



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Behavioral Wellness  
**Department No.:** 043  
**For Agenda Of:** February 28, 2017  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Alice Gleghorn, Ph.D., Director  
Director(s) Department of Behavioral Wellness 681-5220  
Contact Info: Refujio Rodriguez, Mental Health Service Act Division Chief  
Department of Behavioral Wellness 681-4505  
**SUBJECT:** Mental Health Services Act Plan - Housing Loan Program Request for Release of Future Unencumbered Funds

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:**

As to form: N/A

**Recommended Actions:**

That the Board of Supervisors:

- A. Approve and authorize the Director of the Department of Behavioral Wellness to request California Department of Health Care Services (DHCS) and California Housing Finance Agency (CalHFA), pursuant to the Mental Health & Substance Use Disorder Services (MHSUDS) Information Notice No. 16-025, to release any future unencumbered Mental Health Service Act Plan (MHSA) Housing Program funds to Behavioral Wellness to be used to provide housing assistance in accordance with Welfare and Institutions (W&I) Code Section 5600.3 and W&I Code Section 5892.5.
- B. Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guidelines Section 15378(b)(4). The recommended actions are government fiscal activities which do not involve commitment to any specific project that may result in a potentially significant physical impact on the environment.

**Summary Text:**

This item is on the agenda to request the approval of the Board of Supervisors, as required by the California Department of Health Care Services (DHCS) Information Notice No. 16-025 dated June 9, 2016, providing counties the option to request the release of any future unencumbered MHSA Housing Program funds for local use.

The Board of Supervisors approved, on November 8, 2106, Behavioral Wellness' requested regarding remaining unencumbered MHSA Program funds for FY 2016-2017. However, we are now requesting approval of the recommended action to allow Behavioral Wellness to request any future MHSA Housing Program funds based on existing Housing Program developments to be released directly to the County.

**Background:**

Behavioral Wellness is requesting release of any remaining unencumbered MHSA funds, due to the interagency agreement between DHCS and the California Housing Finance Agency (CalHFA) expiring on May 30, 2016. CalHFA must release any remaining and future unencumbered remaining funds on deposit. DHCS requires Counties to have an Annual MHSA Fund Release Authorization of Future Unencumbered Funds (Attachment A) approved by the Board of Supervisors and signed by the Director of Behavioral Wellness by March 31, 2017.

The form is necessary because it advises CalHFA how to handle future funds that may be received by CalHFA on behalf of the County. The funds may include: deposits of disencumbered MHSA Housing funds, Capitalized Operating Subsidy Reserves funds that are no longer required by a Project, or funds approved for a loan that is never funded, MHSA residual receipt loan payments, and accrued interest. CalHFA will be releasing annually any available future funds by May 1st of each calendar year starting in 2017.

Although a Local Government Special Needs Housing Program (SNHP) will replace CalHFA to disperse future funds, Behavioral Wellness is requesting this option of release of the MHSA Housing funds in order to eliminate administrative cost to Housing Program that they would have had to pay to SNHP. The cost saving and future unencumbered funds will provide greater MHSA funds to be used to provide housing assistance to the target populations identified in Welfare and Institutions Code (W&I) Section 5600.3 (W&I Section 5892.5 (a)(1)). Housing assistance means rental assistance or capitalized operating subsidies; security deposits, utility deposits, or other move-in cost assistance; utility payments; moving cost assistance; and capital funding to build or rehabilitate housing for persons who are seriously mentally ill and homeless or at risk of homelessness (W&I Code Section 5892.5 (a)(2)).

If approved, Behavioral Wellness will administer future unencumbered Mental Health Service Housing Funds in accordance with the requirements of the MHSA (W&I Code Section 5892.5 (b)) including, but not limited to, the following:

- a. Follow the stakeholder process identified in W&I Code Section 5848 when determining the use of those funds;
- b. Include the use of those funds in the County's Three-Year Program and Expenditure Plan or Annual Update, per W&I Code Section 5847;
- c. Account for the expenditure of those funds in the County's Annual Revenue and Expenditure Report (W&I Code Section 5899). Reporting will begin in the fiscal year when the MHSA Housing Program funds were released to the County by CalHFA; and
- d. The County must expend those funds within three years or the funds will be subject to reversion to the state (W&I Code Section 5892 (h)).

**Fiscal and Facilities Impacts:**

Budgeted: There are no budget impacts.

**Fiscal Analysis:**

Narrative: The MHSA Housing Funds that will be released to Behavior Wellness are future unencumbered funds and we are anticipating very minimal funding flowing back to the County. However, the release is essential in the event that there are funding. Any funds are to be used to provide housing assistance to the MHSA target population.

The funds will not be part of the Behavioral Wellness FY 16-17 operating budget. A separate Agency Fund has been set up for the MHSA funds to pass through select entities in accordance with MHSA (W&I Code Section 5892.5 (b)). In addition, the use of these funds will be consistent with the 3-year MHSA plan.

**Special Instructions:**

Please return one (1) Minute Order to [dmorales@co.santa-barbara.ca.us](mailto:dmorales@co.santa-barbara.ca.us).

**Attachments:**

Attachment A: MHSA Housing Loan Program Fund Release Form

**Authored by:**

Denise Morales/SS