

Mental Health Service Act Housing Program

MHSOAC Meeting
July 28, 2011

MHSA Housing Program Description

Provides funding for the capital costs and operating subsidies to develop permanent supportive housing for persons with serious mental illness who are homeless, or at risk of homelessness, and who meet the MHSA Housing Program target population criteria.

Is a unique partnership between DMH, California Housing Finance Agency and the County Mental Health Departments.

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MHSA Housing Program Funds

In May 2007, \$400M was made available for the Housing Program.

\$133M of the \$400M is for subsidies.

Each County has its own allocation of MHSA Housing Program funds.

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Impact of Current Housing Market

- Properties are available to purchase at lower values.
- Opportunity to provide more Shared Housing
- Increased demand for rental properties due to foreclosures.
- Increased need for more affordable housing.

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New Collaboration Strategies

- MHSAs Housing Program financing is pivotal to some projects
- MHSAs Housing Program is an important source of funding to leverage remaining sources of funds
- California Tax Credit Committee and MHSAs worked together to provide a tie breaker in order to “win” tax credits

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New Collaboration Strategies (cont.)

- MHSAs Housing Program and HCD worked with Federal HUD 811 program
- MHSAs Housing Program and HOME funds can be combined together
- Shared Housing provides more viable option for this underserved population

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Localities Collaborate with MHSA HP

- Los Angeles Housing Department supportive housing program joined with MHSA to maximize funding and subsidies
- San Diego provided for MHSA inclusionary housing in Affordable Housing Developments
- Both Orange County Housing Authority and Fresno Housing Authority provided Project Based Section 8 vouchers to all MHSA HP units

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Economic Challenges

- The program rolled out in the beginning of the most serious recession since the Great Depression.
- State HCD funding has significantly decreased during this period.
- Tax exempt bond funding is limited due to disruption in global credit markets
- Local funding sources are being redirected or eliminated such as predevelopment funds.
- Sources of operating subsidies and services funding have diminished.
- Federal sources have increased temporarily due to stimulus funding.

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Leveraging

As of July 1, 2011...

- Over \$1.7 billion has been leveraged with only \$247.7 million in MHSA Housing Program funds.
- 1,648 units are designated for MHSA-eligible tenants out of 5,938 total units – 28% of total units.

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Program Successes

- 116 applications submitted from 32 counties
- 99 developments are Rental Housing
 - 99 properties
 - 1506 units;
- 16 developments are Shared Housing
 - 23 properties
 - 132 units

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More Program Successes

- 14 developments designate 225 units for Seniors
- 15 developments designate 174 units for Transition Age Youths (TAY)
- Remaining developments serve adult populations or a combination of adults, seniors and TAY
- One development will serve Children as the target population

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More Program Successes

- 21 developments are completed and are housing 220 MHSA eligible tenants.
- Los Angeles County has submitted 24 housing applications; Alameda has submitted 14; Santa Clara has submitted 10; San Diego and Orange have submitted 6 for a total of 967 units.
- The following small counties have submitted applications: Lake, El Dorado, Madera, Napa, Nevada, and Tuolumne for a total of 59 units.

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More Program Successes

- Placer, Butte, Imperial, Sutter-Yuba and Tri-City, will be submitting applications at completion of their 30 day posting for public comment within 3 months
- Alameda, Los Angeles, San Diego, Santa Clara, Santa Cruz, San Luis Obispo, San Francisco and Solano have projects in process to exhaust the remainder of their Housing funds.

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More Program Successes

- Madera, Merced, Nevada and Sonoma Counties have exhausted their Housing Program funds.
- The MHSA Housing Program is ahead of schedule to meet the 2013 goal to produce the Capital projection of 2,530 units.
- The MHSA Housing Program financed 1,648 units to date, assuming the same pace, the remaining funds are expected to be committed by 2013.

Tremendous Success in 4 Years!

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Financial Update – 7/1/2011

FY 07/08 Total Planning Estimate	\$400,000,000
Additional CSS funds assigned to the MHSAs Housing Program	\$5,384,219
Funds from Counties opting out of program	-\$1,246,300
Funds committed through loan approval	-218,407,668
Projects in process at the local level expected to submit by the end of the year	-\$43,158,466
Project Pre-applications	-79,033,200
Remaining MHSAs Housing Program funds	\$25,278,167

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Issues usually resolved

- On a project by project basis
- Through the exception process
- We try every strategy with our partners to get to “yes”

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Folsom Oaks



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Bay Avenue Seniors



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Fireside



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Vida Nueva



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How do I find the MHSA Housing Program?

DMH webpage:

www.dmh.ca.gov/Prop_63/MHSA/Housing

Program Background

Application documents

Application Overview

Semi-Annual Legislative Update, etc.

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How do I find the MHSA Housing Program?

CalHFA webpage:

www.calhfa.ca.gov/multifamily/mhsa/index.htm

Shared Housing MHSA Application

Rental Housing MHSA Application

Additional Forms

Checklists

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