

CSAC-CBHDA-UCC-RCRC No Place Like Home Reader's Guide

AB 1618 (Chapter 43, Statutes of 2016) & AB 1628 (Chapter 322, Statutes of 2016)

November 2016

Section	Purpose	Notes
Welfare and Institutions Code §5830 Section 1 a(4) (AB 1618)	Expands on existing Mental Health Services Act statute by specifying that the purpose of the MHSA is to increase access to services including, but not limited to, through permanent supportive housing.	
Welfare and Institutions Code §5830 Section 1 b(A) (AB 1618)	Expands on existing Mental Health Services Act statute by specifying that one of the primary purposes of MHSA programs is to increase access to underserved groups by providing permanent supportive housing.	
Welfare and Institutions Code §5830 Section 1 b(D) (AB 1618)	Expands on existing Mental Health Services Act statute by specifying that another of the primary purposes of MHSA programs is to increase access to services including, but not limited to, through permanent supportive housing.	
Welfare and Institutions Code §5830 Section 1 2(D) (AB 1618)	The MHSA supports innovative approaches , such as participation in a housing program designed to stabilize a person's living situation while also providing supportive services on site.	
Welfare and Institutions Code §5830 Section 1 C(9) (AB 1618)	An innovative approach in MHSA may include the development of permanent supportive housing.	

Welfare and Institutions Code §5845 Section 2 A(5) (AB 1618)	Specifies that at least one member of the Mental Health Services Oversight and Accountability Commission shall have a background in auditing.	Added to respond to concerns from Republicans about MHSA transparency and accountability.
Welfare and Institutions Code §5847 Section 3 a (AB 1618)	Adds Department of Health Care Services as one of the parties to which each county must submit their three-year program and expenditure plans, as well as the annual updates.	Added to respond to concerns from Republicans about MHSA transparency and accountability.
Welfare and Institutions Code §5845 Section 3 b(5) (AB 1618)	Allows permanent supportive housing to serve as a less restrictive or more integrated setting for behavioral health facilities.	
Welfare and Institutions Code §5845 Section 3 b(5) (AB 1618)	Requires DHCS to post on its website the three-year program and expenditure plans in a timely manner.	Added to respond to concerns from Republicans about MHSA transparency and accountability.
Welfare and Institutions Code §5848 Section 4 e (AB 1618)	Requires DHCS to also annually post on its website a summary of the performance outcomes reports submitted by counties.	Added to respond to concerns from Republicans about MHSA transparency and accountability.
Welfare and Institutions Code §5849.1 Section 5 a (AB 1618)	Declares that this new section (Section 5) is consistent with and furthers the purposes of the MHSA.	Needed to conform with the intent of Proposition 63.

<p>Welfare and Institutions Code §5849.1 Section 5 b(1-12) (AB 1618)</p>	<p>Findings and declarations – basic stats on the necessity and purpose of the bill.</p>	<p>A common component of any legislation; can be used in court to prove intent.</p>
<p>Welfare and Institutions Code §5849.2 Section 5 a (AB 1618)</p>	<p>Defines “at risk of chronic homelessness,” by specifying that it includes, but is not limited to, persons who are at high risk of long-term or intermittent homelessness, including persons with mental illness exiting institutionalized settings, including, but not limited to, jail and mental health facilities, who were homeless prior to admission, transition age youth experiencing homelessness or with significant barriers to housing stability, and others, as defined in program guidelines.</p>	<p>Very important definition; by including those who are homeless or may be at risk for being homeless, it expands the population that can reside in NPLH permanent supportive housing.</p>
<p>Welfare and Institutions Code §5849.2 Section 5 b (AB 1618)</p>	<p>Conforms the state’s definition of “Chronically homeless” with the federal definition (Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on May 1, 2016).</p>	<p>Important to conform the definition of the population served with the federal definition to encourage layering of funding sources (local, state, federal) for permanent supportive housing.</p>
<p>Welfare and Institutions Code §5849.2 Section 5 h (AB 1618)</p>	<p>Conforms the state’s definition of “Homeless” with the federal definition (Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on May 1, 2016).</p>	<p>Important to conform the definition of the population served with the federal definition to encourage layering of funding sources (local, state, federal) for permanent supportive housing.</p>

<p>Welfare and Institutions Code §5849.2 Section 5 i (AB 1618) (AB 1618)</p>	<p>Allows “Permanent supportive housing” to mean the same as “supportive housing” as defined in Section 50675.14 of the Health and Safety Code and allows “associated facilities” to provide services to housing residents.</p>	<p>Allows for a broader range of facility types and layouts for permanent supportive housing.</p>
<p>Welfare and Institutions Code §5849.3 Section 5 a (AB 1618)</p>	<p>Establishes the No Place Like Home Program Advisory Committee, of which the members include:</p> <ul style="list-style-type: none"> • HCD Director or designee who shall serve as the chairperson of the committee • DHCS Director or designee • An additional DHCS representative • Secretary of Veterans Affairs or designee • Director of Social Services or designee • The State Treasurer or designee • The chair of the Mental Health Services Oversight and Accountability Commission or designee • A Chief Administrative Officer or Supervisor from a small county of less than 200,000 residents, to be appointed by the Governor. • A Chief Administrative Officer or Supervisor from a large county of more than 750,000 residents, to be appointed by the Governor. • A county behavioral health department director, to be appointed by the Governor. • A city administrative officer, to be appointed by the Governor. • A representative of an affordable housing organization, to be appointed by the Speaker of the Assembly. • A resident of supportive housing, to be appointed by the Governor. • A representative of a community mental health organization, to be appointed by the Senate Rules Committee. • A representative of a local or regional Continuum of Care organization, to be appointed by the Governor. 	<p>The Advisory Committee is designed to provide input on guidelines and other policy decisions to the Department of Housing and Community Development (HCD).</p> <p>The county coalition fought hard to include both large and small county representation, as well as consumer representation.</p>

<p>Welfare and Institutions Code §5849.3 Section 5 b (AB 1618)</p>	<p>The NPLH Stakeholder Advisory Committee shall</p> <ul style="list-style-type: none"> • Assist and advise HCD in the implementation of the program. • Review and make recommendations on HCD guidelines. • Review the department’s progress in distributing moneys. • Provide advice and guidance more broadly on statewide homelessness issues. 	<p>The Advisory Committee’s duties are not limited to NPLH implementation, but also to advising the state on homelessness issues.</p>
<p>Welfare and Institutions Code §5849.4 Section 5 a (AB 1618)</p>	<ul style="list-style-type: none"> - Creates the No Place Like Home Fund within the State Treasury. - The NPLH Fund is not subject to Proposition 98 (Section 13340 of the Government Code) - The NPLH Fund is continuously appropriated to HCD - Allows HCD to use up to five percent of the amount deposited in the fund for administrative expenses. 	<p>The five percent threshold for administrative costs is consistent with other housing bond policy.</p>
<p>Welfare and Institutions Code §5849.4 Section 5 a (AB 1618)</p>	<p>The NPLH Fund will receive</p> <ul style="list-style-type: none"> • Any proceeds from the issuance of bonds by the Treasurer for the purpose of implementing the program. • Any other federal or state grant, or from any private donation or grant, for the purposes of this part. • Any interest payment, loan repayments, or other return of funds 	
<p>Welfare and Institutions Code §5849.5 Section 5 a (AB 1618)</p>	<p>HCD must consult with the California State Association of Counties on guidelines and regulations, as well as other stakeholders.</p> <p>NPLH guidelines or regulations are not subject to the requirements of the Administrative Procedure Act (Chapter 3.5 [commencing with Section 11340] of Part 1 of Division 3 of Title 2 of the Government Code).</p>	<p>It is critical that counties are at the table for the development of guidelines and regulations, rather than merely reacting to proposed items.</p>

Welfare and Institutions Code §5849.5 Section 5 b (AB 1618)	HCD may adopt emergency regulations in order to expedite the award of moneys.	
Welfare and Institutions Code §5849.6 Section 5 a (AB 1618)	Groups the counties by population size: Los Angeles Large = more than 750,000 people Medium = between 200,000 and 750,000 people Small = Under 200,000 people	Intent is to break the counties into tiers to ensure counties with similar resources are competing for NPLH grants.
Welfare and Institutions Code §5849.6 Section 5 b (AB 1618)	Large Counties (as of 2016, in order of size) San Diego Orange Riverside San Bernardino Santa Clara Alameda Sacramento Contra Costa Fresno Kern Ventura San Francisco San Mateo	13 counties

Welfare and Institutions Code §5849.6 Section 5 c (AB 1618)	Medium Counties (as of 2016, in order of size) San Joaquin Stanislaus Sonoma Tulare Santa Barbara Monterey Solano Placer San Luis Obispo Santa Cruz Merced Marin Butte Yolo	14 counties
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Welfare and Institutions Code §5849.6 Section 5 d (AB 1618)	Small Counties (as of 2016, in order of size) Imperial El Dorado Shasta Madera Kings Napa Humboldt Nevada Sutter Mendocino Yuba Lake Tehama San Benito Tuolumne Calaveras Siskiyou Amador Lassen Glenn Del Norte Colusa Plumas Inyo Mariposa Mono Trinity Modoc Sierra Alpine	30 counties
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<p>Welfare and Institutions Code §5849.6 Section 5 (AB 1618)</p>	<p>NPLH funding will be distributed among the tiers using a to-be-developed calculation that includes a new method to measure the number of homeless people in each county and consideration of the minimum funding levels necessary to create permanent supportive housing.</p> <p>Also allows HCD to consider other factors in the calculation.</p>	<p>Reflects a desire by all parties to develop a more accurate homeless count in each county rather than relying on HUD's incomplete 2015 point-in-time count.</p> <p>Consideration of factors used in the homeless count will be critical.</p>
<p>Welfare and Institutions Code §5849.7 Section 5 a (AB 1618)</p>	<p>HCD shall distribute up to \$2 billion total in the competitive program (5849.8) and distribution program (5849.9).</p> <p>The funding may be used to finance capital costs including, but not limited to, acquisition, design, construction, rehabilitation, or preservation, and to capitalize operating reserves, of permanent supportive housing for the target population.</p>	<p>Sets the potential amount of funding available.</p> <p>The uses outlined are critical for counties considering applying for NPLH funds. It allows a wide range of uses, from buying land and building new units, to refurbishing existing housing.</p> <p>Also allows the funding to be used to capitalize operating reserves, which is critical for projects that also include federal funding.</p>

<p>Welfare and Institutions Code §5849.7 Section 5 b (1) (AB 1618)</p>	<p>For the competitive grants, a county may:</p> <ul style="list-style-type: none"> -Apply as a sole applicant if it is the development sponsor or -Apply jointly with a separate entity that serves as the development sponsor 	<p>Since NPLH uses MHSA funds to service the bond debt, only entities that receive MHSA funding are eligible.</p> <p>Thus, this specifies that only counties (and those which are a city and county, as well as the three cities that receive MHSA funding) may apply for NPLH funding.</p>
<p>Welfare and Institutions Code §5849.7 Section 5 b(2) (AB 1618)</p>	<p>Projects funded with NPLH moneys shall integrate residents with the general public.</p>	<p>Requires NPLH-funded units to be integrated with the community based on research regarding outcomes for residents of permanent supportive housing.</p> <p>This means that a project should be located within a community with access to services ranging from transportation to recovery services.</p> <p>NPLH may also fund specified units within existing integrated housing, such as setting aside several units within a development or project.</p>

<p>Welfare and Institutions Code §5849.7 Section 5 b(3) (AB 1618)</p>	<p>NPLH projects shall utilize low-barrier tenant selection practices.</p> <p>NPLH projects shall prioritize vulnerable populations and offer flexible, voluntary, and individualized supportive services.</p>	<p>Those who are chronically homeless or at risk of being homeless typically do not have the fiscal or income resources of standard tenants, and thus tenant qualification practices for permanent supportive housing projects must be inclusive and operate using different, flexible qualifications.</p> <p>Reiterates that NPLH projects must prioritize vulnerable populations, be flexible to serve the unique needs of their local homeless people, and provide individualized supportive services.</p>
<p>Welfare and Institutions Code §5849.7 Section 5 b(4) (AB 1618)</p>	<p>Allows for alternative housing models, such as shared housing models of fewer than five units and</p> <p>Allows the integration requirements (b[2]) to be modified in shared housing projects.</p>	<p>Allows for flexibility in how units are integrated or organized.</p> <p>Encourages the shared housing model – especially in rural areas – by allowing more community integration flexibility for these types of units.</p>

<p>Welfare and Institutions Code §5849.7 Section 5 b(5) (AB 1618)</p>	<p>NPLH funds will be awarded to counties in the form of deferred payment loans to finance capital costs, including</p> <ul style="list-style-type: none"> • Acquisition • Design • Construction • Rehabilitation • Preservation • To capitalize operating reserves 	<p>NPLH funds are deferred payment loans to counties backed by revenue bond funding. (See 5849.8 e(1) for loan terms)</p> <p>Allows for significant flexibility in the use of NPLH funds.</p>
<p>Welfare and Institutions Code §5849.7 Section 5 b(6) (AB 1618)</p>	<p>HCD will establish income and rent standards for NPLH projects.</p>	<p>This will be done in consultation with CSAC and the Stakeholder Advisory Committee.</p>
<p>Welfare and Institutions Code §5849.8 Section 5 a (AB 1618)</p>	<p>Specifies that \$1.8 billion shall be allocated for the competitive program.</p> <p>HCD will develop the guidelines for the competitive application process.</p>	<p>Up to \$1.8 billion of the total \$2 billion is available in the competitive portion of the NPLH program.</p> <p>The development of the competitive application process will be done in consultation with CSAC and the Stakeholder Advisory Committee.</p>

<p>Welfare and Institutions Code §5849.8 Section 5 1(A) (AB 1618)</p>	<p>Counties which apply must meet the following minimum criteria:</p> <ul style="list-style-type: none"> - The county commits to provide mental health supportive services, including substance use treatment services, to the tenants of the supportive housing development for at least 20 years. - Services shall be provided onsite at the supportive housing development or in a location otherwise easily accessible to tenants. 	<p>20 year commitment to provide services was inserted to strengthen the tie between the bonds and the use of the bond funds at the local level.</p> <p>Requires services to be accessible to permanent supportive housing tenants. The Senate originally wanted to strictly require onsite services.</p>
<p>Welfare and Institutions Code §5849.8 Section 5 1(A)i-v (AB 1618)</p>	<p>The county may use the following available funding sources for NPLH-eligible projects:</p> <ul style="list-style-type: none"> • MHSA Funding • The Mental Health Account within the Local Health Welfare Trust Fund established in 1991 Realignment • The Behavioral Health Subaccount within the County Local Revenue Fund established in 2011 Realignment • Funds received from other private or public entities. • Other county funds. 	<p>Housing projects often require leveraging different funding streams. Counties asked that private, philanthropic, and other local government or public funding also be allowed.</p>
<p>Welfare and Institutions Code §5849.8 Section 5 1(B) (AB 1618)</p>	<p>Requires any county that applies to develop or submit an existing county plan to combat homelessness. The plan must include:</p> <ul style="list-style-type: none"> • a description of homelessness countywide • any special challenges or barriers to serving the target population • county resources applied to address the issue • available community-based resources • an outline of partners and collaboration • proposed solutions. 	

<p>Welfare and Institutions Code §5849.8 Section 5 1(C) (AB 1618)</p>	<p>A county that applies must also demonstrate</p> <ul style="list-style-type: none"> - the capacity of the county or a developer to develop, own, and operate a permanent supportive housing development for the target population <p>and</p> <ul style="list-style-type: none"> - Propose a financially feasible development with reasonable development costs. 	<p>Basic threshold application requirements.</p>
<p>Welfare and Institutions Code §5849.8 Section 5 2 (A-F) (AB 1618)</p>	<p>HCD will also evaluate applications on the following criteria:</p> <ul style="list-style-type: none"> • The extent to which units assisted by the program are restricted to persons who are chronically homeless or at risk of chronic homelessness within the target population. • The extent to which funds are leveraged for capital costs. • The extent to which projects achieve deeper affordability through the use of non-state project-based rental assistance, operating subsidies, or other funding. • Project readiness. • The extent to which applicants offer a range of on and off-site supportive services to tenants, including mental health services, behavioral health services, primary health, employment, and other tenancy support services. • Past history of implementing programs that use evidence-based best practices that have led to the reduction of the number of chronic homeless or at risk of chronic homelessness individuals within the target population. 	

<p>Welfare and Institutions Code §5849.8 Section 5 b (AB 1618)</p>	<p>HCD may establish an “Alternative Process” for allocating funds directly to counties with at least five percent of the state’s homeless population (as calculated in Section 5849.6).</p> <p>These counties must also demonstrate the capacity to directly administer loan funds for permanent supportive housing.</p> <p>HCD will develop guidelines for the Alternative Process – if a county or counties chooses to apply in that manner.</p> <p>The Alternative Process guidelines will also include requirements for the local administration of funds, including, but not limited to:</p> <ul style="list-style-type: none"> • the project selection process • eligible use of funds • loan terms • rent and occupancy restrictions • provision of services • reporting and monitoring requirements. 	<p>Counties that qualify for the Alternative Process will be determined after HCD develops the methodology for measuring the number of homeless people in each county or region.</p>
<p>Welfare and Institutions Code §5849.8 Section 5 b (AB 1618)</p>	<p>Counties participating in the Alternative Process shall not be eligible for the competitive process on a round-by-round basis.</p>	<p>Counties that qualify for the Alternative Process may choose either the Alternative Process or the standard application process for each round of funding.</p>

<p>Welfare and Institutions Code §5849.8 Section 5 b (AB 1618)</p>	<p>Counties participating in the Alternative Process shall be limited to funds in proportion to their share of the percentage of the statewide homeless population (as calculated by the department in Section 5849.6).</p>	<p>Limits funding available in each round in which a county chooses the Alternative Process to their percentage share of the statewide homeless count. This was a specific request from the county coalition to ensure that all counties may access the funds.</p>
<p>Welfare and Institutions Code §5849.8 Section 5 b (AB 1618)</p>	<p>Under the Alternative Process, funds not committed within two years shall be returned to the state and be made available in the competitive program. The department shall consider the following when selecting participating counties:</p>	<p>After two years, unused funds—either offered OR awarded – return to the competitive pot.</p>
<p>Welfare and Institutions Code §5849.8 Section 5 B(1-4) (AB 1618)</p>	<p>HCD shall consider the following when selecting project applications within the Alternative Process:</p> <ul style="list-style-type: none"> • Demonstrated ability to finance permanent supportive housing with local and federal funds, and monitor requirements for the life of the loan. • Past history of delivering supportive services to the target population in housing. • Past history of committing project-based vouchers to supportive housing. • Ability to prioritize the most vulnerable within the target population through coordinated entry system. 	<p>Additional requirements for qualified counties accessing the Alternative Process.</p>
<p>Welfare and Institutions Code §5849.8 Section 5 c (AB 1618)</p>	<p>HCD shall set aside 8 percent of funds offered in Rounds 1 through 4 of the competitive funding portion, inclusive, for small counties (as defined in (d) of Section 5849.6).</p>	<p>This is the Rural Set-Aside, and applies only to the competitive program.</p>

<p>Welfare and Institutions Code §5849.8 Section 5 D(1-5) (AB 1618)</p>	<p>HCD will award funds in at least four rounds:</p> <ul style="list-style-type: none"> • The department shall issue its first request for proposal for the competitive program no later than 180 days after any deadline for appeals. • The second round shall be completed no later than one year after the completion of the first round. • The third round shall be completed no later than one year after the completion of the second round. • The fourth round shall be completed no later than one year after the completion of the third round. <p>If funding is left over, the department may open subsequent rounds for all counties without the competitive groupings, the rural set-aside, and the alternative process.</p>	<p>There will be four rounds of funding within the competitive process.</p> <p>If funds are left over after four rounds, all counties are qualified to apply for the remaining funding, regardless of tier or set-aside.</p>
<p>Welfare and Institutions Code §5849.8 Section 5 E(1) (AB 1618)</p>	<p>NPLH loans will be made in the form of secured deferred payment loans to pay for the eligible costs of development.</p> <p>Principal and accumulated interest is due and payable upon completion of the term of the loan, which shall be established through program guidelines adopted pursuant to Section 5849.5.</p> <p>The loan shall bear simple interest at a rate of three percent per annum on the unpaid principal balance.</p> <p>HCD shall require annual loan payments in the minimum amount necessary to cover the costs of project monitoring. For the first 15 years of the loan term, the amount of the required loan payments shall not exceed forty-two hundredths of 1 percent per annum.</p>	<p>NPLH Loan Terms</p> <p>Length of loans will be established in guidelines.</p> <p>Counties will repay the principal plus 3 percent annual interest at the end of the term.</p> <p>Counties will make a portion of the annual loan payments to cover the cost of project monitoring, which is capped at .042 of 1 percent annually for the first 15 years.</p>

<p>Welfare and Institutions Code §5849.8 Section 5 E(2-3) (AB 1618)</p>	<p>HCD may elect to establish maximum loan-to-value requirements for some or all of the types of projects that are eligible for funding under this part.</p> <p>HCD must establish per-unit and per-project loan limits for all project types.</p>	
<p>Welfare and Institutions Code §5849.8 Section 5 F(1-3) (AB 1618)</p>	<p>HCD may set aside up to four percent of available funding – except funding in the small county tier – to establish a default reserve.</p> <p>The default reserve funds can be used by HCD to avert a default on the terms of any loan or obligation by the recipient of financial assistance, or to bid on a foreclosure sale that jeopardize the department’s security in the rental housing development.</p> <p>The default reserve funds may also be used to repair or maintain any rental housing development assistance pursuant to this part to protect the department’s security interest.</p> <p>The default reserves may be used at the discretion of HCD.</p> <p>The amount of any funds expended by the department for the purposes of curing or averting a default shall be added to the loan amount secured by the rental housing development and shall be payable to the department upon demand.</p>	<p>The default reserve cost does not apply to the rural tier due to the eight percent rural set aside.</p>

<p>Welfare and Institutions Code §5849.8 Section 5 g(1) A-G (AB 1618)</p>	<p>When HCD must use the default reserve funds and I enter into a regulatory agreement with the county/development sponsor, that agreement</p> <ul style="list-style-type: none"> • Sets standards for tenant selection to ensure very low and low income household qualify • Governs the terms of occupancy agreements. • Requires affordable rent levels to serve eligible households. • Allows for periodic inspections and review of year-end fiscal audits and related reports by the department. • Permits a county/developer to distribute earnings in an amount established by the department and based on the number of units in the rental housing development. • Has a term for not less than the original term of the loan. • Contains any other provisions necessary to carry out the purposes of this part. 	
<p>Welfare and Institutions Code §5849.8 Section 5 g(2-3) (AB 1618)</p>	<p>Any agreement utilizing default reserve funding between HCD and a developer shall be binding upon the developer and successors in interest upon sale or transfer of the rental housing development regardless of any prepayment of the loan.</p> <p>The agreement shall be recorded in the office of the county recorder in the county in which the real property subject to the agreement is located.</p>	
<p>Welfare and Institutions Code §5849.9 Section 5 a (AB 1618)</p>	<p>HCD shall distribute \$200 million on an “over-the-counter” basis to finance</p> <ul style="list-style-type: none"> • Construction • Rehabilitation • Preservation or • To capitalize operating reserves <p>For permanent supportive housing projects.</p> <p>Counties may only receive over-the-counter funds in proportion to the number of homeless persons residing within each county or At least \$500,000, whichever is greater.</p>	<p>This \$200 million in funding is intended to help counties jump-start their projects.</p> <p>Each county that applies will receive no less than \$500,000.</p>

<p>Welfare and Institutions Code §5849.9 Section 5 b,c, (AB 1618)</p>	<p>Unused funds from the \$200 million will revert to the competitive program.</p> <p>Funding will be distributed in accordance with the procedures for awarding funds to local agencies established by the existing Mental Health Services Act housing program administered by the Department of Health Care Services and the California Housing Finance Agency or alternative procedures developed by the department for distributing these moneys that enhance the efficiency and goals of the distribution program.</p>	
<p>Welfare and Institutions Code §5849.9 Section 5 d (AB 1618)</p>	<p>Funds from the \$200 million pot will be available to counties within 60 days of the last court validation of the program.</p>	
<p>Welfare and Institutions Code §5849.10 Section 5 a, b(1-5) (AB 1618)</p>	<p>Transfers \$6.2 million in MHSA funding to HCD to establish an application preparation and technical assistance to counties.</p> <p>Technical assistance funding can be used to</p> <ul style="list-style-type: none"> • Assist with applying for program funds • Implementing permanent supportive housing • Coordinating funded activities with federal Continuums of Care • Delivering a range of supportive services to tenants • Collecting data, evaluating program activities, and sharing data 	<p>This technical assistance funding is available, but not limited to, the current fiscal year (2016-17)</p>
<p>Welfare and Institutions Code §5849.10 Section 5 c (AB 1618)</p>	<p>Technical assistance funding will be available in the following amounts: To a large county and to the County of Los Angeles, HCD shall provide one hundred fifty thousand dollars (\$150,000). To a medium county, HCD shall provide one hundred thousand dollars (\$100,000). To a small county, HCD shall provide seventy-five thousand dollars (\$75,000).</p>	<p>Establishes the maximum awards available for technical assistance based on county size.</p>

<p>Welfare and Institutions Code §5849.10 Section 5 d,e,f (AB 1618)</p>	<p>If a county does not spend all of the technical assistance money by June 30, 2020, it reverts back to HCD.</p> <p>HCD may use unused funding to contract for expert technical assistance and application preparation assistance.</p> <p>HCD shall develop guidelines for deploying contracted assistance to counties.</p> <p>HCD may establish a Technical Assistance unit.</p>	
<p>Welfare and Institutions Code §5849.11 Section 5 a (AB 1618)</p>	<p>Counties must report annually to HCD on NPLH activities, including information on the funded supportive housing development.</p> <p>The reports shall include</p> <ul style="list-style-type: none"> • The location of projects • The number of units assisted • Occupancy restrictions • The number of individuals and households served and their related income levels • Homeless, veteran, and mental health status 	<p>Annual reporting to HCD</p>
<p>Welfare and Institutions Code §5849.11 Section 5 b,c (AB 1618)</p>	<p>HCD shall report to the Secretary of the Senate, the Chief Clerk of the Assembly, Legislative Counsel, and each member of the Legislature on December 31 of each year on the first year after the program is in effect.</p> <p>The report shall contain the following:</p> <ul style="list-style-type: none"> • The processes established for distributing funds • The distribution of funds among counties • Any recommendations as to modifications to the program for the purpose of improving efficiency or furthering the goals of the program 	

<p>Welfare and Institutions Code §5849.12 Section 5 a,b (AB 1618)</p>	<p>HCD shall contract with a public or private research university in California to evaluate the program.</p> <p>The department shall develop the research design with the assistance of the Legislative Analyst’s Office and the Department of Finance.</p> <p>HCD must submit the final research design and request for proposal to the Chairperson of the Joint Legislative Budget Committee no more than 30 days prior to executing a contract for the evaluation.</p>	
<p>Welfare and Institutions Code §5849.13 Section 5 (AB 1618)</p>	<p>HCD may bring an action in Sacramento superior court to determine the validity/legality of this statute. This is required in the interest of avoiding long-term litigation for the program which would delay the availability of funds.</p>	<p>Legal validation as set forth in Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.</p>
<p>Welfare and Institutions Code §5849.14 Section 5 a,b,c (AB 1618)</p>	<p>The Department of Finance may authorize a State General Fund loan of not more than \$1 million to the No Place Like Home Fund for cash flow purposes.</p> <p>The loan must be used to allow the department to begin program implementation activities, including, but not limited to, drafting program guidelines and regulations.</p> <p>The loan is short term, and shall be repaid within 30 days after the deposit of bond proceeds into the fund.</p> <p>Interest charges may be waived.</p>	
<p>Welfare and Institutions Code §5897 Section 6 d (AB 1618)</p>	<p>DHCS shall review each county mental health performance contract at least once every three years, subject to available funding for this purpose.</p>	<p>Part of the desire for additional state oversight regarding the provision of mental health services.</p>

Welfare and Institutions Code §5897 Section 6 e (AB 1618)	Requires DHCS to post any county plans of correction and related finding on its website.	Part of the desire for additional state oversight regarding the provision of mental health services.
Welfare and Institutions Code §5899 Section 7 a,b (AB 1618)	Requires counties to certify the accuracy of their Annual Mental Health Services Act Revenue and Expenditure Report. DHCS the Mental Health Services Oversight and Accountability Commission shall post these reports to their respective websites. DHCS, in consultation with the commission and the County Behavioral Health Directors Association of California, shall revise the submission instructions by July 1, 2017, and as needed thereafter, to improve the timely and accurate submission of county revenue and expenditure data.	
Welfare and Institutions Code §5899 Section 7 e (AB 1618)	If a county does not submit the annual revenue and expenditure report, the department may withhold MHSA funds until the reports are submitted.	
Section 8 (AB 1618)	The Legislature finds and declares that this act furthers the intent of the Mental Health Services Act and it is the intent of the Legislature that the costs to service the debt for the bond authorized by this act shall not impede in any way the direct mental health services provided by counties, and that the counties shall maximize the use of all available state, federal, and local funding sources to support direct local mental health services.	
Section 9 (AB 1618)	Specifies that AB 1618 is a budget bill and, as such, authorizes appropriations. It shall also take effect immediately.	AB 1618 also required a two-thirds vote of both houses of the Legislature.

SECTION	PURPOSE	NOTES
Government Code Section 15463 (AB 1628)	Definitions, including “No Place Like Home Program” (WIC 5849.2) “No Place Like Home Fund” (WIC 5849.4) “Permanent supportive housing” (HSC 50675.14), including associated facilities.	Cross References AB 1618
Government Code §15463 Section 1 b (AB 1628)	The California Health Facilities Financing Authority (CHFFA) may issue taxable or tax-exempt revenue bonds in an amount not to exceed two billion dollars (\$2,000,000,000), exclusive of refunding bonds but including any net premium derived from the sale of the bonds, for the purpose of financing permanent supportive housing pursuant to the No Place Like Home Program. CHFFA may also use bond proceeds for the following: <ul style="list-style-type: none"> • necessary reserves for principal and interest • capitalized interest • credit enhancement or liquidity costs • costs of issuance • administrative expenses • to reimburse NPLH loans 	The California Health Facilities Financing Authority (CHFFA or the Authority) issues bonds for specified purposes. CHFFA was designated to issue the NPLH bonds.
Government Code §15463 Section 1 c (AB 1628)	Allows CHFFA to issue bonds according to existing Government Code. (GC 15446, 15441, 15445, 15447 to 15450)	
Government Code §15463 Section 1 d (AB 1628)	Allows CHFFA to make secured or unsecured loans to HCD for NPLH. These loans may be used to fund reserves for principal and interest, capitalized interest, credit enhancement and liquidity costs, expenses of funding, financing, and refinancing, administrative expenses in accordance with AB 1618 (WIC 5849.4, 5849.14)	Allows CHFFA to loan funds to HCD for NPLH. CHFFA cannot give or transfer the bond funding, and must instead loan the funds to HCD.

<p>Government Code §15463 Section 1 e (AB 1628)</p>	<p>CHFFA and HCD may enter into any agreement for credit enhancement or liquidity, to execute any instruments, and to do any other acts it deems necessary, convenient, or desirable in connection with revenue bonds issued pursuant to NPLH.</p>	<p>Allows CHFFA and HCD to work together.</p>
<p>Government Code §15463 Section 1 F(1-2) (AB 1628)</p>	<p>Authorizes a complete, additional, and alternative method for performing the acts authorized by this section as they shall be construed as supplemental and additional to powers conferred by other laws</p> <p>The issuance of the bonds and refunding bonds and the execution of any agreements under this section are not subject to the requirements of any other law applicable to the issuance of those bonds, including the California Environmental Quality Act. This applies only to the bonds and not to the actual projects.</p>	
<p>Welfare and Institutions Code §5849.1 Section 2 B (13-16) (AB 1628)</p>	<p>Authorizes HCD as the state entity with sufficient expertise to implement and oversee a grant or loan program for permanent supportive housing of the target population.</p> <p>Authorizes CHFFA to issue bonds and to consult with the MHOAC and HCD concerning the implementation of a grant or loan program for California counties to support the development of programs that increase access to, and capacity for, crisis mental health services. Confirms that it is therefore appropriate for CHFFA to issue bonds and contract for services with the Department of Housing and Community Development.</p> <p>Also finds that the use of bond funding will accelerate the availability of funding for the grant or loan program to provide permanent supportive housing for the target population as compared to relying on annual allocations from the Mental Health Services Fund and better allow counties to provide permanent supportive housing for homeless individuals living with mental illness.</p>	

Welfare and Institutions Code §5849.2 Section 3 b,c,d (AB 1628)	Defines the “Authority” to mean the California Health Facilities Financing Authority. Defines “Chronically homeless” to mean the same as the definition currently in federal regulation. (Section 578.3 of Title 24 of the Code of Federal Regulations) Defines the “Commission” to mean Mental Health Services Oversight and Accountability Commission.	
Welfare and Institutions Code §5849.2 Section 3 I (AB 1628)	Clarifies that the word “Program” means the NPLH program as codified in AB 1618.	
Welfare and Institutions Code §5849.3 Section 4 (AB 1628)	Conforming changes in response to the passage of AB 1618.	

<p>Welfare and Institutions Code §5849.35 Section 5 a-b (AB 1628)</p>	<p>Authorizes CHFFA to</p> <ul style="list-style-type: none"> • Consult with the Commission and HCD on the implementation of NPLH, including the review of annual reports provided to the Authority by the department. • Enter into one or more contracts with HCD to provide, and the authority to pay the department for providing, services related to NPLH, subject to approval by the Commission within 10 days. If the Commission does not act within the 10 days, the contract is deemed approved. • Certify twice a year (on or before June 15 and December 15) to the State Controller’s Office the amounts the Authority is required to pay for contracts with HCD. • Enter into one or more service contracts with the Authority to provide NPLH services. <p>- Payments received by HCD under any service contract authorized by this paragraph shall be used first to repay loans from the Authority.</p> <ul style="list-style-type: none"> • Enter into one or more loan agreements as security for the repayment of the revenue bonds issued by the Authority. HCD shall deposit the proceeds of these loans, into the fund. The department’s obligations to make payments under these loan agreements shall be limited obligations payable solely from amounts received pursuant to its service contracts with the authority. • HCD may pledge and assign its right to receive all or a portion of the payments under the service contracts. 	
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<p>Welfare and Institutions Code §5849.35 Section 5 c-f (AB 1628)</p>	<p>The Legislature finds and declares:</p> <ul style="list-style-type: none"> • The consideration to be paid by the Authority to HCD for the services provided pursuant to the contracts is fair and reasonable and in the public interest. • The service contracts and payments made by the Authority to HCD shall not constitute a debt or liability, or a pledge of the faith and credit of the state or any political subdivision. • The state hereby covenants with the holders of any bonds issued by the Authority for NPLH that it will not alter, amend, or restrict the provisions of this section in any manner adverse to the interests of those bondholders so long as any of those bonds remain outstanding. The authority may include this covenant in the resolution, indenture, or other documents governing the bonds. • Agreements under this section are not subject to, and need not comply with, the requirements of any other law applicable to the execution of those agreements, including, but not limited to, the California Environmental Quality Act. • The Public Contract Code shall not apply to any contract entered into between the Authority and HCD under this section. 	
<p>Welfare and Institutions Code §5849.4 Section 6 a (AB 1628)</p>	<p>Creates the No Place Like Home Fund within the State Treasury and continuously appropriates funds to HCD, the Authority, and the Treasurer for the purposes of this part.</p> <p>HCD may use up to five accounts and subaccounts within the fund as needed.</p> <p>Up to 5 percent of the amount deposited in the fund may be used for state administrative expenses in implementing this part.</p>	

<p>Welfare and Institutions Code §5849.4 Section 6 b (AB 1628)</p>	<p>Funds that shall be paid into the No Place Like Home Fund within the State Treasury include</p> <ul style="list-style-type: none"> - Any proceeds or moneys from the receipt of loan proceeds derived from the issuance of bonds by the Treasurer for the purpose of implementing the NPLH program. - Any other federal or state grant, or from any private donation or grant, for the purposes of this part. 	
<p>Welfare and Institutions Code §5849.5 Section 7 a (AB 1628)</p>	<p>Allows HCD to adopt guidelines or regulations, including emergency regulations, to expedite the award of moneys pursuant to this part in consultation with the California State Association of Counties and other stakeholders.</p>	
<p>Welfare and Institutions Code §5849.7 Section 8 a (AB 1628)</p>	<p>Repeats the language allowing HCD to enter into one or more contracts with the Authority. Requires HCD to “use its best efforts” to provide or cause to be provided permanent supportive housing for the target population in consideration for service contract payments to be received from the Authority.</p> <p>Under any service contract with the Authority, HCD shall administer the NPLH program.</p> <p>For purposes of this section and Sections 5849.8 and 5849.9, measurement of the dollar limit on amounts to be distributed by HCD shall be based on the principal amount of bonds issued by the Authority and loaned to HCD, exclusive of any refunding bonds but including any net premium derived from the sale of the bonds. There shall be no dollar limit on the distribution of moneys in the fund derived from the fund sources.</p>	
<p>Welfare and Institutions Code §5849.8 Section 9 b (AB 1628)</p>	<p>Under any service contract entered into between the Authority and HCD, HCD may allocate \$1.8 billion for the NPLH competitive program.</p>	

Welfare and Institutions Code §5849.8 Section 9 c (AB 1628)	Clarifies that the eight percent small county set aside applies only to the \$1.8 billion competitive portion of the NPLH program.	
Welfare and Institutions Code §5849.8 Section 9 d(1) (AB 1628)	Clarifies that the competitive program will include four rounds. Clarifies that the program can commence no later than 180 days after any deadline for appeals as set forth in Section 870 of the Code of Civil Procedure or the effective date of a final judgment, with no further opportunity for appeals, in any court proceeding affirming the validity of the contracts authorized by the Authority and the Department.	Conforms/Clarifies AB 1618
Welfare and Institutions Code §5849.8 Section 9 e(1) (AB 1628)	Clarifies that any unpaid principal is due and payable no later than completion of the term of the loan. Reiterates the three percent simple interest rate per annum on the unpaid principal balance.	
Welfare and Institutions Code §5849.8 Section 9 h(1-2) (AB 1628)	New language requiring HCD to monitor and enforce county compliance with applicable program regulations, loan agreements and regulatory agreements and any agreements related to the program that designate the department as a third-party beneficiary. HCD shall annually report to the Authority of the status of its monitoring and enforcement efforts.	
Welfare and Institutions Code §5849.8 Section 9 i (AB 1628)	HCD may prorovide technical assistance to counties or developers of supportive housing to facilitate the construction of permanent supportive housing for the target population.	

Welfare and Institutions Code §5849.8 Section 10 a (AB 1628)	Clarifies that under the service contracts between the Authority and HCD, that HCD may distribute \$200 million for “over-the-counter” funding to counties. Also adds the previous AB 1618 language that requires a county to provide services for 20 years onsite or nearby the housing units.	
Welfare and Institutions Code §5849.9 Section 10 a (AB 1628)	Clarifies that HCD shall make the first allocation of moneys “as soon as reasonably practical” and lengthens the 60 day window to 150 days after any court action.	
Welfare and Institutions Code §5849.11 Section 11 a (AB 1628)	New language requiring HCD to include information regarding service contracts in the existing report to the Authority by December 31 of each year, commencing with the year after the first full year in which the program is in effect.	
Welfare and Institutions Code Section 12 (AB 1628)	Repeals Section 12	
Welfare and Institutions Code §5849.13 Section 13 (AB 1628)	Adds a new Section 13 (which will likely become Section 12) to say that any action to determine the validity of any contract or loan may be brought by the state department in superior court (same as in AB 1618).	
Welfare and Institutions Code §5849.14 Section 14 (AB 1628)	Increases the State General Fund loan to HCD to \$2 million and allows DOF to make more than one loan, but the loans may not exceed an aggregate total of \$2 million.	

<p>Welfare and Institutions Code §5890 Section 15 (AB 1628)</p>	<p>Adds the NPLH Program as funds that are within the Mental Health Services Fund.</p>	
<p>Welfare and Institutions Code §5890 Section 15 (AB 1628)</p>	<p>This is how CHFFA will transfer funds from MHSA to service the bond debt. This section creates the Supportive Housing Program Subaccount within the Mental Health Services Fund and allows CHFFA to access those funds continuously to fund the service contracts and bond debt.</p> <p>The MHSA funding will be transferred monthly, no later than the last day of each month, by the Controller to the new Supportive Housing Program Subaccount.</p> <p>The amount transferred will be previously certified by CHFFA.</p> <p>The total amount transferred will not exceed an aggregate amount of \$140 million annually. This is when all bonds are sold and is used for the debt services payments.</p> <p>If, in any month, the amount of funding in the Mental Health Services Fund are insufficient to fully transfer, the shortfall shall be carried over to the next month.</p> <p>Moneys in the Supportive Housing Program Subaccount shall not be loaned to the State's General Fund.</p>	<p>Explains how MHSA funding is diverted to NPLH activities. Caps the total MHSA amount to be transferred annually at \$140 million.</p>
<p>Welfare and Institutions Code Section 16 (AB 1628)</p>	<p>Allows the funding in the Supportive Housing Program Subaccount to be used for a purpose other than outlined in existing Proposition 63 statute.</p>	<p>Required a two-thirds vote.</p>

Welfare and Institutions Code Section 17 (AB 1628)	The Legislature finds and declares that this act furthers the intent of the Mental Health Services Act and it is the intent of the Legislature that the costs to service the debt for the bond authorized by this act shall not impede in any way the direct mental health services provided by counties, and that the counties shall maximize the use of all available state, federal, and local funding sources to support direct local mental health services.	
Welfare and Institutions Code Section 18 (AB 1628)	Specifies that AB 1618 is a budget bill and, as such, authorizes appropriations. It shall also take effect immediately.	AB 1618 also required a two-thirds vote of both houses of the Legislature because it amended a voter-approved proposition.

~end~