

DRAFT

**MENTAL HEALTH SERVICES
OVERSIGHT AND ACCOUNTABILITY COMMISSION (MHSOAC)
Services Committee
CIMH
2125 19th Street
Sacramento, CA 95818
July 20, 2010
2:00PM to 4:00 PM.**

Committee Members Present:

Sergio Aguilar-Gaxiola
Rocco Cheng
James Gilmer
Betsy Sheldon
David Pating *
Patrick Henning*
Maureen Bauman*
Fran Edelstein*
Don Edmondson*
Patrick (Hiep) Ma*
Karen Todoroff*

Staff:

Dee Lemonds
Ann Collentine
Vivian Lee
Wando Kato

Other Attendees:

Stephanie Welch
Ann Arneil-Py
Vicki Smith
Stacie Hiramoto
Andi Murphy
Kathleen Derby
Edward Walker
Can Truong
Jane Laciste
Filomena Yeroshek

*Participated via telephone

Welcome/Introductions

David Pating, Committee Co-Chair convened the meeting at 2 PM.

- All meeting participants introduced themselves.

Adoption of Minutes

- Minutes from the May 10, 2010 Committee meeting were amended – added Patrick (Hiep) Ma was present and Sergio Aguilar-Gaxiola participated by telephone.
- Minutes from the May 10, 2010 Committee meeting were adopted as amended.

Acknowledgement of Commissioner Gould

- Dr. Pating and others acknowledged the significant contributions of Committee Co-Chair, Commissioner Beth Gould to both the Services Committee and the Commission. Comments about her contributions to specific projects were noted including PEI Statewide Programs and the Student Mental Health Initiative. Her expertise as a family member and an administrator were also noted as well as her welcoming and supportive style. Commissioner Gould will be resigning as a Commissioner with her last Commission meeting being July 29, 2010.

Discussion of Proposed Regulations for MHSA General System Development Housing

- Dr. Pating explained the role of the Commission and this Committee in reviewing regulation packages associated with the various components of the MHSA.
- The goal for the meeting is to review the proposed DMH regulation package for MHSA General System Development Housing and suggest comments to be included in a "public comment" letter to DMH from the MHSOAC about the proposed regulations.

- DMH and MHSOAC staff provided some background about the regulations to be reviewed including how they differ from the regulations for the \$400 million MHSA Housing Program and how they relate to other types of housing funded with MHSA dollars
- MHSOAC staff walked the Committee through all the proposed regulations for General System Development (GSD) Housing and led discussion of the various regulatory provisions.
- Committee and public discussion led to recommendations that the following comments be included in the "public comment" letter to DMH from the MHSOAC on the proposed regulations for GSD Housing.

Recommended Comments on Proposed Regulations for MHSA General System Development Housing:

- The definition of Capitalized Operating Subsidy Reserve refers to funds set aside for the purpose of "supplementing income for the payment of operating expenses". The word "income" may be confusing to readers and allow for misinterpretation; and the word "income" could be interpreted as "profit" by some readers. Needs clarification.
- Clarification is needed on the definition for Project-Based Housing which as written implies that only Counties may purchase or lease housing units with GSD Housing funds. The proposed regulation does not make it clear that Counties may exercise discretion in providing GSD Housing funds to non-government agencies such as community-based organizations (CBOs) for the purchase, renovation and/or Master Leasing of housing units.
- Clarification on how the County may use GSD funds for costs associated with Project-Based Housing. Could a Project-Based Housing Fund only be established if the GSD funds were being transferred to a local Housing Authority?
- Comment on how to provide flexibility for counties about Project-Based Fund. (1) Section 3630.05 (a) (5) (A) indicates the Project-Based Housing Fund shall be an irrevocable transfer of money from the County to a local government housing entity for a specific Project-Based Housing program. (2) Section 3630.05 (a) (5) (B) indicates that if the County and local government housing entity determine that a Project-Based Housing program is not feasible, the money must remain in the Fund for redirection to other approved Project-Based Housing programs. Requiring (1) an irrevocable transfer to a local government housing entity and (2) that the money shall remain in the Fund even if the County and local government housing entity agree that completion of the Project-Based Housing program is not feasible, does not provide essential flexibility to Counties.
- A Project-Based Housing Program indicates that Project-Based Housing purchased, constructed and/or renovated with GSD funds shall comply with all applicable federal, state and local laws and regulations. This section then provides a list, Section 3630.10 (b) (1) through (8), of laws and requirements that must be followed noting that the list is "including but not limited to".

Adjournment

- Dr. Pating adjourned the meeting at 4:00 PM.