



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

April 20, 2009

The Honorable Denise Moreno Ducheny, Chair, Senate Budget Committee
The Honorable Noreen Evans, Chair, Assembly Budget Committee
The Honorable Elaine Alquist, Chair, Senate Health Committee
The Honorable Dave Jones, Chair, Assembly Health Committee
The Honorable Christine Kehoe, Chair, Senate Appropriations Committee
The Honorable Kevin De Leon, Chair, Assembly Appropriations Committee
State Capitol
Sacramento, CA 95814

Dear Senators and Assembly Members:

Pursuant to Assembly Bill 1183 (Section 67, 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 October 1, 2008, to March 31, 2009. 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 MHSA 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 MHSA Housing Program requirements.

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

The following information was provided to DMH by CalHFA:

- Attachment A: Pending applications for funding and number of MHSA Units on a per project basis;
- Attachment B: Identification of approved applications, including number of MHSA Units and dollars committed;
- Attachment C: Identification of MHSA Development loans closed and dollars disbursed;
- Attachment D: Unreconciled fund balances by County for the 40 counties that have assigned their funding to CalHFA.

The next semi-annual report will be submitted in October 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

FOR THE PERIOD COVERING OCTOBER 1, 2008 - MARCH 31, 2009													
Line #	Project	Application Date	County	Total Units	MHSA Units	MHSA Units with Subsidy	Estimated Loan Commitment Date	Estimated Loan Closing Date	Estimated Occupancy Date	Pre-Development Loan	Permanent Loan Amount*	Operating Subsidy Amount	Total Dollars Pending Applications
1	West Columbus	11/24/08	Kern	56	20	20	TBD	09/01/09	TBD	No	\$ 2,096,600	\$1,000,000	\$ 3,096,600
2	Haven Cottages	11/24/08	Kern	24	24	0	TBD	09/01/09	TBD	No	\$ 2,515,920	\$0	\$ 2,515,920
3	Villas at Gower	03/05/09	Los Angeles	70	35	35	TBD	09/01/09	TBD	No	\$ 3,500,000	\$3,500,000	\$ 7,000,000
4	Daniels Village	01/27/09	Los Angeles	8	7	7	TBD	09/30/09	TBD	No	\$ 733,810	\$728,000	\$ 1,461,810
5	Nehemiah Court	01/20/09	Los Angeles	13	12	12	TBD	09/01/09	TBD	No	\$ 777,120	\$600,000	\$ 1,377,120
6	Parcel G	11/19/08	San Francisco	120	12	12	TBD	12/01/09	TBD	No	\$ 1,200,000	\$975,000	\$ 2,175,000
7	MP Fair Oaks II	01/07/09	Santa Clara	50	18	0	TBD	TBD	TBD	No	\$ 1,800,000	\$0	\$ 1,800,000
				341	128	86					\$ 12,623,450	\$ 6,803,000	\$ 19,426,450

* The Predevelopment Loan is part of the Permanent Loan amount.

**MHSA Housing Program
Approved Applications**

Attachment B

FOR THE PERIOD COVERING OCTOBER 1, 2008 - MARCH 31, 2009													
Line #	Project	Application Date	County	Total Units	MHSA Units	MHSA Units with Subsidy	Loan Commitment Date	Estimated Loan Closing Date	Estimated Occupancy Date	Pre-Development Loan	Permanent Loan Amount*	Operating Subsidy Amount	Total Dollars Approved Applications
1	Courtyards	11/04/08	Los Angeles	46	23	23	04/30/09	06/06/09	02/01/10	Yes	\$2,194,403.00	\$2,300,000.00	\$4,494,403.00
2	Young Burlington	09/08/08	Los Angeles	21	14	14	05/30/09	02/01/10	TBD	Yes	\$1,400,000.00	\$1,400,000.00	\$2,800,000.00
3	Fireside Apts	10/20/08	Marin	50	5	5	04/30/09	09/01/09	TBD	No	\$475,000.00	\$475,000.00	\$950,000.00
4	Fairmount Apts	10/09/08	Alameda	31	5	5	04/30/09	05/29/09	11/01/09	Yes	\$500,000.00	\$500,000.00	\$1,000,000.00
5	Rancho Dorado	09/09/08	Riverside	71	15	15	03/16/09	07/31/09	TBD	No	\$1,500,000.00	\$1,310,000.00	\$2,810,000.00
6	Folsom Oaks	08/12/08	Sacramento	19	5	0	04/30/09	09/30/09	TBD	No	\$500,000.00	\$0.00	\$500,000.00
7	Boulevard Court	11/04/08	Sacramento	75	25	25	03/24/09	04/30/09	TBD	No	\$2,500,000.00	\$2,000,000.00	\$4,500,000.00
8	Mutual Hsg @ High	03/10/08	Sacramento	90	33	33	01/21/09	09/01/09	TBD	No	\$2,971,945.00	\$1,800,000.00	\$4,771,945.00
9	Cedar Gateway	08/31/08	San Diego	65	23	23	09/10/08	06/09/09	TBD	No	\$2,752,000.00	\$2,300,000.00	\$5,052,000.00
10	MHA Garden St.	10/04/08	Santa Barbara	51	10	5	02/10/09	05/31/09	TBD	No	\$1,000,000.00	\$500,000.00	\$1,500,000.00
11	Belovida	11/20/08	Santa Clara	28	3	3	08/06/08	05/29/09	08/01/09	Yes	\$300,000.00	\$250,000.00	\$550,000.00
12	Kings Crossing	05/30/08	Santa Clara	94	10	10	03/10/09	06/30/10	TBD	No	\$1,200,000.00	\$950,000.00	\$2,150,000.00
13	La Rahada	10/9/2008	Ventura	8	8	8	04/30/09	06/30/09	TBD	No	\$786,653.00	\$832,000.00	\$1,618,653.00
14	Glenoaks Gardens	10/15/08	Los Angeles	61	45	45	TBD	06/30/09	TBD	No	\$4,500,000.00	\$4,500,000.00	\$9,000,000.00
				710	224	214					\$22,580,001.00	\$19,117,000.00	\$41,697,001.00

* The Predevelopment Loan is part of the Permanent Loan amount.

**MHSA Housing Program
Closed Loans**

FOR THE PERIOD COVERING OCTOBER 1, 2008 - MARCH 31, 2009															
Line #	Project	Application Date	County	Total Units	MHSA Units	MHSA Units with Subsidy	Loan Commitment Date	Loan Close Date	C of O Date*	Pre-Development	Permanent Loan Funds Disbursed	Operating Subsidy Funds Disbursed	Total Dollars Approved	Total Dollars Funded (Loan & COSR Disbursed this period)	Total Dollars Closed Loans this period
1	Polk Senior Housing	04/18/08	San Francisco	110	10	10	08/11/08	04/03/09	TBD	No	\$1,000,000.00	\$0.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00
2	Vida Nueva	07/25/08	Sonoma	24	6	6	11/19/08	03/16/09	TBD	No	\$600,000.00	\$600,000.00	\$1,200,000.00	\$1,200,000.00	\$1,200,000.00
3	Sunflower Garden	05/02/08	Monterey	18	15	15	12/08/08	03/30/09	TBD	Yes	\$200,000.00	\$1,538,400.00	\$3,187,400.00	\$1,738,400.00	\$1,649,000.00
				134	16	16					\$1,800,000.00	\$2,138,400.00	\$5,387,400.00	\$3,938,400.00	\$3,849,000.00

* Certificate of Occupancy to be determined.

MHSA

**HOUSING PROGRAM
FOR THE PERIOD COVERING OCTOBER 1, 2008 - MARCH 31, 2009
UNRECONCILED FUND BALANCES**

									Interest Rate					
County	Housing Funds Transferred As of Sept. 30, 2008	Beginning Balance All Accounts As of Sept. 30, 2008	Disbursements All Accounts	Earnings All Accounts (Interest)	Additional Assignments	Ending Balance Unreconciled Funds As of March 31, 2009	Total Housing Funds Transferred	Q1 (Sept. 2008)	Q2 (Dec. 2008)	Q3 (Mar. 2009)	Q4 (June 2009)			
1 Alameda	\$ -	\$ -	\$ 59,091.69	\$ 59,091.69	\$ 14,619,200.00	\$ 14,619,200.00	\$ 14,619,200.00	2.77%	2.53%					
2 Alpine	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							
3 Amador	\$ 501,800.00	\$ 501,800.00	\$ 5,018.00	\$ 5,570.75	\$ -	\$ 502,352.75	\$ 501,800.00							
4 Butte	\$ 2,173,000.00	\$ 2,173,000.00	\$ 21,730.00	\$ 24,151.65	\$ -	\$ 2,175,421.65	\$ 2,173,000.00							
5 Calaveras	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							
6 City of Berkeley	\$ -	\$ -	\$ 5,784.95	\$ 5,784.95	\$ 1,258,600.00	\$ 1,258,600.00	\$ 1,258,600.00							
7 Colusa	\$ 312,200.00	\$ 312,200.00	\$ 3,122.00	\$ 3,468.37	\$ -	\$ 312,546.37	\$ 312,200.00							
8 Contra Costa	\$ -	\$ -	\$ 41,975.11	\$ 41,975.11	\$ 9,130,800.00	\$ 9,130,800.00	\$ 9,130,800.00							
9 Del Norte	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							
10 El Dorado	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							
11 Fresno	\$ 9,248,900.00	\$ 9,248,900.00	\$ 92,489.00	\$ 102,792.62	\$ -	\$ 9,259,203.62	\$ 9,248,900.00							
12 Glenn	\$ 409,400.00	\$ 409,400.00	\$ 4,094.00	\$ 4,546.66	\$ -	\$ 409,852.66	\$ 409,400.00							
13 Humboldt	\$ -	\$ -	\$ 8,988.45	\$ 8,988.45	\$ 1,955,300.00	\$ 1,955,300.00	\$ 1,955,300.00							
14 Imperial	\$ 2,660,000.00	\$ 2,660,000.00	\$ 26,600.00	\$ 29,565.24	\$ -	\$ 2,662,965.24	\$ 2,660,000.00							
15 Inyo	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							
16 Kern	\$ -	\$ -	\$ 36,466.01	\$ 36,466.01	\$ 7,932,200.00	\$ 7,932,200.00	\$ 7,932,200.00							
17 Kings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							
18 Lake	\$ 942,600.00	\$ 942,600.00	\$ 9,426.00	\$ 10,471.79	\$ -	\$ 943,645.79	\$ 942,600.00							
19 Lassen	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							
20 Los Angeles	\$ 115,571,200.00	\$ 115,571,200.00	\$ 1,155,712.00	\$ 1,284,553.75	\$ -	\$ 115,700,041.75	\$ 115,571,200.00							
21 Madera	\$ 2,318,200.00	\$ 2,318,200.00	\$ 23,182.00	\$ 25,764.28	\$ -	\$ 2,320,782.28	\$ 2,318,200.00							
22 Marin	\$ 2,151,000.00	\$ 2,151,000.00	\$ 21,510.00	\$ 23,907.19	\$ -	\$ 2,153,397.19	\$ 2,151,000.00							
23 Mariposa	Opted out	Opted out	\$ -	\$ -	\$ -	\$ -	\$ -							
24 Mendocino	\$ 1,292,300.00	\$ 1,292,300.00	\$ 12,923.00	\$ 14,360.47	\$ -	\$ 1,293,737.47	\$ 1,292,300.00							
25 Merced	\$ 2,615,400.00	\$ 2,615,400.00	\$ 26,154.00	\$ 29,065.99	\$ -	\$ 2,618,311.99	\$ 2,615,400.00							
26 Modoc	Opted out	Opted out	\$ -	\$ -	\$ -	\$ -	\$ -							
27 Mono	Opted out	Opted out	\$ -	\$ -	\$ -	\$ -	\$ -							
28 Monterey	\$ 4,615,100.00	\$ 4,615,100.00	\$ 326,751.00	\$ 51,294.63	\$ -	\$ 4,339,643.63	\$ 4,615,100.00							
29 Napa	\$ 1,827,900.00	\$ 1,827,900.00	\$ 18,279.00	\$ 20,308.63	\$ -	\$ 1,829,929.63	\$ 1,827,900.00							
30 Nevada	\$ 1,387,000.00	\$ 1,387,000.00	\$ 13,870.00	\$ 15,415.53	\$ -	\$ 1,388,545.53	\$ 1,387,000.00							
31 Orange	\$ 33,158,300.00	\$ 33,158,300.00	\$ 331,583.00	\$ 368,546.15	\$ -	\$ 33,195,263.15	\$ 33,158,300.00							

