



C A L I F O R N I A D E P A R T M E N T O F

Mental Health

1600 9th Street,, Sacramento, CA 95814
(916) 654-3551

November 3, 2008

The Honorable Denise Moreno Ducheny, Chair, Senate Budget Committee
The Honorable John Laird, Chair, Assembly Budget Committee
The Honorable Sheila James Kuehl, Chair, Senate Health Committee
The Honorable Mervyn M. Dymally, Chair, Assembly Health Committee
The Honorable Tom Torlakson, Chair, Senate Appropriations Committee
The Honorable Mark Leno, Chair, Assembly Appropriations Committee
State Capitol
Sacramento, CA 95814

Dear Senators and Assembly Members:

Pursuant to Assembly Bill 1183 (Chapter 758, Statutes of 2008), the Department of Mental Health (DMH) is required to provide semi-annual updates on the Mental Health Services Act (MHSA) Housing Program to the fiscal and policy committees of the Legislature.

In compliance with Assembly Bill 1183, DMH is providing an update which includes information on both approved and pending MHSA Housing Program applications. Specific information includes the number of designated MHSA units per project; committed funding per project; expected loan closing dates; anticipated occupancy dates; type of loans; and unreconciled fund balances by county. This report reflects activity from August 6, 2007, to September 30, 2008. To provide a framework for understanding the activities of this year, the following is a brief description of this innovative housing program.

On August 6, 2007, DMH, the California Housing Finance Agency (CalHFA) and the California Mental Health Directors Association (CMHDA) announced a new housing program, the MHSA Housing Program. This new housing program provides funding for the development of permanent supportive housing for individuals with serious mental illness and their families, as appropriate, who are homeless or at risk of homelessness.

The MHSA Housing Program makes permanent financing and capitalized operating subsidies available for the purpose of developing permanent supportive housing. A total of \$400 million of MHSA funds has been set aside for initial funding of the program, and each county mental health department in California received a portion of the funds. Funds are available for both capital costs and capitalized operating subsidies. In order for a development to be eligible for MHSA Housing Program funding, it must be

consistent with the priorities identified in each county's MHS Community Services and Supports (CSS) Plan. This requirement is essential to ensure that the housing developed with these funds meets the local needs and priorities of mental health consumers.

The program is jointly administered by DMH and CalHFA. During the application review and evaluation process, CalHFA underwrites requests for capital funds and capitalized operating subsidies, while DMH evaluates each applicant's proposed target population and supportive services plan. Once funds are awarded, CalHFA will oversee all housing and financial aspects of the development and DMH will oversee provision of services, including continuing assessment as to whether the target population served continues to meet MHS Housing Program requirements.

Since the application has been released, ten applications for funding have been received, and several more are under development. Final commitment letters have been mailed to four applicants, with final loan agreements pending.

The following information was provided to DMH by CalHFA:

- Attachment A: Pending applications for funding and number of MHS Units on a per project basis;
- Attachment B: Identification of approved applications, including number of MHS Units and dollars committed; Identification of MHS Development loans closed and dollars disbursed;
- Attachment C: Unreconciled fund balances by County for the 31 counties that have assigned their funding to CalHFA.

The next semi-annual report will be submitted in April 2009. Please feel free to contact me at (916) 654-3551 if you require additional information.

Sincerely,



DENISE M. AREND
Deputy Director
Community Services

Attachments

MHSA Housing Program
Pending Applications

Attachment A

PROJECT	COUNTY	Total Units	MHSA Units	Loan Amount	Operating Subsidy (Remitted at Permanent Loan Closing)	Total Dollars
Young Burlington	Los Angeles	21	14	\$ 1,400,000	\$ -	\$ 1,400,000
Sunflower Apartments	Monterey	18	15	\$ 1,648,909	\$ 1,500,000	\$ 3,148,909
Rancho Dorado	Riverside	70	15	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000
Folsom Oaks Apts	Sacramento	19	5	\$ 500,000	\$ -	\$ 500,000
Kings Crossing	Santa Clara	94	15	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000
Vida Nueva	Sonoma	24	6	\$ 600,000	\$ 600,000	\$ 1,200,000
		246	70	\$ 7,148,909	\$ 5,100,000	\$ 12,248,909

MHSA Housing Program
Approved Applications

Attachment B

PROJECT	COUNTY	Total Units	MHSA Units	Estimated Occupancy Date	Final Commitment Date	Estimated Loan Close Date	Type of Loan*	Loan Amount	Operating Subsidy (Remitted at Permanent Loan Closing)	Total Dollars
Mutual Hsg. of North Highlands	Sacramento	90	33	6/1/10	7/22/08	3/15/09	Perm	\$2,975,000	\$1,800,000	\$ 4,775,000
Cedar Gateway	San Diego	65	23	6/1/10	9/10/08	11/15/08	Pre/Perm	\$2,752,000	\$2,300,000	\$ 5,052,000
Belovida	Santa Clara	28	3	8/1/09	8/6/08	12/15/08	Const/Perm	\$ 300,000	\$250,000	\$ 550,000
Polk Seniors	San Francisco	110	10	12/1/09	9/10/08	10/30/08	Const/Perm	\$1,000,000	\$1,000,000	\$ 2,000,000
		293	69					\$7,027,000	\$5,350,000	\$ 12,377,000

* Loans may be Pre-development, Construction, or Permanent.

MHSa Housing Program
County Balances
as of September 30, 2008

COUNTY	CAPITAL LOAN	OPERATING SUBSIDY	DISCRETIONARY (Interest- Loan Payments, Additional Assigned Funds)	BALANCES AS OF SEPTEMBER 30, 2008
1 Amador	\$334,500.00	\$167,300.00	\$0.00	\$501,800.00
2 Butte	\$1,448,700.00	\$724,300.00	\$0.00	\$2,173,000.00
3 Colusa	\$208,100.00	\$104,100.00	\$0.00	\$312,200.00
4 Fresno	\$6,165,900.00	\$3,083,000.00	\$0.00	\$9,248,900.00
5 Glen	\$272,900.00	\$136,500.00	\$0.00	\$409,400.00
6 Imperial	\$1,773,300.00	\$886,700.00	\$0.00	\$2,660,000.00
7 Lake	\$628,400.00	\$314,200.00	\$0.00	\$942,600.00
8 Los Angeles	\$77,047,500.00	\$38,523,700.00	\$0.00	\$115,571,200.00
9 Madera	\$1,545,500.00	\$772,700.00	\$0.00	\$2,318,200.00
10 Marin	\$1,434,000.00	\$717,000.00	\$0.00	\$2,151,000.00
11 Mendocino	\$861,500.00	\$430,800.00	\$0.00	\$1,292,300.00
12 Merced	\$1,743,600.00	\$871,800.00	\$0.00	\$2,615,400.00
13 Monterey	\$3,076,700.00	\$1,538,400.00	\$0.00	\$4,615,100.00
14 Napa	\$1,218,600.00	\$609,300.00	\$0.00	\$1,827,900.00
15 Nevada	\$924,700.00	\$462,300.00	\$0.00	\$1,387,000.00
16 Orange	\$22,105,500.00	\$11,052,800.00	\$0.00	\$33,158,300.00
17 Placer	\$1,589,300.00	\$794,600.00	\$0.00	\$2,383,900.00
18 Riverside	\$12,718,100.00	\$6,359,000.00	\$0.00	\$19,077,100.00
19 Sacramento	\$8,226,700.00	\$4,113,400.00	\$0.00	\$12,340,100.00
20 San Benito	\$585,700.00	\$292,900.00	\$0.00	\$878,600.00
21 San Bernardino	\$13,452,100.00	\$6,726,100.00	\$0.00	\$20,178,200.00
22 San Diego	\$22,055,900.00	\$11,028,000.00	\$0.00	\$33,083,900.00
23 San Francisco	\$5,142,900.00	\$2,571,500.00	\$2,163,200.00	\$9,877,600.00
24 San Luis Obispo	\$1,722,300.00	\$861,100.00	\$0.00	\$2,583,400.00
25 Santa Clara	\$12,832,900.00	\$6,416,400.00	\$0.00	\$19,249,300.00
26 Santa Cruz	\$1,943,100.00	\$971,500.00	\$0.00	\$2,914,600.00
27 Solano	\$2,578,900.00	\$1,289,500.00	\$0.00	\$3,868,400.00
28 Sonoma	\$3,037,000.00	\$1,518,500.00	\$0.00	\$4,555,500.00
29 Stanislaus	\$3,205,300.00	\$1,602,600.00	\$0.00	\$4,807,900.00
30 Ventura	\$5,470,900.00	\$2,735,500.00	\$0.00	\$8,206,400.00
31 Yolo	\$2,009,500.00	\$1,004,800.00	\$0.00	\$3,014,300.00
	\$217,360,000.00	\$108,680,300.00	\$2,163,200.00	\$328,203,500.00