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## **ASSEMBLY FLOOR ALERT**

### **AB 1618 (Committee on Budget): No Place Like Home Program Establishment As Amended June 23, 2016 – SUPPORT Assembly Third Reading File**

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The California State Association of Counties (CSAC) and the California Behavioral Health Directors Association (CBHDA) are pleased to support AB 1618, which would establish the “No Place Like Home” program (NPLH) to leverage up to \$2 billion in funding to build or refurbish permanent supportive housing for homeless individuals living with a serious mental illness.

CSAC and CBHDA also worked with the Urban Counties of California (UCC) and Rural County Representatives of California (RCRC) to ensure a workable program that will provide the opportunity for all counties, regardless of size, to build or refurbish permanent supportive housing.

We have reviewed the June 23 amendments aimed at ensuring accuracy and transparency for the data counties already report under Proposition 63, and look forward to working with the Department of Health Care Services to assist with these goals.

CSAC also strongly supports the numerous amendments taken to the bill to ensure a workable framework for this new program, including:

**CSAC Directly Involved in Guideline Development:** The inclusion of CSAC in the language on developing guidelines with HCD will ensure a smoother, more effective implementation of the program. Our intent is to gather a diverse technical working group to assist us in providing constructive content during the guideline development process.

**County Tiers:** Our county coalition was primarily concerned with ensuring counties with similar resources were grouped accordingly. To accomplish this, we asked that counties be grouped by total population: Los Angeles has a tier, then Large Counties of more than 750,000 people,

Medium Counties with between 200,001-749,999 people, and Small Counties with less than 200,000 residents. This allows similarly sized counties with similar resources to compete with one another.

**Access for All Counties:** Awards in the \$1.8 billion competitive pot for the alternative process available to the four counties with the highest percentage of homeless require these counties to choose between competing for funds or applying for funding that is proportional to their statewide homeless share. Further, counties that choose the alternative process may not compete in both the alternative or competitive process at the same time. Finally, awards in the competitive pot for other counties are not restricted to a county's homeless count, thereby allowing all counties to compete based on their project needs and within their county tier.

**Rural Set Aside:** For the competitive funds, eight percent of the total will be set aside and available to the counties in the Small County tier. This is modelled directly on the previous CalHFA MHSA housing program, which also set aside eight percent of funds for small counties. If funding remains after four rounds, it is released from the set-aside and will be made available to all county tiers.

**\$200 Million “Over the Counter” Pot:** The bill reflects significant county input on the proposed \$200 million “over the counter” pot of funding. Most importantly, it allows for a \$500,000 “floor” for all counties that apply for these funds, meaning no county that qualifies would receive less than that amount. It also ensures that this funding can be allocated quickly and assist all counties with startup or operational reserve costs.

**Stakeholder Advisory Committee:** The Senate and Brown Administration were committed to a diverse stakeholder advisory committee; the current structure includes two county representatives (one from a large county and one from a small county) and a mental health director; also, at the request of our behavioral health directors, a resident of a supportive housing program was added to the committee. This is in line with the intent of the Mental Health Services Act, and we believe it will ensure a robust and constructive committee process.

**Development Sponsor:** Language originally required a county to apply with a developer and directed the funds to developers. We requested that a county be the sole applicant for these loan funds, and included the option for counties to partner with developers as needed.

**Homeless Count:** Original language in the bill specified the use of the U.S. Housing and Urban Development 2015 “point in time” homeless count numbers as the basis for access to some of the funding. The new language strikes that specific requirement and instead requires HCD to develop a homeless count and to consider “other factors.” CSAC will be a part of this process and we believe we can assist in developing more recent and accurate data.

**Requirement to Provide Services:** The first version of the bill required a county to commit to providing supportive services for 55 years or the life of the loan; Senate staff listened to our concerns and reduced the requirement to 20 years. They also listened to our concerns regarding the provision of services and accepted our request to refrain from limiting the provision of services exclusively on site, as that would be very difficult for all but the largest counties.

**Expansion of the Definition of Homeless:** The NPLH proposal was originally targeted toward those who are chronically homeless and living with a serious mental illness, but all stakeholders

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agreed that a more broad definition should include individuals who are simply "homeless" and "at risk of chronic homelessness" – such as transitioning Foster Youth -- that may also benefit from the supportive housing units funded by NPLH. This does not change the statute that requires these funds to be directed to those with mental illness.

**Homeless Plan:** The current bill includes language providing flexibility to counties in the creation of a plan to combat homelessness. A county would only have to develop a plan if they wish to seek the funding, and many of our members already have qualifying plans in place.

While we support AB 1618, we also note that the bond financing language has yet to be unveiled. We intend to engage on that piece of the program as well.

Counties are committed to preventing and reducing homelessness, and we believe the creation of permanent supportive housing through Proposition 63 will assist those in our communities who are homeless and living with a serious mental illness. Arriving at a supportive position required significant effort and discussion, and we wish to thank Senate President pro Tempore de León and his staff, Department of Finance Director Michael Cohen and his staff, and Department of Housing and Community Development Director Ben Metcalf and his staff for their willingness to address our initial concerns.

It is for these reasons that CSAC and CBHDA have taken a SUPPORT position on AB 1618. We respectfully urge your "Aye" vote for this landmark measure to reduce chronic homelessness and provide mental health services in our communities.

Thank you,



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CSAC Executive Director



Kirsten Barlow  
CBHDA Executive Director

cc: Assembly Speaker Anthony Rendon  
Members, California State Assembly  
Agnes Lee, Consultant, Office of Assembly Speaker Rendon  
Carrie Cornwell, Consultant, Office of Assembly Speaker Rendon  
Genevieve Morelos, Policy Consultant, Assembly Budget Committee  
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