring inpatient psychiatric care. This would streamline information between facilities, reducing patient waiting time, as well as allow

the state to track where and which types of beds are most often needed. Having real-time data on the demands and availability of beds moves California into the 21st century and will ensure we are doing all we can for individuals in crisis when they need it most.

Council on Mentally Ill Offenders (COMIO)

Who is COMIO?

We are a 12-Member appointed council, chaired by the Secretary of the California Department of Corrections and Rehabilitation. Members are a mix of local experts from both criminal justice and behavioral health systems.

What does COMIO do?

Through an annual legislative report and monthly activities, COMIO investigates, identifies, and promotes cost-effective strategies for youth and adults with mental health needs that:

- Prevent criminal involvement (initial and recidivism).
- Improve behavioral health services.
- Identify incentives to encourage state and local criminal justice, juvenile justice, and mental health programs to adopt approaches that work.

What are COMIO's current priorities?

The Council is focused on identifying and promoting integrated, cost-effective strategies to:

- Divert persons with mental health needs from the criminal justice system;
- Improve training for encounters with persons with mental illness; and to
- Prevent youth with mental health needs from becoming involved in the juvenile justice system.

Why does COMIO matter?

Each year, an estimated 2 million people with serious mental illnesses are admitted to jails nationally. Almost 3/4 of these adults also have drug and alcohol use problems. Once incarcerated, these individuals stay longer in jail and upon release are at a higher risk of returning to incarceration than those without these illnesses. Our state institutions managed by the California Department of Corrections and Rehabilitation mirror similar conditions and the population with mental health needs, particularly serious ones, is growing.

COMIO is working to diminish the stigma that justice-involved individuals with mental illness face, which results in scarcely allocated resources and opportunities to reduce incarceration as a default for unavailable services and supports.

County Behavioral Health Directors Association of California (CBHDA)

Key Policy Areas

The County Behavioral Health Directors Association of California (CBHDA) is a non-profit advocacy association representing the behavioral health directors from each of California's 58 counties, as well as two cities (Berkeley and Tri-City).

CBHDA is actively involved in social justice and behavioral health-related public policy development across all levels of the government. From analysis to advocacy, CBHDA is constantly evaluating the "real world" implications of public policy development on local behavioral health authorities and the communities they serve.

1. State Budget
2. Legislation
3. Health Care Reform
4. Housing

About the Community Behavioral Health System

- CBHDA – California's Public Behavioral Health System Overview (Oct 2016)
- Harbage – California Behavioral Health Revenue Update (Aug 2016)
- CBHDA Recovery, Rehabilitation, Resiliency Tri-Fold Brochure
- CMHDA Community Mental Health Fact Sheet (December 2012)
- CMHDA Community Mental Health Funding Matrix (December 2012)
- CMHDA Estimated 2012-13 Mental Health Funding and Account Structure (June 2012)
- CMHDA California's Public Mental Health Services" A Brief Overview For Legislative Staff PowerPoint (December 2012)
- CMHDA California Counties' Continuum of Mental Health Care and Medi-Cal Specialty Mental Health "Carve Out Services" for Adults with Serious Mental Illness (February 2013)
- CMHDA/CADPAAC Mental Health Substance Use Disorder Policy: Evolution, Context and Future Challenges PowerPoint (December 2012)

___D___ TAB SECTION

DATE OF MEETING 06/15/2017

MATERIAL
PREPARED BY: Wiseman

DATE MATERIAL
PREPARED 05/23/2017

AGENDA ITEM:	Residential Care Facility Paper
ENCLOSURES:	<ul style="list-style-type: none"> • Residential Care Facility draft paper

How this agenda item relates to the Council’s mission.

The Panel Presentation is one method to hear from the “voice” of the public mental health system in California. Although, Residential Care Facilities are one aspect of care and/or treatment in the continuum of care, it is a vital step in assuring mental health stability. The Council is an advisory body to the Governor, the Legislature, local and state government entities and California’s residents. As advocates, we encourage communication and knowledge sharing at the local, county and state level. This panel is one mechanism of obtaining and providing information.

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

BACKGROUND/DESCRIPTION:

The Advocacy Committee members sought input from the public at the April 2017 Quarterly Meeting. The Committee then activated an Ad Hoc to complete the paper with recommendations.

The Advocacy Committee Members are to discuss the ultimate goal of the paper, and potential influence of state policy at the June 2017 meeting. The Executive Officer, Jane Adcock, will address the Committee on the statewide policy strategies and implications.



Residential Care Facilities (RCFs)

Addressing the critical need for residential care facilities
for adults with
serious mental illness in California.

Commented [WD(1)]: Overall, the explanation of the issues/barriers and the need for this level of care is sparse. There is insufficient information presented to inform a lay person to the issue. Jane Adcock

The California Mental Health Planning Council (CMHPC) 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 also statutorily required to advise the Legislature on mental health issues, policies and priorities in California. The CMHPC has long recognized disparity in mental health access, culturally-relevant treatment and the need to include physical health. The CMHPC advocates for mental health services that address the issues of access and effective treatment with the attention and intensity they deserve if true recovery and overall wellness are to be attained and retained.

[2]

This issue brief is the beginning of an effort to highlight a significant public health issue: **the lack of residential care facilities as housing options for individuals with serious mental illness in California.**

Welfare and Institutions Code 5772. The California Mental Health Planning Council shall have the powers and authority necessary to carry out the duties imposed upon it by this chapter, including, but not limited to, the following:

- (a) To advocate for effective, quality mental health programs;
- (b) To review, assess, and make recommendations regarding all components of California's mental health system, and to report as necessary to the Legislature, the State Department of Health Care Services, local boards, and local programs.
- (e) To advise the Legislature, the State Department of Health Care Services, and county boards on mental health issues and the policies and priorities that this state should be pursuing in developing its mental health system.
- (k) To assess periodically the effect of realignment of mental health services and any other important changes in the state's mental health system, and to report its findings to the Legislature, the State Department of Health Care Services, local programs, and local boards, as appropriate.

Acknowledgements

This paper was written with the assistance of:

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RESIDENTIAL CARE FACILITIES

Addressing the critical need for RCFs for adults with severe mental illness in California.

The primary purpose of this issue paper is to discuss the need for increasing access to appropriately staffed and maintained Residential Care Facilities (RCFs)¹ in California for adults (including seniors) with mental illness, and provide recommendations.

In recent decades, California has made great efforts to shift away from institutional care toward community-based care and support. However, there are numerous stories across the state regarding the lack of appropriate community-based housing and residential care facilities for individuals with serious mental illness.

A robust continuum of Adult Residential Care Facility options is a critical need. RCFs are an essential component of this continuum, providing services and supports to meet a complex set of behavioral, medical and physical needs². Along with this component, alternative supportive housing options require additional resources to successfully provide community-based long-term housing for adults with severe mental illness.

A discussion of the critical need, challenges to RCF viability, and recommendations follow.

I. THE CRITICAL NEED

Currently, due to RCF closures and lack of new facilities and/or adequate supportive housing options available, many individuals are not able to obtain sustainable housing within the appropriate level of care following stays in acute in-patient treatment programs, hospitals, Transitional Residential Treatment Programs and/or correctional institutions. This results in a “revolving door scenario” where people are discharged or released and are unable to find appropriate residential care or housing and another mental health crisis ensues, resulting in a return to high-level crisis programs, facilities, hospitals, jails/prisons or homelessness.

The following chart provides a summary of needs reported by 22 small, medium and large California counties.

¹ RCFs provide room, board, housekeeping, supervision and personal care assistance. These facilities are staffed 24 hours a day, and are normally state licensed.

² Complex needs include medical (e.g. incontinence, Huntington's, diabetes, etc.), wheelchairs/walkers, criminal justice involvement, dual diagnosis (e.g. intellectual disability, substance use, dementia, etc.), sex offenders, brain injuries and severe behavioral problems.

[4]

RCF Needs By County³ (Chart 1)

907 beds currently needed, with 783 beds lost in recent years.

County	Population ⁴	Beds Needed	Beds Lost	Out of County
Sierra	3,166	N/A	N/A	2
Colusa	22,312	?		7
Glenn	29,000	0	No	22
Amador	37,302	10	0	10
Siskiyou	44,563	N/A	0	Yes, not sure
Tuolumne	54,511	4	0	4
Nevada	97,946	10	0	?
Napa	141,625	18	8	22
Shasta	178,795	25	12	25
Imperial	184,760	10	0	8
El Dorado	182,917	25	?	25
Yolo	212,747	40	0	13
Santa Cruz	274,594	100	0	20
San Luis Obispo	276,142	50	0	44
Monterey	435,658	20	6	45
Tulare	465,013	30-40	40	yes
San Joaquin	728,509	140	187	16
San Mateo	762,327	50	34	2-3?
Kern	884,436	100	100	1
San Bernardino	2,127,735	40	246	Left blank
Riverside	2,331,040	200-300	50	Unknown
Orange	3,165,203	35-50	100	Left blank
TOTAL		907	783	

In June 2016, the Advocacy Committee began its effort to explore the actual RCF bed count in the state. The committee developed a brief survey to be completed by all 58 counties. The survey was disseminated to the counties between September and November 2016. With the exception of the respondents listed above, there remains a need to have a thorough understanding of the need in **every** county. The above chart provides a mere glimpse into the RCF dilemma.

³ Attachment A Twenty-two of the fifty-eight counties responded by November 2016.

⁴ Population estimates in the table above were obtained from the California State Association of Counties website on December 30, 2016. The information can be accessed at: <http://www.counties.org/county-websites-profile-information>

II. CHALLENGES

1. **Financial:** The most apparent challenge to the viability of RCFs is financial. RCFs for adults with severe mental illness cannot survive on a small scale. On a larger scale (45+ beds), they require supplemental rates (also known as 'patches') from counties ranging from \$64/day to \$125/day⁵ per resident.⁶

Generally defined, a patch is an extra daily or monthly payment, made to a residential care home operator, to provide extra services to a resident or to accept a resident who may be hard to place. Generally, patches are paid by counties. In general, patches would not be Medi-Cal billable treatment; typically, they are usually related to extra care and supervision

The "Residential Care Facility Sample Annual Budget" on the following page estimates one year of income and expenses for a 13-person RCF. With an income based on the SSI rate of \$1044/month/client, there is an annual net deficit of \$265,450.⁷ This budget does not depict all of the costs associated with running a viable Residential Care Facility. It does not account for:

- *Appropriate staffing ratio* for 24 hours/day, seven (7) days/week. The sample budget illustrates one staff person onsite 24 hours/day seven (7) days/week, which is the equivalent of 4.5 staff. The salary was budgeted at \$15 hour, plus benefits. Many facilities are unable to hire staff at the \$15-hour rate, as that is typically the salary for 'relief' staff.
- *Additional staff* other than one (1) administrator that performs numerous duties, at 40 hours/week and one staff person at 24 hours/day.
- *Owner profit*. A modest owner profit would add approximately \$20,000 year at 5%. Adding a 5% profit margin would increase costs by approximately \$125/person/month.

In order for a facility to break even, the resident fee would need to increase to \$2953/month at 95% occupancy.

⁵ Rates found on-line from 2016-17 San Luis Obispo County Contracts with [Psynergy Programs, Inc](#) (page 9) and [Davis Guest Home](#) (page 6).

⁶ RCFs that provide residential care to adults with mental illness survive at a larger scale (45+ beds), with "patches" provided by counties. [Psynergy Programs, Inc.](#) and [Davis Guest Home](#) offer examples of companies that operate RCFs with a financial model that works due to "patches" paid by counties (added to resident's SSI). Even with the additional revenue, this financial model requires a minimum of 45 residents. These are considered "Enhanced Board & Cares" as they provide needed supports to the residents, including team leaders, activities, dietary staff, access to a psychiatrist and more. Psynergy additionally provides: Medication Support, Mental Health Services, Crisis Intervention, Case Management and Collateral (all Medi-Cal billable.)

⁷ This budget presumes owner-operated property. Owner has \$500,000 loan on property purchased for \$600,000 and interest/principal payments of \$2533/month on 30-year loan at 4.5%. Note that this would not be realistic for property costs in the Bay Area or Los Angeles.

Commented [WD(2)]: Confusing. Needs better explanation. Jane Adcock

2. **Community Resistance/Opposition** – New construction or attempts to rezone a property for RCFs (required for RCFs that provide more than six (6) beds) often are confronted with a “Not In My Backyard” (NIMBY) opposition from communities.
3. **Staffing** – Providing and retaining a professional, trained, experienced staff can be a hurdle, requiring proper management, salaries and on-going training (also equates to the “Financial Challenge” listed above.) The policies and regulations governing RCFs need to be revised to include more robust training for staff and owners to know how to work with this complex and vulnerable population and how to maintain fiscal stability.

Residential Care Facility Sample Annual Budget (13 Person)

Title	Amount	Comment
Revenue		
Resident Fees	\$150,274	\$1014/month for 13 residents at 95% occupancy
Donations		
Total Revenue	\$150,274	
Personnel Expenses		
Line Staff	\$182,000	4.5 Staff at \$15/hour covers single coverage 7 days/week. Plus 1 FTE at 40 hours/week for administration/transport of clients to doctors, admissions, grocery shopping, etc.
Landscaping	\$2400	\$200/month
Relief Staff	\$15,600	Fill-in for sick/vacation employees at 20 hours/week
Total Wages	\$200,000	Presumes 9 sick days, 14 vacation days, 8 holidays/employee/year
Salary Related Expenses		
Health/Dental/Life/Vision Insurance (HSA)	\$39,600	\$600 month/employee, prorated for part-time
Unemployment Insurance	\$1,482	
Worker’s Compensation Insurance	\$13,836	
FICA/Medicare	\$15,116	
Total Salary Related Expenses	\$70,034	
Other Personnel Expenses		
Training	\$2000	
Total Other Personnel Expenses	\$2000	
Total Personnel Expenses	\$272,034	
Operating Expenses		

[7]

Legal and Other Consultation	\$1000	
Household Supplies	\$10,000	Cleaning, paper supplies, non-food, any recreational supplies
Office Supplies	\$2,250	
Computer/Office Furnishings	\$1000	
Utilities	\$20,238	
Maintenance – Building and Equipment	\$12,000	Presumes that this includes furniture replacement
Vehicle Maintenance	\$6,000	Presume one vehicle for use at \$550/month
Food	\$40,880	\$8 person/day plus one staff eating
Insurance	\$8,215	
Telephone/Internet/Cable	\$3000	
Printing and Postage	500	
Licensing and Permits	\$1,711	
Property Taxes	\$6,000	Presumes property purchased for \$600,000 with \$100,000 down payment
Advertising	500	
Total Operating Expenses	\$113,294	
Rent or Loan Payments	\$30,396	
Total Expenses	\$415,724	
Total Net Income (Loss)	(265,450)	(Revenue \$150,274 minus Cost \$415,724 = Loss \$265,450)

III. RECOMMENDATIONS

1. **Tiered Level of Care System** – Should there be established tiered levels of care? There could be different licensing categories established with rates that allow for higher rates when more care and supervision is required, for example, to meet the needs of individuals who are incontinent or non-ambulatory.
 - i) **Social Security Income (SSI) Rate** –Currently, RCF payments are set by the maximum SSI rates for clients in non-medical out-of-home care. The SSI rate could be adjusted for persons in this higher level of Board and Care.
 - ii) **Patches** – A standardized rate (ranges) for patches across the state, which correspond to the tiered levels of care.
 - iii) **Mental and Physical Health Co-occurring issues** – Change the RCF License structure to accommodate this population, which correspond to the tiered levels of care.
2. **Proactively and purposefully, transition individuals out of RCFs.** Studies have consistently shown that people with mental illness overwhelmingly prefer living in their own homes than living in more institutional like settings.⁸ For adults with mental illness that do not require the level of support that RCFs provide, alternatives to this model can work.
 - i) Rent Subsidies – Innovative housing voucher programs can assist in transitioning individuals out of RCFs into supportive housing.
3. **In Home Support Services** – Increase a variety of In-Home Support Services, as well as, support programs and opportunities that facilitate and empower residents in independent housing to maintain their independence
4. **Peer Specialist Supports** – Establish and provide Peer Specialist programs to partner with individuals in RCFs to both acclimate and maintain supportive housing.

As stated previously, as currently designed, RCFs are not financially viable. Individuals needing this housing option often do not have the personal income to obtain housing on their own. The owners of such facilities often are tasked with running a facility with deficits, due to the gap between the cost of meeting the needs of the individuals and running a safe facility. Not all individuals living with severe mental illness will succeed in housing alone. Immediate improvements to the Residential Care Facility industry are needed in order to maintain this housing option. As a society, we cannot wait for another life to be lost, by wasting away in an institution. Investment in changes to the current licensing structure to accommodate a tiered level of care system, increasing SSI

⁸ [“A Place of My Own: How the ADA is Creating Integrated Housing Opportunities for People With Mental Illnesses”](#) is a report published by the Judge David L. Bazelon Center for Mental Health Law. This report discusses the effects of deinstitutionalization, key community integration principles and how the American with Disabilities Act and the Olmstead decision are making strides for a more robust supportive housing system in America.

[9]

benefit amounts to correlate to level of care, and/or cultivating alternative housing options are just a **few** possible solutions.

In conclusion, individuals with severe mental illness are suffering from a medical condition. Attention must be paid to provide housing and treatment options for these individuals that addresses their diverse needs. It is essential for this growing population to have access to appropriate and affordable housing options. No one deserves to be homeless, institutionalized or incarcerated due to an untreated medical condition.

ATTACHMENT A

2016 RCF SURVEY RESPONSES

Question 1: How many adult residential care beds are available in your county for persons with serious psychiatric disabilities, who can pay the Social Security Income (SSI) rate?

Several counties indicated they had “zero” beds available to accommodate individuals. San Joaquin County reported, “287 Adult beds and 187 older adult beds, totaling 474 beds out of a total of 627 existing (many require additional monies).” The remaining 153 beds are the “RCFE beds for private pay residents only, with a number of the facilities only taking the private pay clientele.”

Only few homes take the SSI/SSA rate. This affects the resources available to clients with limited income and severe and persistent mental illness with no ability to pay private pay rates.) The availability of beds typically ranged under 200, within the reported counties.

Question 2: Do you have a Supplemental Payment, or PATCH, for residential care beds? If so, how many beds are provided and what is the PATCH range?

Of the 22 counties responding, nine (9) reported they do not pay any Supplemental Payments for residential care beds. One county responded, “No, we do not have enough beds. We only patch for one Board and Care for those transitioning out of acute or long term locked psychiatric placements. We do not patch for other facilities.” Another county responded, “We have attempted to contract with providers for up to \$24-day patch since 2005 and have been unable to attract any provider at this rate.” Fourteen counties responded they do provide Supplemental Payments for residential beds. Interestingly, of the 14 counties, the supplemental payment range was as low as \$12.50 per day to a high of \$350.00 per day. Two (2) counties advised their patches were specifically for ‘out-of-county’ placements.

Question 3: How many additional residential care beds are needed in your county to sufficiently meet your county’s needs?

County	Number of Beds Needed
Sierra	N/A
Colusa	Left Blank
Glenn	Zero
Amador	Ten (10)
Siskiyou	N/A
Tuolumne	Four (4)
Nevada	Ten (10)
Napa	18
Shasta	25

[11]

County	Number of Beds Needed
Imperial	Ten (10)
El Dorado	25
Yolo	40
Santa Cruz	100
San Luis Obispo	At least 50
Monterey	20
Tulare	40 – 30 additional to meet need
San Joaquin	50 for Adults and 90 for Older Adults
San Mateo	Approximately 50
Kern	100 to meet the need
San Bernardino	Number not provided
Riverside	200-300
Orange	35-50

San Joaquin County responded, “50 for Adults at minimum and 90 beds for Older Adult.” Shasta County stated, “We currently have 25 clients placed in Board and Care homes outside our county.” Tuolumne County’s response to the number of beds needed in their county, “There are no B&Cs in the County. We do not have supplemental housing. For those in board and care the reasons are specifically matched to their needs – thus no one home would be able to accept all 4 persons currently at B&C as one is elderly, two are dual diagnosed with intellectual disability and mental illness, one has dual substance abuse and mental illness.” The responses provided illustrate the lack of resources allowed for individualized care to meet the needs of individuals with substance use disorders, medical conditions and/or other conditions beyond mental health.

Question 4: If your County places individuals out-of-county, how many are placed out-of-county per month?

County	Out-of-County Placements
Sierra	Two (2)
Colusa	Seven (7)
Glenn	22
Amador	Average ten (10)
Siskiyou	Unsure, no RCF beds available within the county
Tuolumne	Four (4)
Nevada	One (1)

[12]

County	Out-of-County Placements
Napa	22
Shasta	25
Imperial	Eight (8)
El Dorado	25
Yolo	Average 13
Santa Cruz	20
San Luis Obispo	44
Monterey	45
Tulare	Number not provided
San Joaquin	16
San Mateo	Two (2) or Three (3)
Kern	One (1)
San Bernardino	Number not provided
Riverside	Unknown, not tracked
Orange	25

Of the responses from the 22 counties, the lowest out-of-county placement was one (1) per month, to a high of forty-five (45). The range of explanations for the out-of-county placements included the following in no particular order:

- Not enough of beds, of any kind, are available;
- Not enough placements that will accept clients with serious mental health needs;
- Not enough placements that meet the needs of individuals over the age of 60;
- Not enough placements for individuals with criminal history;
- Not enough placements for individuals that are sex offenders; and
- Not enough placement for individuals with medical needs, such as diabetes, chronic medical needs, incontinence, etc.

Many of the counties responded the needs of individuals who also have medical needs, chronic health conditions, such as diabetes, those with criminal justice involvement and/or substance use disorders are quite difficult to place.

Question 5: Has your county lost any residential care beds within the last two (2) years? If so, please provide the number of lost beds.

County	Number of Lost Beds
Sierra	None
Colusa	None
Glenn	None

County	Number of Lost Beds
Amador	None
Siskiyou	"Have had none to start with."
Tuolumne	None
Nevada	None
Napa	8
Shasta	At least 12
Imperial	None
El Dorado	Number not provided
Yolo	None
Santa Cruz	None
San Luis Obispo	None
Monterey	6
Tulare	40; last 3-10 years over 150
San Joaquin	187
San Mateo	34
Kern	100
San Bernardino	249 within last 6 months; one year ago 105; two years ago 126
Riverside	50
Orange	Number not provided

The top three responses from the Counties, as to why beds have been lost, in order of responses are:

1. Aging out of providers;
2. Poor property conditions; and
3. Not financially viable.

Siskiyou simply responded, "No. Have had none to start with." Kern County reported losing "100 beds." Whereas San Joaquin County reported losing "187 both adult and older adult" beds.

Question 6: The counties were asked to provide any anecdotal perspectives. Some of the anecdotal responses are as follows:

- "Referring strictly to locked psychiatric facilities, our county is in need of several more beds (perhaps up to 40 additional beds). Due to recent legislative changes (since 2014), there has been a voluminous increase in referrals for LPS evaluations and more persons placed on LPS conservatorship. We often need our clients to have treatment in State Hospitals or IMDs for a protracted period as

[14]

we are seeing a more severely mentally ill profile in addition to a much more violent population. We also are seeing a trend of younger persons in need of this high level of care and some of the IMDs are disinclined to accept said group. Therefore, we need not only more beds, but facilities willing to accept this younger, more violent type of patient.”

- “Land in our county is too expensive to develop. Labor costs are too high. Cannot hire or retain trained and experienced staff. A “Not In My Backyard” mentality of prospective neighbors” hinders increasing the number of board and care facilities in our county.
- One County stated it does not have B&C beds/facilities other than the six bed ARF. Over the last two years, three separate providers have become Room and Boards in a neighboring county, which is one of its larger neighbors. The County further stated it has been difficult to find licensed facilities that are operated by trusted providers in the larger county that can meet the needs of the individuals being served.
- “Lack of in-county board and care availability (specifically, enhanced board and care beds) results in the county having to place large numbers of clients out-of-county. This can cause many challenges related to providing effective case management/treatment and occasionally poses challenges to family members of clients who are placed out of county. There is most definitely a need for more in-county board and care facilities (specifically enhanced board and care beds) to serve the needs of County clients who are often older and facing significant physical health concerns in addition to their intensive mental health related needs.”
- “As older operators age out, the establishment of new facilities is cost prohibitive given the current SSI/SSP rates to provide “basic” care and supervision. Therefore, existing resources are diminishing each year and we are seeing faster turnover (open, then close) of new small facilities. Supplemental Rates are established to reimburse for “augmented” services in order to cover the additional cost for the operator. It is not designed to cover basic operating cost. The cost of property, related taxes, increased oversight by CCL and enforcement of labor laws (OT, Workman’s Comp., Insurance, etc.) either requires the owner/operator of a 6 bed to work 24/7 or not operate (not enough funds to hire help). Reimbursement does not cover facility maintenance costs so a number of existing facilities are in major disrepair. This has resulted in very poor quality housing and increased CCL citations and fines that the owners do not have funds to address. As a result, the only viable fiscal option is to work to establish large

[15]

homes (40 beds+) to achieve economies of scale and even then, it may not be fiscally viable without some type of augmentation. Larger facilities are generally more institutional in environment and, if new, face the challenge of NIMBY opposition.”

ATTACHMENT B

Types of “Patches” counties pay to RCFs to provide supplemental services to Adults with Mental Illness, including Severe Mental Illness.

Along with the basic board and care residential facility services that are provided for all RCF clients according to Community Care Licensing (CCL) requirements, counties contract for supplemental services for individuals who have on-going mental health issues, need assistance with daily living and are difficult to place. The RCF provider is expected to provide staffing above the required minimum by CCL to assist clients with medical and psychiatric needs. For these supplemental services, counties pay “patches”, ranging from \$64/day to \$125/day per resident (in addition to the SSI that is paid of approximately \$1014/month/resident⁹).

Patches are paid for the following services:

1. Behavioral Management - Provide meaningful day activities and interaction with others – *residents may require one-to-one behavior management and supervision. For example, re-directing the client, educating, and modeling appropriate behavior to maintain the resident in the community.*
2. Monitoring medication compliance
3. Assistance with grooming and hygiene - *residents may require verbal prompts and one-to-one assistance with personal hygiene care activities (e.g. assistance with bathing, hair care, dental care and medical care).*
4. Assistance with incontinence
5. Monitoring and/or assistance with eating difficulties
6. Providing support and assistance for clients with difficult sleeping patterns
7. Monitoring clients smoking behavior
8. Providing transportation to medical and/or psychiatric appointments
9. Hearing loss or deafness – *RCF must be equipped with visual device (such as Video relay machines or other devices for individuals who are hard of hearing or Deaf) necessary for clients to communicate (both to staff and housemates) and get their basic needs met at all times.*
10. Vision loss or legally blind - *Physical layout of the building should be designed to serve this population, exits and restroom should be within close proximity for clients’ easy access.*
11. Developmentally disabled or mental retardation - *Physical layout of the RCF secure at all times and additional staffing beyond CCL Licensing Regulations*

⁹ In the case where a resident is not SSI eligible, counties additionally pay an “un-sponsored patch”, covering what SSI would pay (approximately \$1014/month). *If SSI is approved retroactively, the county can be reimbursed by the RCF for the daily-un-sponsored facility rate, back to the date when the resident was granted retro SSI eligibility.*

to address these clients' issues. RCF must offer one-to-one assistance when necessary to provide assistance with activities of daily living.

12. Monolingual Language (e.g. Spanish, Vietnamese, etc.) - *Providers are expected to have a staff or staff members that speak this language at all times. RCF should be customized to offer culturally specific programming, such as linking clients to cultural activities outside of the home. RCF should serve culturally specific meals as necessary.*
13. Medically Frail and/or Insulin Dependent, to include:
 - a. Diabetic Individuals: *Assistance with all necessary blood work to include reading and interpreting their blood sugar level. Some residents will require finger sticking and basic self-care required to stabilize blood sugar levels. RCF should serve nutritionally appropriate meals to address diabetic and/or other health needs.*
 - b. High Blood Pressure Medical Issues
 - c. Medically Frail - significant medical issues that affect mental health conditions such as COPD¹⁰, obesity, renal disease, individuals needing total care (daily assistance with hygiene, grooming and dressing). In addition, residents with specialized equipment may need one-to-one assistance with these devices and require one-to-one supervision of the equipment. (e.g. sleep apnea machines, electric wheelchairs, and colostomy bags, etc.).

¹⁰ Chronic obstructive pulmonary disease (such as chronic bronchitis and emphysema.)

__E__ TAB SECTION

DATE OF MEETING 06/15/2017

MATERIAL
PREPARED BY: Wiseman

DATE MATERIAL
PREPARED 05/23/2017

AGENDA ITEM:	Work Plan
ENCLOSURES:	<ul style="list-style-type: none">• Work Plan Matrix

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

The Work Plan is a method to monitor the activities of the Advocacy Committee in its efforts to uphold its duties within the framework of the Planning Council. The matrix is a tool to communicate efforts to the Committee's companion committees: Health Care Integration, Continuous System Improvement, Patients' Rights and the Executive Committee.

The context for this agenda item is as follows:

The Advocacy Committee addresses public issues affecting the effectiveness of mental health programs and quality of life for persons living with mental illness. This includes increasing public mental health awareness through collaborating with local consumer advocacy agencies for access and improved quality of care, responding to proposed legislation, rulemaking and budget bills based on the CMHPC Policy Platform.

BACKGROUND/DESCRIPTION:

The Advocacy Committee members will discuss the current Work Plan's contents.

ADVOCACY COMMITTEE WORK PLAN

2015-2017

1. Goal Statement:	Relation to PC Mandate:	Description of Work/Action Steps (Timeframes):
<p>Report on logistical, fiscal and/or programmatic efforts being made to transition people out of IMDs. If none, what challenges are experienced in doing so.</p>	<p>Support Council focus on Alternatives to Locked Facilities. Federal Public Law (PL) 102-321- Monitor, review and evaluate annually, the allocation and adequacy of mental health services within the State. Welfare and Institutions Code Section 5772(a) & (c).</p>	<p>~IMD data will be provided by DHCS, possibly April 2016; ~Staff will attempt to obtain data on the impact of board and care closures.</p> <p>~The Committee will revisit this goal. Timeframe to be determined at a future meeting.</p>
<p>Target Audience: DHCS, Legislators, Stakeholders, Local Mental Health Boards</p> <p>Expected Outcomes: Acquisition of data (qualitative and quantitative) to illustrate the difficulty in placing individuals in an appropriate level of care following care in an IMD.</p> <p>End Product: A report to be distributed to the PC and released to the public. Date: TBD</p>	<p style="text-align: center;">Intentionally Blank</p>	<p style="text-align: center;">Intentionally Blank</p>

ADVOCACY COMMITTEE WORK PLAN

2015-2017

2. Goal Statement:	Relation to PC Mandate:	Description of Work/Action Steps (Timeframes):
<p>Look into closures of Residential Care Facilities in California, qualitative and quantitative data.</p>	<p>Federal Public Law (PL) 102-321- Monitor, review and evaluate annually, the allocation and adequacy of mental health services within the State. Welfare and Institutions Code Section 5772(2) To review, assess, and make recommendations regarding all components of California's mental health system, and to report as necessary to the Legislature, the State Department of Health Care Services, local boards, and local programs, and (5) To advise the Legislature, the State Department of Health Care Services, and county boards on mental health issues and the policies and priorities that this state should be pursuing in developing its mental health system.</p>	<p>~Obtain data on the Levels of Care Statistics on closures, length of stay, flow of transition for individuals utilizing RCFs; ~Provide recommendations for statewide changes (e.g. Prohibition of centralized medication storage, etc.) ~Identify why people are in the various levels of care and the flow through them. ~Research the financial viability of the models. ~Research any alternative or innovative housing options.</p> <p>5/3/2017 RCF Ad Hoc met to discuss potential recommendations and reformatting of the final document. 5/31/2017 RCF Ad Hoc met</p>

ADVOCACY COMMITTEE WORK PLAN

2015-2017

<p>Target Audience: Legislators, DHCS, Stakeholders and Local Mental Health Boards.</p> <p>Expected Outcomes: To illustrate the severe lack of available placement options for individuals needing out-of-home.</p> <p>End Product: A draft report will be submitted to the PC in <i>June-Aug 2017.</i></p>	<p>Intentionally Blank</p>	<p>Intentionally Blank</p>
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