

ASSEMBLY BILL

No. 1929

Introduced by Assembly Member Chau

February 19, 2014

An act to add Section 51312.5 to the health and Safety Code, relating to mental health.

LEGISLATIVE COUNSEL'S DIGEST

AB 1929, as introduced, Chau. California Housing Finance Agency: MHSA funding: special needs housing for person with mental illness.

Existing law, the Mental Health Services Act (hereafter, the MHSA), an initiative measure, was approved by the voters in November 2004 as Proposition 63. The MHSA establishes the Mental Health Oversight and Accountability Commission, and imposes a tax of 1% on incomes above \$1,000,000 for the purpose of financing new or expanded mental health services. Under the MHSA, the State Department of Mental Health is required, among other things, to distribute funds for local assistance for designated mental health programs according to a local plan. The MHSA permits amendment by the Legislature by a $\frac{2}{3}$ vote of each house if the amendment is consistent with and furthers the intent of the MHSA, and also permits the Legislature to clarify procedures and terms of the MHSA by a majority vote.

Existing law establishes the California Housing Finance Fund in the State Treasury, and authorizes the transfer of construction loan funds to the construction lender or to the contractor as necessary to meet draws for progress payments pursuant to rules and regulations of the California Housing Finance Agency. Existing law authorizes the agency to make loans to finance affordable housing, including residential structures, housing developments, multifamily rental housing, special needs

housing, as defined, and other forms of housing permitted by provisions regulating housing and community development.

Existing law authorizes the agency to issue revenue bonds, in accordance with specified requirements, for the purpose of financing the acquisition, construction, rehabilitation, refinancing, or development of special needs housing, including, but not limited to, supportive housing intended to benefit persons identified as having special mental health needs, including housing intended to meet the housing needs of persons eligible for mental health services funded in whole or in part under the MHSA.

This bill would authorize a county mental health department to deposit with the agency funding received by the county under the MHSA for the development of housing to meet the special housing needs of persons with mental illness. The bill would authorize the agency to receive MHSA funding from a county to finance the acquisition, construction, rehabilitation, refinancing, or development of special needs housing for persons with mental illness.

This bill would declare that it clarifies procedures and terms of the Mental Health Services Act.

This bill would authorize the agency to enter into financial and other agreements with the county, and other agencies as necessary, to commit sufficient county funds derived from the MHSA, including future allocations, for the purpose of securing revenue bonds issued by the agency for the purposes of meeting the special housing needs of persons with mental illness.

This bill would require the agency to provide technical assistance to a county mental health department as necessary to assist the county in selecting the special needs housing that would best meet the needs of the county’s special needs residents.

The bill would authorize the agency to charge the county a fee, not to exceed the actual costs, for providing assistance under these provisions and would authorize payment of these fees from county MHSA funds.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

1 (a) The Mental Health Services Act (hereafter, the MHSA), an
2 initiative measure approved by the voters in November 2004 as
3 Proposition 63, provides funding for local assistance for designated
4 mental health programs.

5 (b) A critical component of the success of community services
6 for persons with mental illness is the availability of supportive
7 housing.

8 (c) Funding under the MHSA has is available to local agencies
9 for development of supportive housing. However, the complexity
10 of the process surrounding the financing and development of capital
11 projects presents obstacles to the development of this housing in
12 sufficient quantities.

13 (d) The purpose of this act is to provide a statutory structure to
14 facilitate this process by authorizing county mental health
15 departments to more fully utilize the assistance of the California
16 Housing Finance Agency.

17 SEC. 2. Section 51312.5 is added to the Health and Safety
18 Code, to read:

19 51312.5. (a) A county mental health department may deposit
20 with the agency funding received by the county under the Mental
21 health Services Act for the development of housing to meet the
22 special housing needs of persons with mental illness.

23 (b) The agency may receive MHSA funding from a county to
24 finance the acquisition, construction, rehabilitation, refinancing,
25 or development of special needs housing for persons with mental
26 illness.

27 (c) The agency may enter into financial and other agreements
28 with the county, and other agencies as necessary, to commit
29 sufficient county funds derived from the MHSA, including, but
30 not limited to, funds from future allocations, for the purpose of
31 securing revenue bonds issued by the agency under this chapter
32 for the purposes of meeting the special housing needs of persons
33 with mental illness.

34 (d) The agency shall provide technical assistance to a county
35 mental health department as necessary to assist the county in
36 selecting the special needs housing that would best meet the needs
37 of the county's residents with mental illness.

38 (e) The agency may charge the county a fee for providing
39 assistance under this chapter, not to exceed the actual costs of those
40 services. These fees may be paid from county MHSA funds.

1 SEC. 3. The Legislature finds and declares that this act clarifies
2 procedures and terms of the Mental Health Services Act within
3 the meaning of Section 18 of the Mental Health Services Act.

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