

**BOARD LETTER – SUMMARY SHEET
HEALTH AND MENTAL HEALTH SERVICES CLUSTER**

AGENDA REVIEW	11/28/12
BOARD MEETING	12/18/12
SUPERVISORIAL DISTRICT	ALL SD
DEPARTMENT	Mental Health (MH)
SUBJECT	Approval to enter into an Assignment Agreement with the California Housing Finance Agency (CalHFA) to transfer funds for the Mental Health Services Act (MHSA) Housing Program to be used for the development of Permanent Supportive Housing (PSH) for homeless individuals with mental illness and their families within Los Angeles County.
PROGRAM	CalHFA is responsible for the review and final approval of MHSA Housing Program applications for all aspects related to purchase, renovation and/or construction of housing development and underwrites the loan to the project sponsor. In addition, CalHFA is responsible for the disbursement of the operating subsidy during the term of the operating subsidy agreement. Furthermore, CalHFA is responsible for the ongoing overview of the asset management of all PSH projects funded through the MHSA Housing Program
DEADLINES	None
COST & FUNDING	The total amount of the Assignment Agreement is \$10,469,920 funded with State MHSA Revenue for Fiscal Years 2012-13 through 2031-2012. Funding for FY 2012-13 is included in DMH's Adopted Budget. Funding for future fiscal years will be requested in the Department's annual budget request process.
PURPOSE OF REQUEST	Delegate authority to MH Director to sign an Assignment Agreement with CalHFA to transfer \$2 million of one-time MHSA funds for FY 2012-13 for capital development; sign an annual MHSA Housing Assignment Agreement to transfer \$423,491 of MHSA funds annually for FY 2012-13 through 2031-31, for Permanent Supportive Housing projects targeting Transitional Age Youth; sign and execute amendments to such Assignment Agreements, as necessary, to comply with CalHFA requirements; assign to CalHFA additional available MHSA funds and terminate a DMH Services Agreement with Step-Up on Second Street, Inc.
SUMMARY/ ISSUES (Briefly summarize program and potential issues or concerns. Identify changes, if any, to level of funding or staffing; how funding will be utilized and why best use; and prior accomplishments.)	<ul style="list-style-type: none"> • The MHSA Housing Program, a statewide program, was launched by the SDMH in collaboration with CalHFA and the County Mental Health Directors Association on August 6, 2007. On May 30, 2008, an Inter-Agency Agreement was executed between SDMH and CalHFA for the Administration of the MHSA Housing Program. SDMH established CalHFA as the lending institution and statewide partner for the administration of the MHSA Housing Program. • Since it's creation in 1975, CalHFA has been the State's affordable housing bank and has the expertise in developing and administering real estate lending programs and products benefiting persons of low and moderate income. In addition, CalHFA is authorized to enter into contracts and administer housing and real estate lending programs for the benefit of other agencies of the State of California.
DEPT CONTACT	Deputy Director, Robin Kay, (213) 738-4108, RKay@dmh.lacounty.gov Stephanie Reagan, Deputy County Counsel, (213) 974-0941, Sreagan@counsel.lacounty.gov

