



San Gabriel Valley Council of Governments

AGENDA AND NOTICE

OF THE MEETING OF THE HOMELESSNESS COMMITTEE

Thursday, June 28, 2018, 12:30 PM

Monrovia Public Library – 321 S Myrtle Ave; Monrovia, CA

HOMELESSNESS COMMITTEE

Chair

Joe Lyons

City of Claremont

Vice-Chair

Becky Shevlin

City of Monrovia

MEMBERS

Baldwin Park

Claremont

Monrovia

Pomona

Rosemead

West Covina

LA County Supervisorial
District #1

Thank you for participating in today's meeting. The Homelessness Committee encourages public participation and invites you to share your views on agenda items.

MEETINGS: *Regular Meetings of the Homelessness Committee are held on the fourth Thursday of each month at 12:30 PM at Monrovia Public Library (321 S. Myrtle, Monrovia, CA 91016).* The Meeting agenda packet is available at the San Gabriel Valley Council of Government's (SGVCOG) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, www.sgvkog.org. Copies are available via email upon request (sgv@sgvcog.org). Documents distributed to a majority of the Committee after the posting will be available for review in the SGVCOG office and on the SGVCOG website. Your attendance at this public meeting may result in the recording of your voice.

CITIZEN PARTICIPATION: Your participation is welcomed and invited at all Committee meetings. Time is reserved at each regular meeting for those who wish to address the Board. SGVCOG requests that persons addressing the Committee refrain from making personal, slanderous, profane or disruptive remarks.

TO ADDRESS THE COMMITTEE: At a regular meeting, the public may comment on any matter within the jurisdiction of the Committee during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record and keep their remarks brief. If several persons wish to address the Committee on a single item, the Chair may impose a time limit on individual remarks at the beginning of discussion. **The Committee may not discuss or vote on items not on the agenda.**

AGENDA ITEMS: The Agenda contains the regular order of business of the Committee. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Committee can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Committee member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Committee.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



PRELIMINARY BUSINESS

1. Call to Order
2. Roll Call
3. Public Comment (*If necessary, the Chair may place reasonable time limits on all comments*)
4. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to the next regular meeting (*It is anticipated the Committee may take action*)

CONSENT CALENDAR

(It is anticipated the Committee may take action on the following matters)

5. Homelessness Meeting Minutes – Page 1
Recommended Action: Approve.
6. Correspondence – Page 5
Recommended Action: Receive and File.
7. Prop 63 – Mental Health Services Act – Page 11
Recommended Action: Recommend the Governing Board support revisions.

PRESENTATIONS

(It is anticipated the Committee may take action on the following matters)

8. SGV SPA 3 Positions on Homeless Housing, Shelter and Services Provision White Paper – Jan Cicco, SGVCOG Homelessness Coordinator – Page 37
Recommended Action: For information only.
9. City Homeless Plan Update – Kris Kuntz, Senior Associate, LeSar Development – Page 45
Recommended Action: For information only.
10. San Gabriel Valley Consortium on Homelessness Overview – Richard Corral, Interim Executive Director, San Gabriel Valley Consortium on Homelessness. – Page 53
Recommended Action: For information only.

DISCUSSION ITEMS

(It is anticipated the Committee may take action on the following matters)

ACTION ITEMS

(It is anticipated that the Committee may take action on the following matters)

UPDATE ITEMS

(It is anticipated the Committee may take action on the following matters)

Regional Homeless Advisory Council

COMMITTEE MEMBER ITEMS

STAFF ANNOUNCEMENTS

ANNOUNCEMENTS

ADJOURN



SGVCOG Homelessness Committee Unapproved Minutes

Date: April 16, 2018

Time: 12:30 PM

Location: Monrovia Public Library (321 S. Myrtle Ave; Monrovia, CA)

PRELIMINARY BUSINESS

1. Call to Order

The meeting was called to order at 12:35 PM

2. Roll Call

Members Present

Baldwin Park	C. Baca
Claremont	J. Lyons
Monrovia	B. Shevlin
Pomona	B. DeFrank
West Covina	L. Johnson
LA County District 1	F. Briones

Absent

Covina
Rosemead
Water Districts

COG Staff

C. Cruz, Staff

3. Public Comment

No public comment.

4. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to the next regular meeting

Item 8 was heard after item 6.

CONSENT CALENDAR

5. Homelessness Meeting Minutes

6. Correspondence

There was a motion to approve consent calendar Items 5-6 (M/S: L. Johnson/C.Baca)

[Motion Passed]

AYES:	Baldwin Park, Claremont, Monrovia, Pomona, West Covina, LA County District 1
NOES:	
ABSTAIN:	
ABSENT:	Covina, Rosemead, Water Districts

DISCUSSION ITEMS

(It is anticipated the Committee may take action on the following matters)

7. 2018-19 Measure H Programming
J. Cicco presented on this item.
8. City Homeless Plans Update
K. Kuntz presented on this item.

PRESENTATIONS

(It is anticipated that the Committee may take action on the following matters)

9. San Gabriel Valley Consortium on Homelessness Overview
R. Corral was not able to attend an present on this item.

ACTION ITEMS

(It is anticipated that the Committee may take action on the following matters)

UPDATE ITEMS

(It is anticipated the Committee may take action on the following matters)

Regional Homeless Advisory Council

No report given.

COMMITTEE MEMBER ITEMS

STAFF ANNOUNCEMENTS

ANNOUNCEMENTS

C. Cruz announced the Committee would meet on the 31st of May instead of the 24th of May.

ADJOURN

The meeting was adjourned at 2:09 PM



SGVCOG Homelessness Committee Unapproved Minutes

Date: May 31, 2018

Time: 12:30 PM

Location: Monrovia Public Library (321 S. Myrtle Ave; Monrovia, CA)

PRELIMINARY BUSINESS

1. Call to Order
The meeting was called to order at 12:36 PM

2. Roll Call

Members Present

Monrovia	B. Shevlin
Pomona	B. DeFrank
Rosemead	M. Clark

Absent

Baldwin Park
Claremont
Covina
West Covina
LA County District 1
Water Districts

COG Staff

C. Cruz, Staff

3. Public Comment
No public comment.
4. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to the next regular meeting
Item 8, Measure H Update, was moved up to after the consent calendar.

CONSENT CALENDAR

5. Homelessness Meeting Minutes
6. Correspondence

DISCUSSION ITEMS

(It is anticipated the Committee may take action on the following matters)

7. Measure H Update
Leticia Colchado presented on this item.
8. Metro Homeless Outreach Program
Lilian De Loza-Gutierrez presented on this item.

PRESENTATIONS

(It is anticipated that the Committee may take action on the following matters)

ACTION ITEMS

(It is anticipated that the Committee may take action on the following matters)

UPDATE ITEMS

(It is anticipated the Committee may take action on the following matters)

Regional Homeless Advisory Council

No report given.

COMMITTEE MEMBER ITEMS

STAFF ANNOUNCEMENTS

ANNOUNCEMENTS

ADJOURN

The meeting was adjourned at 1:36 PM

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EDITORIAL EDITORIALS OPINION

There are fewer homeless people in L.A. County — but the problem remains grim and unacceptable

By THE TIMES EDITORIAL BOARD
JUN 01, 2018 | 3:05 AM



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Shown is a homeless encampment in downtown Los Angeles. The Los Angeles Homeless Services Authority says homelessness in the city is down 5% since last year, and is down 3% countywide. (Carla Hall / Los Angeles Times)



For the first time in four years, the number of homeless people in Los Angeles County has decreased. It went down by just a modest 3% (and 5% in just the city of L.A.), but that is still a significant reversal of the shocking double-digit increases of recent years.

The dip, reported in the official 2018 “homeless count,” was welcome news. The Los Angeles Homeless Services Authority, which administers the count, says that about 16,500 homeless people were housed over the last year, which is the highest number ever. It’s a sign that city and county officials are finally treating homelessness as the crisis it is and directing more time, money and resources into housing, services and outreach.



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The most progress was made with homeless veterans, whose ranks decreased by 18%, to 3,910, and chronically homeless individuals, whose numbers dropped 16%, to 14,389. The latter figure reflects how county and city officials focused much of their efforts on housing the most vulnerable portion of the homeless population.



But the small successes must not obscure the fact that the homelessness problem in Los Angeles remains both grim and unacceptable — 53,195 homeless people in the county, 31,516 of them in the city. According to the count, the number of people experiencing homelessness for the first time grew by more than 1,000, while the “unsheltered” county population — those living on the streets in tents and vehicles and makeshift encampments — stayed about flat. The total number of tents and vehicles — a lightning rod for neighborhood irritation — went up.



Meanwhile, the homeless population has gotten older — the percentage of people 62 years and older grew 22%, while every other age group shrank. About 35% of homeless people are black, 35% are Latino, and the overwhelming proportion of the population is single and male.



Small successes must not obscure the fact that the homelessness problem in Los Angeles remains both grim and unacceptable.

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While county and city officials appear to be growing more effective at housing homeless people, the latest numbers show there is still much work ahead for local agencies — particularly in homelessness prevention, rapid rehousing and creation of new housing.

“This reduction may be a signal that we have stemmed the tide,” said county Supervisor Mark Ridley-Thomas at a press conference. “But ... we are not done.”

And there continue to be significant obstacles. The county has a crisis-level shortage of affordable housing. Median rents have increased 32% since 2000 while household income of the median renter has decreased by 3%. The state as a whole needs to build 3.5 million more housing units by 2025 to meet population and market demands, according to the McKinsey Global Institute, a private think tank.



The passage of Proposition HHH in 2016 promised more than a billion dollars to build 10,000 new units of housing in L.A., but city officials recently projected that they would be able to build only 6,000. The bond measure was intended to finance up to about a third of each project’s cost, but with the devaluation of federal tax credits for financing and increasing construction costs, the city is already spending more than it had estimated.



(Mayor Eric Garcetti said Thursday that he expects more federal and state money to be coming in, which will enable the city to lower the amount of HHH money it spends on each project and therefore spread the money over more units.)

Perhaps the biggest problem standing in the way of the city's efforts is NIMBYism over the placement of both permanent supportive housing and interim shelters. In Venice, Koreatown and other communities around the city, there are still neighborhood battles being waged to stop projects from going up. Politicians must fight back against neighborhoods that make unreasonable demands.

Unless government can get beyond some of these problems, more of the aging homeless people on the streets of L.A. will die before they get housed.



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COMMENTS (9)

REPORT

DATE: June 28, 2018

TO: Homelessness Committee

FROM: Marisa Creter, Executive Director

RE: **PROP 63 MENTAL HEALTH SERVICES ACT REVISIONS**

RECOMMENDED ACTION

Recommend the Governing Board support revisions to Proposition 63, which would include more accountability from the Department of Health Care Services and the Mental Health Services Oversight Commission.

BACKGROUND

Proposition 63, the Mental Health Services Act (MHSA) was passed in November 2004. MHSA provided the California Department of Mental Health (DMH) with increased funding for additional personnel and other resources to support county mental health programs and monitor progress toward statewide goals for children, transition age youth, adults, the elderly, and families. MHSA helped address a broad continuum of prevention, early intervention and service.

MHSA imposes a 1% income tax on personal income in excess of \$1 million. Table 1 provides an overview of MHSA revenues over the last three fiscal years.

	FY 2015-16	FY 2016-17	FY 2017-18
Governor's Budget			
Personal Income Tax	\$1,806	\$1,863	\$1,887.6
Interest Income Earned	1.2	1.2	1.2
Annual Adjustment	382.5	371.0	345.4
Total Estimated Revenues	\$1,807.2	\$1,864.2	\$1,888.8

Table 1. MHSA Total Revenue (Millions)

Much of the funding is provided to county mental health programs to fund programs consistent with their local plans. Any uncommitted funds will be used to establish county prudent reserve accounts as required by the Act.

REVISIONS

California State Auditor Elaine Howle, found that county mental health programs had retained \$231 million from the tax that should have been returned to the state, in addition to \$535 million that counties held in reserves for mental health programs. Altogether, local governments had \$2.5 billion on hand that went unspent. Agencies, while encouraged to save some money, should not have done so to the extent that the audit discovered.

REPORT

As part of this, the MHSA was revised to include better accountability standards, the revisions included the following:

- Each county mental health program shall prepare and submit a three-year program and expenditure plan, and annual updates, adopted by the county Board of Supervisors to the Mental Health Services Oversight and Accountability Commission and the State Department of Health Care Services within 30 days after adoption, and
- Each three-year program and expenditure plan and update shall be developed with local input. A draft plan and update shall be prepared and circulated for review and comment for at least 30 days to representatives of stakeholder interests and any interested party who has requested a copy of the draft plans.

The Department of Health Care Services will also offer additional regulations by 2019 to describe best practices and lay out the counties' financial responsibilities for the program. Additionally, these revisions are intended to provide an extra layer of accountability to ensure funded programs are in fact reducing the number of mentally ill homeless people in the region, by making sure up-to-date data is published by the County.

Prepared by: Christian Cruz
Christian Cruz
Management Analyst

Approved by: Marisa Creter
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Revisions

MENTAL HEALTH SERVICES ACT
As of January 4, 2018

SECTION 1. Title

This Act shall be known and may be cited as the “Mental Health Services Act.”

SECTION 2. Findings and Declarations

The people of the State of California hereby find and declare all of the following:

- (a) Mental illnesses are extremely common; they affect almost every family in California. They affect people from every background and occur at any age. In any year, between 5% and 7% of adults have a serious mental illness as do a similar percentage of children — between 5% and 9%. Therefore, more than two million children, adults and seniors in California are affected by a potentially disabling mental illness every year. People who become disabled by mental illness deserve the same guarantee of care already extended to those who face other kinds of disabilities.
- (b) Failure to provide timely treatment can destroy individuals and families. No parent should have to give up custody of a child and no adult or senior should have to become disabled or homeless to get mental health services as too often happens now. No individual or family should have to suffer inadequate or insufficient treatment due to language or cultural barriers to care. Lives can be devastated and families can be financially ruined by the costs of care. Yet, for too many Californians with mental illness, the mental health services and supports they need remain fragmented, disconnected and often inadequate, frustrating the opportunity for recovery.
- (c) Untreated mental illness is the leading cause of disability and suicide and imposes high costs on state and local government. Many people left untreated or with insufficient care see their mental illness worsen. Children left untreated often become unable to learn or participate in a normal school environment. Adults lose their ability to work and be independent; many become homeless and are subject to frequent hospitalizations or jail. State and county governments are forced to pay billions of dollars each year in emergency medical care, long-term nursing home care, unemployment, housing, and law enforcement, including juvenile justice, jail and prison costs.
- (d) In a cost cutting move 30 years ago, California drastically cut back its services in state hospitals for people with severe mental illness. Thousands ended up on the streets homeless and incapable of caring for themselves. Today thousands of suffering people remain on our streets because they are afflicted with untreated severe mental illness. We can and should offer these people the care they need to lead more productive lives.
- (e) With effective treatment and support, recovery from mental illness is feasible for most people. The State of California has developed effective models of providing services to children, adults and seniors with serious mental illness. A recent innovative approach, begun under Assembly Bill 34 in 1999, was recognized in 2003 as a model program by the President’s Commission on Mental Health. This program combines prevention services with a full range of integrated services to treat the whole person, with the goal of self-sufficiency for those who may have otherwise faced homelessness or dependence on the state for years to come. Other innovations address services to other underserved populations such as traumatized youth and isolated seniors. These successful programs, including prevention, emphasize client-centered, family focused and community-based services that are culturally and linguistically competent and are provided in an integrated services system.

- (f) By expanding programs that have demonstrated their effectiveness, California can save lives and money. Early diagnosis and adequate treatment provided in an integrated service system is very effective; and by preventing disability, it also saves money. Cutting mental health services wastes lives and costs more. California can do a better job saving lives and saving money by making a firm commitment to providing timely, adequate mental health services.
- (g) To provide an equitable way to fund these expanded services while protecting other vital state services from being cut, very high-income individuals should pay an additional one percent of that portion of their annual income that exceeds one million dollars (\$1,000,000). About 1/10 of one percent of Californians have incomes in excess of one million dollars (\$1,000,000). They have an average pre-tax income of nearly five million dollars (\$5,000,000). The additional tax paid pursuant to this represents only a small fraction of the amount of tax reduction they are realizing through recent changes in the federal income tax law and only a small portion of what they save on property taxes by living in California as compared to the property taxes they would be paying on multi-million dollar homes in other states.

SECTION 3. Purpose and Intent.

The people of the State of California hereby declare their purpose and intent in enacting this act to be as follows:

- (a) To define serious mental illness among children, adults and seniors as a condition deserving priority attention, including prevention and early intervention services and medical and supportive care.
- (b) To reduce the long-term adverse impact on individuals, families and state and local budgets resulting from untreated serious mental illness.
- (c) To expand the kinds of successful, innovative service programs for children, adults and seniors begun in California, including culturally and linguistically competent approaches for underserved populations. These programs have already demonstrated their effectiveness in providing outreach and integrated services, including medically necessary psychiatric services, and other services, to individuals most severely affected by or at risk of serious mental illness.
- (d) To provide state and local funds to adequately meet the needs of all children and adults who can be identified and enrolled in programs under this measure. State funds shall be available to provide services that are not already covered by federally sponsored programs or by individuals' or families' insurance programs.
- (e) To ensure that all funds are expended in the most cost effective manner and services are provided in accordance with recommended best practices subject to local and state oversight to ensure accountability to taxpayers and to the public.

Section 5771.1 is added to the Welfare and Institutions Code, to read:

5771.1 The members of the Mental Health Services Oversight and Accountability Commission established pursuant to Section 5845 are members of the California Behavioral Health Planning Council. They serve in an ex officio capacity when the council is performing its statutory duties pursuant to Section 5772. Such membership shall not affect the composition requirements for the council specified in Section 5771.

ADULT AND OLDER ADULT

Section 5813.5 is added to Part 3 of Division 5 of the Welfare and Institutions Code, to read:

5813.5. Subject to the availability of funds from the Mental Health Services Fund, the state shall distribute funds for the provision of services under Sections 5801, 5802, and 5806 to county mental health programs. Services shall be available to adults and seniors with severe illnesses who meet the eligibility criteria in subdivisions (b) and (c) of Section 5600.3. For purposes of this act, seniors means older adult persons identified in Part 3 (commencing with Section 5800) of this division.

- (a) Funding shall be provided at sufficient levels to ensure that counties can provide each adult and senior served pursuant to this part with the medically necessary mental health services, medications, and supportive services set forth in the applicable treatment plan.
- (b) The funding shall only cover the portions of those costs of services that cannot be paid for with other funds including other mental health funds, public and private insurance, and other local, state, and federal funds.
- (c) Each county mental health programs plan shall provide for services in accordance with the system of care for adults and seniors who meet the eligibility criteria in subdivisions (b) and (c) of Section 5600.3.
- (d) Planning for services shall be consistent with the philosophy, principles, and practices of the Recovery Vision for mental health consumers:
 - (1) To promote concepts key to the recovery for individuals who have mental illness: hope, personal empowerment, respect, social connections, self-responsibility, and self-determination.
 - (2) To promote consumer-operated services as a way to support recovery.
 - (3) To reflect the cultural, ethnic, and racial diversity of mental health consumers.
 - (4) To plan for each consumer's individual needs.
- (e) The plan for each county mental health program shall indicate, subject to the availability of funds as determined by Part 4.5 (commencing with Section 5890) of this division, and other funds available for mental health services, adults and seniors with a severe mental illness being served by this program are either receiving services from this program or have a mental illness that is not sufficiently severe to require the level of services required of this program.
- (f) Each county plan and annual update pursuant to Section 5847 shall consider ways to provide services similar to those established pursuant to the Mentally Ill Offender Crime Reduction Grant Program. Funds shall not be used to pay for persons incarcerated in state prison or parolees from state prisons. When included in county plans pursuant to Section 5847, funds may be used for the provision of mental health services under Sections 5347 and 5348 in counties that elect to participate in the Assisted Outpatient Treatment Demonstration Project Act of 2002 (Article 9 (commencing with Section 5345) of Chapter 2 of Part 1).
- (g) The department shall contract for services with county mental health programs pursuant to Section 5897. After the effective date of this section the term grants referred to in Sections 5814 and 5814.5 shall refer to such contracts.

HUMAN RESOURCES, EDUCATION, AND TRAINING PROGRAM

Part 3.1 (commencing with Section 5820) is hereby added to Division 5 of the Welfare and Institutions Code, to read:

5820. (a) It is the intent of this part to establish a program with dedicated funding to remedy the shortage of qualified individuals to provide services to address severe mental illnesses.
- (b) Each county mental health program shall submit to the Office of Statewide Health Planning and Development a needs assessment identifying its shortages in each professional and other occupational category in order to increase the supply of professional staff and other staff that county mental health programs anticipate they will require in order to provide the increase in services projected to serve additional individuals and families pursuant to Part 3 (commencing with section 5800), Part 3.2 (commencing with Section 5830), Part 3.6 (commencing with Section 5840), and Part 4 (commencing with Section 5850) of this division. For purposes of this part, employment in California's public mental health system includes employment in private organizations providing publicly funded mental health services.
- (c) The Office of Statewide Health Planning and Development, in coordination with the California Behavioral Health Planning Council, shall identify the total statewide needs for each professional and other occupational category utilizing county needs assessment information and develop a five-year education and training development plan.
- (d) Development of the first five-year plan shall commence upon enactment of the initiative. Subsequent plans shall be adopted every five years, with the next five-year plan due as of April 1, 2014.
- (e) Each five-year plan shall be reviewed and approved by the California Mental Health Planning Council.
5821. (a) The California Behavioral Health Planning Council shall advise the Office of Statewide Health Planning and Development on education and training policy development and provide oversight for education and training plan development.
- (b) The Office of Statewide Health Planning and Development shall work with the California Behavioral Health Planning Council and the State Department of Health Care Services so that council staff is increased appropriately to fulfill its duties required by Sections 5820 and 5821.
5822. The Office of Statewide Health Planning and Development shall include in the five-year plan:
- (a) Expansion plans for the capacity of postsecondary education to meet the needs of identified mental health occupational shortages.
- (b) Expansion plans for the forgiveness and scholarship programs offered in return for a commitment to employment in California's public mental health system and make loan forgiveness programs available to current employees of the mental health system who want to obtain Associate of Arts, Bachelor of Arts, masters degrees, or doctoral degrees.
- (c) Creation of a stipend program modeled after the federal Title IV-E program for persons enrolled in academic institutions who want to be employed in the mental health system.

- (d) Establishment of regional partnerships between the mental health system and the educational system to expand outreach to multicultural communities, increase the diversity of the mental health workforce, to reduce the stigma associated with mental illness, and to promote the use of web-based technologies, and distance learning techniques.
- (e) Strategies to recruit high school students for mental health occupations, increasing the prevalence of mental health occupations in high school career development programs such as health science academies, adult schools, and regional occupation centers and programs, and increasing the number of human service academies.
- (f) Curriculum to train and retrain staff to provide services in accordance with the provisions and principles of Part 3 (commencing with Section 5800), Part 3.2 (commencing with Section 5830), Part 3.6 (commencing with 5840), and Part 4 (commencing with 5850) of this division.
- (g) Promotion of the employment of mental health consumers and family members in the mental health system.
- (h) Promotion of the meaningful inclusion of mental health consumers and family members and incorporating their viewpoint and experiences in the training and education programs in subdivisions (a) through (f).
- (i) Promotion of meaningful inclusion of diverse, racial, and ethnic community members who are underrepresented in the mental health provider network.
- (j) Promotion of the inclusion of cultural competency in the training and education programs in subdivisions (a) through (f).

INNOVATIVE PROGRAMS

Part 3.2 (commencing with Section 5830) is added to Division 5 of the Welfare and Institutions Code, to read:

5830. County mental health programs shall develop plans for innovative programs to be funded pursuant to paragraph (6) of subdivision (a) of Section 5892.

- (a) The innovative programs shall have the following purposes:
 - (1) To increase access to underserved groups.
 - (2) To increase the quality of services, including better outcomes.
 - (3) To promote interagency collaboration.
 - (4) To increase access to services, including, but not limited to, services provided through permanent supportive housing.
- (b) All projects included in the innovative program portion of the county plan shall meet the following requirements:
 - (1) Address one of the following purposes as its primary purpose:
 - (A) Increase access to underserved groups, which may include providing access through the provision of permanent supportive housing.
 - (B) Increase the quality of services, including measurable outcomes.
 - (C) Promote interagency and community collaboration.
 - (D) Increase access to services, which may include providing access through the provision of permanent supportive housing.
 - (2) Support innovative approaches by doing one of the following:
 - (A) Introducing new mental health practices or approaches, including, but not limited to, prevention and early intervention.

- (B) Making a change to an existing mental health practice or approach, including, but not limited to, adaptation for a new setting or community.
 - (C) Introducing a new application to the mental health system of a promising community-driven practice or an approach that has been successful in nonmental health contexts or settings.
 - (D) Participating in a housing program designed to stabilize a person's living situation while also providing supportive services on site.
- (c) An innovative project may affect virtually any aspect of mental health practices or assess a new or changed application of a promising approach to solving persistent, seemingly intractable mental health challenges, including, but not limited to, any of the following:
- (1) Administrative, governance, and organizational practices, processes, or procedures.
 - (2) Advocacy.
 - (3) Education and training for service providers, including nontraditional mental health practitioners.
 - (4) Outreach, capacity building, and community development.
 - (5) System development.
 - (6) Public education efforts.
 - (7) Research.
 - (8) Services and interventions, including prevention, early intervention, and treatment.
 - (9) Permanent supportive housing development.
- (d) If an innovative project has proven to be successful and a county chooses to continue it, the project work plan shall transition to another category of funding as appropriate.
- (e) County mental health programs shall expend funds for their innovation programs upon approval by the Mental Health Services Oversight and Accountability Commission.

PREVENTION AND EARLY INTERVENTION PROGRAMS

Part 3.6 (commencing with Section 5840) is added to Division 5 of the Welfare and Institutions Code, to read:

5840. (a) The State Department of Health Care Services, in coordination with counties, shall establish a program designed to prevent mental illnesses from becoming severe and disabling. The program shall emphasize improving timely access to services for underserved populations.
- (b) The program shall include the following components:
- (1) Outreach to families, employers, primary care health care providers, and others to recognize the early signs of potentially severe and disabling mental illnesses.
 - (2) Access and linkage to medically necessary care provided by county mental health programs for children with severe mental illness, as defined in Section 5600.3, and for adults and seniors with severe mental illness, as defined in Section 5600.3, as early in the onset of these conditions as practicable.

- (3) Reduction in stigma associated with either being diagnosed with a mental illness or seeking mental health services.
- (4) Reduction in discrimination against people with mental illness.
- (c) The program shall include mental health services similar to those provided under other programs effective in preventing mental illnesses from becoming severe, and shall also include components similar to programs that have been successful in reducing the duration of untreated severe mental illnesses and assisting people in quickly regaining productive lives.
- (d) The program shall emphasize strategies to reduce the following negative outcomes that may result from untreated mental illness:
 - (1) Suicide.
 - (2) Incarcerations.
 - (3) School failure or dropout.
 - (4) Unemployment.
 - (5) Prolonged suffering.
 - (6) Homelessness.
 - (7) Removal of children from their homes.
- (e) Prevention and early intervention funds may be used to broaden the provision of community-based mental health services by adding prevention and early intervention services or activities to these services.
- (f) In consultation with mental health stakeholders, and consistent with regulations from the Mental Health Services Oversight and Accountability Commission, pursuant to Section 5846, the department shall revise the program elements in Section 5840 applicable to all county mental health programs in future years to reflect what is learned about the most effective prevention and intervention programs for children, adults, and seniors.

5840.2 (a) The department shall contract for the provision of services pursuant to this part with each county mental health program in the manner set forth in Section 5897.

OVERSIGHT AND ACCOUNTABILITY

Part 3.7 (commencing with Section 5845) is added to Division 5 of the Welfare and Institutions Code, to read:

5845. (a) The Mental Health Services Oversight and Accountability Commission is hereby established to oversee Part 3 (commencing with Section 5800), the Adult and Older Adult Mental Health System of Care Act; Part 3.1 (commencing with Section 5820), Human Resources, Education, and Training Programs; Part 3.2 (commencing with Section 5830), Innovative Programs; Part 3.6 (commencing with Section 5840), Prevention and Early Intervention Programs; and Part 4 (commencing with Section 5850), the Children's Mental Health Services Act. The commission shall replace the advisory committee established pursuant to Section 5814. The commission shall consist of 16 voting members as follows:
- (1) The Attorney General or his or her designee.
 - (2) The Superintendent of Public Instruction or his or her designee.
 - (3) The Chairperson of the Senate Health and Human Services Committee or another member of the Senate selected by the President pro Tempore of the Senate.

- (4) The Chairperson of the Assembly Health Committee or another member of the Assembly selected by the Speaker of the Assembly.
- (5) Two persons with a severe mental illness, a family member of an adult or senior with a severe mental illness, a family member of a child who has or has had a severe mental illness, a physician specializing in alcohol and drug treatment, a mental health professional, a county sheriff, a superintendent of a school district, a representative of a labor organization, a representative of an employer with less than 500 employees and a representative of an employer with more than 500 employees, and a representative of a health care services plan or insurer, all appointed by the Governor. In making appointments, the Governor shall seek individuals who have had personal or family experience with mental illness. At least one of the persons appointed pursuant to this paragraph shall have a background in auditing.
- (b) Members shall serve without compensation, but shall be reimbursed for all actual and necessary expenses incurred in the performance of their duties.
- (c) The term of each member shall be three years, to be staggered so that approximately one-third of the appointments expire in each year.
- (d) In carrying out its duties and responsibilities, the commission may do all of the following:
 - (1) Meet at least once each quarter at any time and location convenient to the public as it may deem appropriate. All meetings of the commission shall be open to the public.
 - (2) Within the limit of funds allocated for these purposes, pursuant to the laws and regulations governing state civil service, employ staff, including any clerical, legal, and technical assistance as may appear necessary. The commission shall administer its operations separate and apart from the State Department of Health Care Services and the California Health and Human Services Agency.
 - (3) Establish technical advisory committees such as a committee of consumers and family members.
 - (4) Employ all other appropriate strategies necessary or convenient to enable it to fully and adequately perform its duties and exercise the powers expressly granted, notwithstanding any authority expressly granted to any officer or employee of state government.
 - (5) Enter into contracts.
 - (6) Obtain data and information from the State Department of Health Care Services, the Office of Statewide Health Planning and Development, or other state or local entities that receive Mental Health Services Act funds, for the commission to utilize in its oversight, review, training and technical assistance, accountability, and evaluation capacity regarding projects and programs supported with Mental Health Services Act funds.
 - (7) Participate in the joint state-county decisionmaking process, as contained in Section 4061, for training, technical assistance, and regulatory resources to meet the mission and goals of the state's mental health system.
 - (8) Develop strategies to overcome stigma and discrimination and accomplish all other objectives of Part 3.2 (commencing with Section 5830), 3.6 (commencing with Section 5840), and the other provisions of the act establishing this commission.
 - (9) At any time, advise the Governor or the Legislature regarding actions the state may take to improve care and services for people with mental illness.

- (10) If the commission identifies a critical issue related to the performance of a county mental health program, it may refer the issue to the State Department of Health Care Services pursuant to Section 5655.
- (11) Assist in providing technical assistance to accomplish the purposes of the Mental Health Services Act, Part 3 (commencing with Section 5800), and Part 4 (commencing with Section 5850) in collaboration with the State Department of Health Care Services and in consultation with the California Mental Health Directors Association.
- (12) Work in collaboration with the State Department of Health Care Services and the California Behavioral Health Planning Council, and in consultation with the California Mental Health Directors Association, in designing a comprehensive joint plan for a coordinated evaluation of client outcomes in the community-based mental health system, including, but not limited to, parts listed in subdivision (a). The California Health and Human Services Agency shall lead this comprehensive joint plan effort.

5845.5 In addition to the activities authorized under Section 5845, the commission may establish a fellowship program in accordance with this section for the purpose of providing an experiential learning opportunity for a mental health consumer and a mental health professional.

- (a) Participants in the fellowship shall serve on an annual basis and may serve only one term as a fellow.
- (b) The fellowship program established under this section shall support the broad goals of the commission, including, but not limited to, subdivision (d) of Section 5846, and be based upon the following principles:
 - (1) To enhance opportunities for the work of the commission to reflect the perspective of persons with personal experience and state-of-the-art practices in the mental health field.
 - (2) To strengthen opportunities for the goals of the Mental Health Services Act, and the work of the commission in promoting those goals, to be accessible and understandable to mental health consumers, mental health professionals, and the general public.
 - (3) To improve opportunities for outreach and engagement with mental health consumers and mental health professionals relating to the work of the commission.
 - (4) To increase the awareness for mental health consumers and professionals of the goals of the Mental Health Services Act and the role of the state in meeting those goals; the role of public policy, regulation development, fiscal strategies, use of data, research, and evaluation; and communication strategies to improve mental health outcomes in California.
- (c) The commission shall establish an advisory committee to provide guidance on the fellowship program goals, design, eligibility criteria, application process, and other issues as the commission deems necessary. The advisory committee shall include persons with personal experience with the mental health system, mental health professionals, persons with experience with similar fellowship programs, and others with diverse perspectives who can assist the commission to meet the goals of the fellowship program.
- (d) The commission may enter into an interagency agreement or other contractual agreement with a state, local, or private entity, as determined by the commission, to receive technical assistance or relevant services to support the establishment and implementation of the fellowship program.

- (e) The commission shall ensure that the fellowship program does not cause the displacement of any civil service employee. For purposes of this subdivision, “displacement” means a layoff, a demotion, an involuntary transfer to a new class, an involuntary transfer to a new location requiring a change of residence, a time base reduction, a change in shift or days off, or a reassignment to another position within the same class and general location.
- 5846.
- (a) The commission shall adopt regulations for programs and expenditures pursuant to Part 3.2 (commencing with Section 5830), for innovative programs, and Part 3.6 (commencing with Section 5840), for prevention and early intervention.
 - (b) Any regulations adopted by the department pursuant to Section 5898 shall be consistent with the commission’s regulations.
 - (c) The commission may provide technical assistance to any county mental health plan as needed to address concerns or recommendations of the commission or when local programs could benefit from technical assistance for improvement of their plans.
 - (d) The commission shall ensure that the perspective and participation of diverse community members reflective of California populations and others suffering from severe mental illness and their family members is a significant factor in all of its decisions and recommendations.
5847. Integrated Plans for Prevention, Innovation, and System of Care Services.
- (a) Each county mental health program shall prepare and submit a three-year program and expenditure plan, and annual updates, adopted by the county board of supervisors to the Mental Health Services Oversight and Accountability Commission and the State Department of Health Care Services within 30 days after adoption.
 - (b) The three-year program and expenditure plan shall be based on available unspent funds and estimated revenue allocations provided by the state and in accordance with established stakeholder engagement and planning requirements as required in Section 5848. The three-year program and expenditure plan and annual updates shall include all of the following:
 - (1) A program for prevention and early intervention in accordance with Part 3.6 (commencing with Section 5840).
 - (2) A program for services to children in accordance with Part 4 (commencing with Section 5850), to include a program pursuant to Chapter 4 (commencing with Section 18250) of Part 6 of Division 9 or provide substantial evidence that it is not feasible to establish a wraparound program in that county.
 - (3) A program for services to adults and seniors in accordance with Part 3 (commencing with Section 5800).
 - (4) A program for innovations in accordance with Part 3.2 (commencing with Section 5830).
 - (5) A program for technological needs and capital facilities needed to provide services pursuant to Part 3 (commencing with Section 5800), Part 3.6 (commencing with Section 5840), and Part 4 (commencing with Section 5850). All plans for proposed facilities with restrictive settings shall demonstrate that the needs of the people to be served cannot be met in a less restrictive or more integrated setting, such as permanent supportive housing.
 - (6) Identification of shortages in personnel to provide services pursuant to the above programs and the additional assistance needed from the education and

- training programs established pursuant to Part 3.1 (commencing with Section 5820).
- (7) Establishment and maintenance of a prudent reserve to ensure the county program will continue to be able to serve children, adults, and seniors that it is currently serving pursuant to Part 3 (commencing with Section 5800), the Adult and Older Adult Mental Health System of Care Act, Part 3.6 (commencing with Section 5840), Prevention and Early Intervention Programs, and Part 4 (commencing with Section 5850), the Children's Mental Health Services Act, during years in which revenues for the Mental Health Services Fund are below recent averages adjusted by changes in the state population and the California Consumer Price Index.
 - (8) Certification by the county mental health director, which ensures that the county has complied with all pertinent regulations, laws, and statutes of the Mental Health Services Act, including stakeholder participation and nonsupplantation requirements.
 - (9) Certification by the county mental health director and by the county auditor-controller that the county has complied with any fiscal accountability requirements as directed by the State Department of Health Care Services, and that all expenditures are consistent with the requirements of the Mental Health Services Act.
- (c) The programs established pursuant to paragraphs (2) and (3) of subdivision (b) shall include services to address the needs of transition age youth ages 16 to 25. In implementing this subdivision, county mental health programs shall consider the needs of transition age foster youth.
 - (d) Each year, the State Department of Health Care Services shall inform the California Mental Health Directors Association and the Mental Health Services Oversight and Accountability Commission of the methodology used for revenue allocation to the counties.
 - (e) Each county mental health program shall prepare expenditure plans pursuant to Part 3 (commencing with Section 5800) for adults and seniors, Part 3.2 (commencing with Section 5830) for innovative programs, Part 3.6 (commencing with Section 5840) for prevention and early intervention programs, and Part 4 (commencing with Section 5850) for services for children, and updates to the plans developed pursuant to this section. Each expenditure update shall indicate the number of children, adults, and seniors to be served pursuant to Part 3 (commencing with Section 5800), and Part 4 (commencing with Section 5850), and the cost per person. The expenditure update shall include utilization of unspent funds allocated in the previous year and the proposed expenditure for the same purpose.
 - (f) A county mental health program shall include an allocation of funds from a reserve established pursuant to paragraph (7) of subdivision (b) for services pursuant to paragraphs (2) and (3) of subdivision (b) in years in which the allocation of funds for services pursuant to subdivision (e) are not adequate to continue to serve the same number of individuals as the county had been serving in the previous fiscal year.
 - (g) The department shall post on its website the three-year program and expenditure plans submitted by every county pursuant to subdivision (a) in a timely manner.
5848. (a) Each three-year program and expenditure plan and update shall be developed with local stakeholders including adults and seniors with severe mental illness, families of children, adults and seniors with severe mental illness, providers of services, law

enforcement agencies, education, social services agencies, veterans, representatives from veterans organizations, providers of alcohol and drug services, health care organizations, and other important interests. Counties shall demonstrate a partnership with constituents and stakeholders throughout the process that includes meaningful stakeholder involvement on mental health policy, program planning, and implementation, monitoring, quality improvement, evaluation, and budget allocations. A draft plan and update shall be prepared and circulated for review and comment for at least 30 days to representatives of stakeholder interests and any interested party who has requested a copy of the draft plans.

- (b) The mental health board established pursuant to Section 5604 shall conduct a public hearing on the draft three-year program and expenditure plan and annual updates at the close of the 30-day comment period required by subdivision (a). Each adopted three-year program and expenditure plan and update shall include any substantive written recommendations for revisions. The adopted three-year program and expenditure plan or update shall summarize and analyze the recommended revisions. The mental health board shall review the adopted plan or update and make recommendations to the county mental health department for revisions.
- (c) The plans shall include reports on the achievement of performance outcomes for services pursuant to Part 3 (commencing with Section 5800), Part 3.6 (commencing with Section 5840, and Part 4 (commencing with Section 5850) of this division funded by the Mental Health Services Fund and established jointly by the State Department of Health Care Services and the Mental Health Services Oversight and Accountability Commission, in collaboration with the California Mental Health Directors Association.
- (d) Mental health services provided pursuant to Part 3 (commencing with Section 5800), and Part 4 (commencing with Section 5850) of this division, shall be included in the review of program performance by the California Behavioral Health Planning Council required by paragraph (2) of subdivision (c) of Section 5772 and in the local mental health board's review and comment on the performance outcome data required by paragraph (7) of subdivision (a) of Section 5604.2.
- (e) The department shall annually post on its Internet Web site a summary of the performance outcomes reports submitted by counties if clearly and separately identified by counties as the achievement of performance outcomes pursuant to subdivision (c).

SERVICES FOR CHILDREN WITH SEVERE MENTAL ILLNESS.

SECTION 5. Article 11 (commencing with Section 5878.1) is added to Chapter 1 of Part 4 of Division 5 of the Welfare and Institutions Code, to read:

- 5878.1 (a) It is the intent of this article to establish programs that ensure services will be provided to severely mentally ill children as defined in Section 5878.2 and that they be part of the children's system of care established pursuant to this part. It is the intent of this act that services provided under this chapter to severely mentally ill children are accountable, developed in partnership with youth and their families, culturally competent, and individualized to the strengths and needs of each child and his or her family.

- (b) Nothing in this act shall be construed to authorize any services to be provided to a minor without the consent of the child's parent or legal guardian beyond those already authorized by existing statute.
- 5878.2 For purposes of this article, severely mentally ill children means minors under the age of 18 who meet the criteria set forth in subdivision (a) of Section 5600.3.
- 5878.3
- (a) Subject to the availability of funds as determined pursuant to Part 4.5 (commencing with Section 5890), county mental health programs shall offer services to severely mentally ill children for whom services under any other public or private insurance or other mental health or entitlement program is inadequate or unavailable. Other entitlement programs include but are not limited to mental health services available pursuant to Medi-Cal, child welfare, and special education programs. The funding shall cover only those portions of care that cannot be paid for with public or private insurance, other mental health funds or other entitlement programs.
 - (b) Funding shall be at sufficient levels to ensure that counties can provide each child served all of the necessary services set forth in the applicable treatment plan developed in accordance with this part, including services where appropriate and necessary to prevent an out of home placement, such as services pursuant to Chapter 4 (commencing with Section 18250) of Part 6 of Division 9.
 - (c) The State Department of Health Care Services shall contract with county mental health programs for the provision of services under this article in the manner set forth in Section 5897.

MENTAL HEALTH SERVICES FUND

SECTION 15. Part 4.5 (commencing with Section 5890) is added to Division 5 of the Welfare and Institutions Code, to read:

- 5890.
- (a) The Mental Health Services Fund is hereby created in the State Treasury. The fund shall be administered by the state. Notwithstanding Section 13340 of the Government Code, all moneys in the fund are, except as provided in subdivision (d) of Section 5892, continuously appropriated, without regard to fiscal years, for the purpose of funding the following programs and other related activities as designated by other provisions of this division:
 - (1) Part 3 (commencing with Section 5800), the Adult and Older Adult System of Care Act.
 - (2) Part 3.2 (commencing with Section 5830), Innovative Programs.
 - (3) Part 3.6 (commencing with Section 5840), Prevention and Early Intervention Programs.
 - (4) Part 3.9 (commencing with Section 5849.1), No Place Like Home Program.
 - (5) Part 4 (commencing with Section 5850), the Children's Mental Health Services Act.
 - (b) Nothing in the establishment of this fund, nor any other provisions of the act establishing it or the programs funded shall be construed to modify the obligation of health care service plans and disability insurance policies to provide coverage for mental health services, including those services required under Section 1374.72 of the Health and Safety Code and Section 10144.5 of the Insurance Code, related to mental health parity. Nothing in this act shall be construed to modify the oversight duties of the Department of Managed Health Care or the

duties of the Department of Insurance with respect to enforcing these obligations of plans and insurance policies.

- (c) Nothing in this act shall be construed to modify or reduce the existing authority or responsibility of the State Department of Health Care Services.
- (d) The State Department of Health Care Services shall seek approval of all applicable federal Medicaid approvals to maximize the availability of federal funds and eligibility of participating children, adults, and seniors for medically necessary care.
- (e) Share of costs for services pursuant to Part 3 (commencing with Section 5800) and Part 4 (commencing with Section 5850) of this division, shall be determined in accordance with the Uniform Method of Determining Ability to Pay applicable to other publicly funded mental health services, unless this Uniform Method is replaced by another method of determining co-payments, in which case the new method applicable to other mental health services shall be applicable to services pursuant to Part 3 (commencing with Section 5800) and Part 4 (commencing with Section 5850) of this division.
- (f) The Supportive Housing Program Subaccount is hereby created in the Mental Health Services Fund. Notwithstanding Section 13340 of the Government Code, all moneys in the subaccount are reserved and continuously appropriated, without regard to fiscal years, to the California Health Facilities Financing Authority to provide funds to meet its financial obligations pursuant to any service contracts entered into pursuant to Section 5849.35. Notwithstanding any other law, including any other provision of this section, no later than the last day of each month, the Controller shall, prior to any transfer or expenditure from the fund for any other purpose for the following month, transfer from the Mental Health Services Fund to the Supportive Housing Program Subaccount an amount which has been certified by the California Health Facilities Financing Authority pursuant to paragraph (3) of subdivision (a) of Section 5849.35, but not to exceed an aggregate amount of one hundred forty million (\$140,000,000) per year. If in any month the amounts in the Mental Health Services Fund are insufficient to fully transfer to the subaccount or the amounts in the subaccount are insufficient to fully pay the amount certified by the California Health Facilities Financing Authority, the shortfall shall be carried over to the next month. Moneys in the Supportive Housing Program Subaccount shall not be loaned to the General Fund pursuant to Section 16310 or 16381 of the Government Code.

5891. (a) The funding established pursuant to this act shall be utilized to expand mental health services. Except as provided in subdivision (j) of Section 5892 due to the state's fiscal crisis, these funds shall not be used to supplant existing state or county funds utilized to provide mental health services. The state shall continue to provide financial support for mental health programs with not less than the same entitlements, amounts of allocations from the General Fund or from the Local Revenue Fund 2011 in the State Treasury, and formula distributions of dedicated funds as provided in the last fiscal year which ended prior to the effective date of this act. The state shall not make any change to the structure of financing mental health services, which increases a county's share of costs or financial risk for mental health services unless the state includes adequate funding to fully compensate for such increased costs or financial risk. These funds shall only be used to pay for the programs authorized in Sections 5890 and 5892. These funds may not be used to pay for any other program. These funds

may not be loaned to the General Fund or any other fund of the state, or a county general fund or any other county fund for any purpose other than those authorized by Sections 5890 and 5892.

- (b) (1) Notwithstanding subdivision (a), and except as provided in paragraph (2), the Controller may use the funds created pursuant to this part for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. Any such loan shall be repaid from the General Fund with interest computed at 110 percent of the Pooled Money Investment Account rate, with interest commencing to accrue on the date the loan is made from the fund. This subdivision does not authorize any transfer that would interfere with the carrying out of the object for which these funds were created.
- (2) This subdivision does not apply to the Supportive Housing Program Subaccount created by subdivision (f) of Section 5890 or any moneys paid by the California Health Facilities Financing Authority to the Department of Housing and Community Development as a service fee pursuant to a service contract authorized by Section 5849.35.
- (c) Commencing July 1, 2012, on or before the 15th day of each month, pursuant to a methodology provided by the State Department of Health Care Services, the Controller shall distribute to each Local Mental Health Service Fund established by counties pursuant to subdivision (f) of Section 5892, all unexpended and unreserved funds on deposit as of the last day of the prior month in the Mental Health Services Fund, established pursuant to Section 5890, for the provision of programs and other related activities set forth in Part 3 (commencing with Section 5800), Part 3.2 (commencing with Section 5830), Part 3.6 (commencing with Section 5840), Part 3.9 (commencing with Section 5849.1), and Part 4 (commencing with Section 5850).
- (d) Counties shall base their expenditures on the county mental health program's three-year program and expenditure plan or annual update, as required by Section 5847. Nothing in this subdivision shall affect subdivision (a) or (b).

- 5892. (a) In order to promote efficient implementation of this act the county shall use funds distributed from the Mental Health Services Fund as follows:
 - (1) In 2005-06, 2006-07, and in 2007-08 10 percent shall be placed in a trust fund to be expended for education and training programs pursuant to Part 3.1.
 - (2) In 2005-06, 2006-07 and in 2007-08 10 percent for capital facilities and technological needs distributed to counties in accordance with a formula developed in consultation with the California Mental Health Directors Association to implement plans developed pursuant to Section 5847.
 - (3) Twenty percent of funds distributed to the counties pursuant to subdivision (c) of Section 5891 shall be used for prevention and early intervention programs in accordance with Part 3.6 (commencing with Section 5840) of this division.
 - (4) The expenditure for prevention and early intervention may be increased in any county in which the department determines that the increase will decrease the need and cost for additional services to severely mentally ill persons in that county by an amount at least commensurate with the proposed increase.
 - (5) The balance of funds shall be distributed to county mental health programs for services to persons with severe mental illnesses pursuant to Part 4 (commencing with Section 5850), for the children's system of care and Part 3

- (commencing with Section 5800), for the adult and older adult system of care. These services may include housing assistance, as defined in Section 5892.5 to the target population specified in Section 5600.3.
- (6) Five percent of the total funding for each county mental health program for Part 3 (commencing with Section 5800), Part 3.6 (commencing with Section 5840), and Part 4 (commencing with Section 5850) of this division, shall be utilized for innovative programs in accordance with Sections 5830, 5847, and 5848.
- (b) In any year after 2007-08, programs for services pursuant to Part 3 (commencing with Section 5800), and Part 4 (commencing with Section 5850) of this division may include funds for technological needs and capital facilities, human resource needs, and a prudent reserve to ensure services do not have to be significantly reduced in years in which revenues are below the average of previous years. The total allocation for purposes authorized by this subdivision shall not exceed 20 percent of the average amount of funds allocated to that county for the previous five years pursuant to this section.
- (c) The allocations pursuant to subdivisions (a) and (b) shall include funding for annual planning costs pursuant to Section 5848. The total of these costs shall not exceed 5 percent of the total of annual revenues received for the fund. The planning costs shall include funds for county mental health programs to pay for the costs of consumers, family members, and other stakeholders to participate in the planning process and for the planning and implementation required for private provider contracts to be significantly expanded to provide additional services pursuant to Part 3 (commencing with Section 5800), and Part 4 (commencing with Section 5850) of this division.
- (d) Prior to making the allocations pursuant to subdivisions (a), (b) and (c), funds shall be reserved for the costs for the State Department of Health Care Services, the California Behavioral Health Planning Council, the Office of Statewide Health Planning and Development, the Mental Health Services Oversight and Accountability Commission, the State Department of Public Health, and any other state agency to implement all duties pursuant to the programs set forth in this section. These costs shall not exceed 5 percent of the total of annual revenues received for the fund. The administrative costs shall include funds to assist consumers and family members to ensure the appropriate state and county agencies give full consideration to concerns about quality, structure of service delivery, or access to services. The amounts allocated for administration shall include amounts sufficient to ensure adequate research and evaluation regarding the effectiveness of services being provided and achievement of the outcome measures set forth in Part 3 (commencing with Section 5800), Part 3.6 (commencing with Section 5840), and Part 4 (commencing with Section 5850) of this division. The amount of funds available for the purposes of this subdivision in any fiscal year shall be subject to appropriation in the annual Budget Act.
- (e) In 2004-05 funds shall be allocated as follows:
- (1) Forty-five percent for education and training pursuant to Part 3.1 (commencing with Section 5820) of this division.
 - (2) Forty-five percent for capital facilities and technology needs in the manner specified by paragraph (2) of subdivision (a).
 - (3) Five percent for local planning in the manner specified in subdivision (c).
 - (4) Five percent for state implementation in the manner specified in subdivision (d).

- (f) Each county shall place all funds received from the State Mental Health Services Fund in a local Mental Health Services Fund. The Local Mental Health Services Fund balance shall be invested consistent with other county funds and the interest earned on the investments shall be transferred into the fund. The earnings on investment of these funds shall be available for distribution from the fund in future years.
- (g) All expenditures for county mental health programs shall be consistent with a currently approved plan or update pursuant to Section 5847.
- (h)
 - (1) Other than funds placed in a reserve in accordance with an approved plan, any funds allocated to a county which have not been spent for their authorized purpose within three years shall revert to the state to be deposited into the fund and available for other counties in future years, provided however, that funds for capital facilities, technological needs, or education and training may be retained for up to 10 years before reverting to the fund.
 - (2) If a county receives approval from the Mental Health Services Oversight and Accountability Commission of a plan for innovative programs, pursuant to subdivision (e) of Section 5830, the county's funds identified in that plan for innovative programs shall not revert to the state pursuant to paragraph (1) until three years after the date of the approval.
 - (3) Notwithstanding paragraph (1), any funds allocated to a county with a population of less than 200,000 that have not been spent for their authorized purpose within five years shall revert to the state as described in paragraph (1).
 - (4) Notwithstanding paragraphs (1) and (2), if a county with a population of less than 200,000 receives approval from the Mental Health Services Oversight and Accountability Commission of a plan for innovative programs, pursuant to subdivision (e) of Section 5830, the county's funds identified in that plan for innovative programs shall not revert to the state pursuant to paragraph (1) until five years after the date of the approval.
- (i) If there are still additional revenues available in the fund after the Mental Health Services Oversight and Accountability Commission has determined there are prudent reserves and no unmet needs for any of the programs funded pursuant to this section, including all purposes of the Prevention and Early Intervention Program, the commission shall develop a plan for expenditures of these revenues to further the purposes of this act and the Legislature may appropriate these funds for any purpose consistent with the commission's adopted plan which furthers the purposes of this act.
- (j) For the 2011-12 fiscal year, General Fund revenues will be insufficient to fully fund many existing mental health programs, including Early and Periodic Screening, Diagnosis, and Treatment (EPSDT), Medi-Cal Specialty Mental Health Managed Care, and mental health services provided for special education pupils. In order to adequately fund those programs for the 2011-12 fiscal year and avoid deeper reductions in programs that serve individuals with severe mental illness and the most vulnerable, medically needy citizens of the state, prior to distribution of funds under paragraphs (1) to (6), inclusive, of subdivision (a), effective July 1, 2011, moneys shall be allocated from the Mental Health Services Fund to the counties as follows:
 - (1) Commencing July 1, 2011, one hundred eighty-three million six hundred thousand dollars (\$183,600,000) of the funds available as of July 1, 2011, in the Mental Health Services Fund, shall be allocated in a manner consistent with subdivision (c) of Section 5778 and based on a formula determined by

the state in consultation with the California Mental Health Directors Association to meet the fiscal year 2011-12 General Fund obligation for Medi-Cal Specialty Mental Health Managed Care.

- (2) Upon completion of the allocation in paragraph (1), the Controller shall distribute to counties ninety-eight million five hundred eighty-six thousand dollars (\$98,586,000) from the Mental Health Services Fund for mental health services for special education pupils based on a formula determined by the state in consultation with the California Mental Health Directors Association.
- (3) Upon completion of the allocation in paragraph (2), the Controller shall distribute to counties 50 percent of their 2011-12 Mental Health Services Act component allocations consistent with Sections 5847 and 5891, not to exceed four hundred eighty-eight million dollars (\$488,000,000). This allocation shall commence beginning August 1, 2011.
- (4) Upon completion of the allocation in paragraph (3), and as revenues are deposited into the Mental Health Services Fund, the Controller shall distribute five hundred seventy-nine million dollars (\$579,000,000) from the Mental Health Services Fund to counties to meet the General Fund obligation for EPSDT for fiscal year 2011-12. These revenues shall be distributed to counties on a quarterly basis and based on a formula determined by the state in consultation with the California Mental Health Directors Association. These funds shall not be subject to reconciliation or cost settlement.
- (5) The Controller shall distribute to counties the remaining 2011-12 Mental Health Services Act component allocations consistent with Sections 5847 and 5891, beginning no later than April 30, 2012. These remaining allocations shall be made on a monthly basis.
- (6) The total one-time allocation from the Mental Health Services Fund for EPSDT, Medi-Cal Specialty Mental Health Managed Care, and mental health services provided to special education pupils as referenced shall not exceed eight hundred sixty-two million dollars (\$862,000,000). Any revenues deposited in the Mental Health Services Fund in fiscal year 2011-12 that exceed this obligation shall be distributed to counties for remaining fiscal year 2011-12 Mental Health Services Act component allocations, consistent with Sections 5847 and 5891.
- (k) Subdivision (j) shall not be subject to repayment.
- (l) Subdivision (j) shall become inoperative on July 1, 2012.

5892.1 (a) All unspent funds subject to reversion pursuant to subdivision (h) of Section 5892 as of July 1, 2017, are deemed to have been reverted to the fund and reallocated to the county of origin for the purposes for which they were originally allocated.

- (b)(1) The department shall, on or before July 1, 2018, in consultation with counties and other stakeholders, prepare a report to the Legislature identifying the amounts that were subject to reversion prior to July 1, 2017, including to which purposes the unspent funds were allocated pursuant to Section 5892.
- (2) Prior to the preparation of the report referenced in paragraph (1), the department shall provide to counties the amounts it has determined are subject to reversion, and provide a process for counties to appeal this determination.
- (c) By July 1, 2018, each county with unspent funds subject to reversion that are deemed reverted and reallocated pursuant to subdivision (a) shall prepare a plan to expend these funds on or before July 1, 2020.

- (d)(1) The requirement for submitting a report imposed under subdivision (b) is inoperative on July 1, 2022, pursuant to Section 10231.5 of the Government Code.
 - (2) A report to be submitted pursuant to subdivision (b) shall be submitted in compliance with Section 9795 of the Government Code.
 - (e) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department, without taking any further regulatory action, may implement, interpret, or make specific this section, Section 5899.1, and subdivision (h) of Section 5892, by means of all-county letters or other similar instructions, until applicable regulations are adopted in accordance with Section 5898, or until July 1, 2019, whichever occurs first. The all-county letters or other similar instructions shall be issued only after the department provides the opportunity for public participation and comments.
- 5892.5. (a)(1) The California Housing Finance Agency, with the concurrence of the State Department of Health Care Services, shall release unencumbered Mental Health Services Fund moneys dedicated to the Mental Health Services Act Housing Program upon the written request of the respective county. The county shall use these Mental Health Services Fund moneys released by the agency to provide housing assistance to the target populations who are identified in Section 5600.3.
- (2) For purposes of this section, "housing assistance" means each of the following:
 - (A) Rental assistance or capitalized operating subsidies.
 - (B) Security deposits, utility deposits, or other move-in cost assistance.
 - (C) Utility payments.
 - (D) Moving cost assistance.
 - (E) Capital funding to build or rehabilitate housing for homeless, mentally ill persons or mentally ill persons who are at risk of being homeless.
 - (b) For purposes of administering those funds released to a respective county pursuant to subdivision (a), the county shall comply with all of the requirements described in the Mental Health Services Act, including, but not limited to, Sections 5664, 5847, subdivision (h) of Section 5892, and 5899.
5893. (a) In any year in which the funds available exceed the amount allocated to counties, such funds shall be carried forward to the next fiscal year to be available for distribution to counties in accordance with Section 5892 in that fiscal year.
- (b) All funds deposited into the Mental Health Services Fund shall be invested in the same manner in which other state funds are invested. The fund shall be increased by its share of the amount earned on investments.
5894. In the event that Part 3 (commencing with Section 5800) or Part 4 (commencing with Section 5850) of this division, are restructured by legislation signed into law before the adoption of this measure, the funding provided by this measure shall be distributed in accordance with such legislation; provided, however, that nothing herein shall be construed to reduce the categories of persons entitled to receive services.
5895. In the event any provisions of Part 3 (commencing with Section 5800), or Part 4 (commencing with Section 5850) of this division, are repealed or modified so the purposes of this act cannot be accomplished, the funds in the Mental Health Services Fund shall be administered in accordance with those sections as they read on January 1, 2004.

5897. (a) Notwithstanding any other state law, the State Department of Health Care Services shall implement the mental health services provided by Part 3 (commencing with Section 5800), Part 3.6 (commencing with Section 5840), and Part 4 (commencing with Section 5850) of this division through contracts with county mental health programs or counties acting jointly. A contract may be exclusive and may be awarded on a geographic basis. As used herein a county mental health program includes a city receiving funds pursuant to Section 5701.5
- (b) Two or more counties acting jointly may agree to deliver or subcontract for the delivery of such mental health services. The agreement may encompass all or any part of the mental health services provided pursuant to these parts. Any agreement between counties shall delineate each county's responsibilities and fiscal liability.
- (c) The department shall implement the provisions of Part 3 (commencing with Section 5800), Part 3.2 (commencing with Section 5830), Part 3.6 (commencing with Section 5840), and Part 4 (commencing with Section 5850) of this division through the annual county mental health services performance contract, as specified in Chapter 2 (commencing with Section 5650) of Part 2 of Division 5.
- (d) The department shall conduct program reviews of performance contracts to determine compliance. Each county performance contract shall be reviewed at least once every three years, subject to available funding for this purpose.
- (e) When a county mental health program is not in compliance with its performance contract, the department may request a plan of correction with a specific time-line to achieve improvements. The department shall post on its Internet Web site any plans of correction requested and the related findings.
- (f) Contracts awarded by the State Department of Health Care Services, the California Behavioral Health Planning Council, the Office of Statewide Health Planning and Development, and the Mental Health Services Oversight and Accountability Commission pursuant to Part 3 (commencing with 5800), Part 3.1 (commencing with 5820), Part 3.2 (commencing with Section 5830), Part 3.6 (commencing with Section 5840), Part 3.7 (commencing with Section 5845), Part 4 (commencing with Section 5850), and Part 4.5 (commencing with Section 5890) of this division, may be awarded in the same manner in which contracts are awarded pursuant to Section 5814 and the provisions of subdivisions (g) and (h) of Section 5814 shall apply to such contracts.
- (f) For purposes of Section 5775, the allocation of funds pursuant to Section 5892 which are used to provide services to Medi-Cal beneficiaries shall be included in calculating anticipated county matching funds and the transfer to the State Department of Health Care Services of the anticipated county matching funds needed for community mental health programs.
5898. The State Department of Health Care Services, in consultation with the Mental Health Services Oversight and Accountability Commission, shall develop regulations, as necessary, for the State Department of Health Care Services, the Mental Health Services Oversight and Accountability Commission, or designated state and local agencies to implement this act. Regulations adopted pursuant to this section shall be developed with the maximum feasible opportunity for public participation and comments.
5899. (a) The State Department of Health Care Services, in consultation with the Mental Health Services Oversight and Accountability Commission and the California Mental Health Directors Association, shall develop and administer instructions for the Annual Mental Health Services Act Revenue and Expenditure Report. The

instructions shall include a requirement that the county certify the accuracy of this report. This report shall be submitted electronically to the department and to the Mental Health Services Oversight and Accountability Commission. The department and the commission shall annually post each county's report on its Internet Web site in a timely manner.

- (b) The department, in consultation with the commission and the County Behavioral Health Directors Association of California, shall revise the instructions described in subdivision (a) by July 1, 2017, and as needed thereafter, to improve the timely and accurate submission of county revenue and expenditure data.
- (c) The purpose of the Annual Mental Health Services Act Revenue and Expenditure Report is as follows:
 - (1) Identify the expenditures of the Mental Health Services Act (MHSA) funds that were distributed to each county.
 - (2) Quantify the amount of additional funds generated for the mental health system as a result of the MHSA.
 - (3) Identify unexpended funds, and interest earned on MHSA funds.
 - (4) Determine reversion amounts, if applicable, from prior fiscal year distributions.
- (d) This report is intended to provide information that allows for the evaluation of the following:
 - (1) Children's systems of care.
 - (2) Prevention and early intervention strategies.
 - (3) Innovative projects.
 - (4) Workforce education and training.
 - (5) Adults and older adults systems of care.
 - (6) Capital facilities and technology needs.
- (e) If a county does not submit the annual revenue and expenditure report described in subdivision (a) by the required deadline, the department may withhold MHSA funds until the reports are submitted.
- (f) A county shall also report the amount of MHSA funds that were spent on mental health services for veterans.
- (g) By October 1, 2018, and by October 1 of each subsequent year, the department shall, in consultation with counties, publish on its Internet Web site a report detailing funds subject to reversion by county and by originally allocated purpose. The report also shall include the date on which the funds will revert to the Mental Health Services Fund.

5899.1. (a) On or after July 1, 2017, funds subject to reversion pursuant to subdivision (h) of Section 5892 shall be reallocated to other counties for the purposes for which the unspent funds were initially allocated to the original county.

- (b) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department, without taking any further regulatory action, may implement, interpret, or make specific this section, Section 5892.1, and subdivision (h) of Section 5892, by means of all-county letters or other similar instructions, until applicable regulations are adopted in accordance with Section 5898, or until July 1, 2019, whichever occurs first. The all-county letters or other similar instructions shall be issued only after the department provides the opportunity for public participation and comments.

SECTION 6. Section 18257 is added to the Welfare and Institutions Code, to read:

18257. The State Department of Social Services shall seek applicable federal approval to make the maximum number of children being served through such programs eligible for federal financial participation and amend any applicable state regulations to the extent necessary to eliminate any limitations on the numbers of children who can participate in these programs.

SECTION 12. Section 17043 is added to the Revenue and Taxation Code, to read:

17043. (a) For each taxable year beginning on or after January 1, 2005, in addition to any other taxes imposed by this part, an additional tax shall be imposed at the rate of 1% on that portion of a taxpayer's taxable income in excess of one million dollars (\$1,000,000).
- (b) For purposes of applying Part 10.2 (commencing with Section 18401) of Division 2, the tax imposed under this section shall be treated as if imposed under Section 17041.
- (c) The following shall not apply to the tax imposed by this section:
- (1) The provisions of Section 17039, relating to the allowance of credits.
 - (2) The provisions of Section 17041, relating to filing status and recomputation of the income tax brackets.
 - (3) The provisions of Section 17045, relating to joint returns.

SECTION 13. Section 19602 of the Revenue and Taxation Code is amended to read:

19602. Except for amounts collected or accrued under Sections 17935, 17941, 17948, 19532, and 19561, and revenues deposited pursuant to Section 19602.5, all moneys and remittances received by the Franchise Tax Board as amounts imposed under Part 10 (commencing with Section 17001), and related penalties, additions to tax, and interest imposed under this part, shall be deposited, after clearance of remittances, in the State Treasury and credited to the Personal Income Tax Fund.

SECTION 14. Section 19602.5 is added to the Revenue and Taxation Code to read:

- 19602.5 (a) There is in the State Treasury the Mental Health Services Fund (MHS Fund). The estimated revenue from the additional tax imposed under Section 17043 for the applicable fiscal year, as determined under subparagraph (B) of paragraph (3) of subdivision (c), shall be deposited to the MHS Fund on a monthly basis, subject to an annual adjustment as described in this section.
- (b) (1) Beginning with fiscal year 2004-2005 and for each fiscal year thereafter, the Controller shall deposit on a monthly basis in the MHS Fund an amount equal to the applicable percentage of net personal income tax receipts as defined in paragraph (4).
- (2) (A) Except as provided in subparagraph (B), the applicable percentage referred to in paragraph (1) shall be 1.76 percent.
- (B) For fiscal year 2004-2005, the applicable percentage shall be 0.70 percent. (3) Beginning with fiscal year 2006-2007, monthly deposits to the MHS Fund pursuant to this subdivision are subject to suspension pursuant to subdivision (f).
- (4) For purposes of this subdivision, "net personal income tax receipts" refers to amounts received by the Franchise Tax Board and the Employment Development Department under the Personal Income Tax Law, as reported by

the Franchise Tax Board to the Department of Finance pursuant to law, regulation, procedure, and practice (commonly referred to as the “102 Report”) in effect on the effective date of the Act establishing this section.

- (c) No later than March 1, 2006, and each March 1 thereafter, the Department of Finance, in consultation with the Franchise Tax Board, shall determine the annual adjustment amount for the following fiscal year.
- (1) The “annual adjustment amount” for any fiscal year shall be an amount equal to the amount determined by subtracting the “revenue adjustment amount” for the applicable revenue adjustment fiscal year, as determined by the Franchise Tax Board under paragraph (3), from the “tax liability adjustment amount” for applicable tax liability adjustment tax year, as determined by the Franchise Tax Board under paragraph (2).
 - (2) (A) (i) The “tax liability adjustment amount” for a tax year is equal to the amount determined by subtracting the estimated tax liability increase from the additional tax imposed under Section 17043 for the applicable year under subparagraph (B) from the amount of the actual tax liability increase from the additional tax imposed under Section 17043 for the applicable tax year, based on the returns filed for that tax year.
 - (ii) For purposes of the determinations required under this paragraph, actual tax liability increase from the additional tax means the increase in tax liability resulting from the tax of 1% imposed under Section 17043, as reflected on the original returns filed by October 15 of the year after the close of the applicable tax year.
 - (iii) The applicable tax year referred to in this paragraph means the 12-calendar month taxable year beginning on January 1 of the year that is two years before the beginning of the fiscal year for which an annual adjustment amount is calculated.
 - (B) (i) The estimated tax liability increase from the additional tax for the following tax years is:

<u>Tax Year</u>	<u>Estimated Tax Liability Increase from the Additional Tax</u>
2005	\$ 634 million
2006	\$ 672 million
2007	\$ 713 million
2008	\$ 758 million

- (ii) The “estimated tax liability increase from the additional tax” for the tax year beginning in 2009 and each tax year thereafter shall be determined by applying an annual growth rate of 7 percent to the “estimated tax liability increase from additional tax” of the immediately preceding tax year.
- (3) (A) The “revenue adjustment amount” is equal to the amount determined by subtracting the “estimated revenue from the additional tax” for the applicable fiscal year, as determined under subparagraph (B), from the actual amount transferred for the applicable fiscal year.
- (B) (i) The “estimated revenue from the additional tax” for the following applicable fiscal years is:

<u>Applicable Fiscal Year</u>	<u>Estimated Revenue from Additional Tax</u>
2004-05	\$ 254 million

2005-06	\$ 683 million
2006-07	\$ 690 million
2007-08	\$ 733 million

- (ii) The “estimated revenue from the additional tax” for applicable fiscal year 2007-08 and each applicable fiscal year thereafter shall be determined by applying an annual growth rate of 7 percent to the “estimated revenue from the additional tax” of the immediately preceding applicable fiscal year.
- (iii) The applicable fiscal year referred to in this paragraph means the fiscal year that is two years before the fiscal year for which an annual adjustment amount is calculated.
- (d) The Department of Finance shall notify the Legislature and the Controller of the results of the determinations required under subdivision (c) no later than 10 business days after the determinations are final.
- (e) If the annual adjustment amount for a fiscal year is a positive number, the Controller shall transfer that amount from the General Fund to the MHS Fund on July 1 of that fiscal year.
- (f) If the annual adjustment amount for a fiscal year is a negative number, the Controller shall suspend monthly transfers to the MHS Fund for that fiscal year, as otherwise required by paragraph (1) of subdivision (b), until the total amount of suspended deposits for that fiscal year equals the amount of the negative annual adjustment amount for that fiscal year.

SECTION 16 OF PROP 63

The provisions of this act shall become effective January 1 of the year following passage of the act, and its provisions shall be applied prospectively.

The provisions of this act are written with the expectation that it will be enacted in November of 2004. In the event that it is approved by the voters at an election other than one which occurs during the 2004-05 fiscal year, the provisions of this act which refer to fiscal year 2005-06 shall be deemed to refer to the first fiscal year which begins after the effective date of this act and the provisions of this act which refer to other fiscal years shall refer to the year that is the same number of years after the first fiscal year as that year is in relationship to 2005-06.

SECTION 17 OF PROP 63

Notwithstanding any other provision of law to the contrary, the department shall begin implementing the provisions of this act immediately upon its effective date and shall have the authority to immediately make any necessary expenditures and to hire staff for that purpose.

SECTION 18 OF PROP 63

This act shall be broadly construed to accomplish its purposes. All of the provisions of this Act may be amended by a 2/3 vote of the Legislature so long as such amendments are consistent with and further the intent of this act. The Legislature may by majority vote add provisions to clarify procedures and terms including the procedures for the collection of the tax surcharge imposed by Section 12 of this act.

SECTION 19 OF PROP 63

If any provision of this act is held to be unconstitutional or invalid for any reason, such unconstitutionality or invalidity shall not affect the validity of any other provision.

DATE: June 28, 2018

TO: Homelessness Committee

FROM: Marisa Creter, Executive Director

RE: **SAN GABRIEL VALLEY SPA 3 WHITE PAPER**

RECOMMENDED ACTION

For information only.

BACKGROUND

Whether the unhoused population within a city is large, small or nonexistent, all cities are impacted by homelessness. Wages for a large segment of society have remained flat, housing stock has not kept up with need, and the cost of housing has skyrocketed, creating a homelessness crisis. The San Gabriel Valley is within the Greater Los Angeles Continuum of Care which has the greatest number of unsheltered people in the nation. The cities in the San Gabriel Valley share major transportation corridors, riverbeds, hiking and bike trails. People, including those without housing, use these common transit-ways to traverse the region.

Cities play a vital role in addressing homelessness as they control local zoning and land use ordinances. Local first responders are often the first point of contact for those who are unhoused. Residents turn first to city leadership to address the ancillary challenges that accompany an increase in homelessness in the community.

To address this challenge, Los Angeles County adopted the Los Angeles County Homeless Initiative Strategies to Combat Homelessness. Recognizing the role of cities in addressing homelessness, the Los Angeles Board of Supervisors allocated funding for individual cities to develop homelessness plans. During the Spring of 2018, an unprecedented 21 cities across the San Gabriel Valley created homeless plans. With cities all moving in the same direction addressing homelessness at the same time a unique opportunity is presented to address the questions of how cities can collaborate and partner to address a challenge that is too complex for any one city to manage independently. As part of the planning process, cities identified subregional groupings and participated in discussions about implementing collaborative common and mutually supportive strategies. Cities in the San Gabriel Valley that have been proactive in addressing homelessness engaged in conversations addressing the challenges and opportunities of providing homeless services. These discussions have resulted in the policies outlined in the, “San Gabriel Valley SPA 3 Positions on Homeless Housing, Shelter and Services Provision” White Paper (Attachment A).

WHITE PAPER WHITE PAPER PRINCIPLES

The SGVCOG convened a working group of eight San Gabriel Valley cities that have provided leadership and been proactive in the implementation of housing and services for those experiencing homelessness. Fourteen city staff participated in five meetings over five months to develop this

REPORT

document. The final draft was reviewed by the working group members and final feedback provided prior to SGVCOG internal review. This document is now presented for the Homelessness Committee's review, comments, and recommendation. The participating cities agreed upon four overarching categories, as follows:

- Commitment to Help Solve the Crisis of Homelessness,
- Local Preference for Housing,
- Reciprocal Agreements and Cooperation in Providing Shelter, Services and Housing, and
- Expectations in Collaborating with the County.

Each category highlights various principles for cities to follow in order to collaborate and partner to effectively address homelessness.

Jan Cicco, Regional Homelessness Coordinator for the SGVCOG will provide a presentation on the White Paper.

Prepared by: Christian Cruz
Christian Cruz
Management Analyst

Approved by: Marisa Creter
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – White Paper

**San Gabriel Valley SPA 3 Positions
on
Homeless Housing, Shelter and Services Provision
V6**

BACKGROUND

Cities play a vital role in addressing and resolving homelessness within Los Angeles County. Cities control local zoning, which can facilitate, or hinder, the development of bridge, special needs, and affordable housing. Additionally, cities may partner with and direct resources to local nonprofits and community based organizations that bring needed services to people experiencing homelessness. The decisions that cities make regarding homelessness directly impacts that quality of life for those who are un-housed, neighborhoods, and neighboring cities.

The 2018 Los Angeles Point in Time Homeless Count documented 3,615¹ persons experiencing homelessness within the San Gabriel Valley. Of those less than 13% are sheltered. Thirty five percent of those without a place to live are female and 8% are children. Thirty seven percent of those experiencing homelessness have experienced domestic violence and 11% are homeless as a direct result of fleeing a domestic violence incident.

Other San Gabriel Valley residents are at risk of losing their housing. Across the San Gabriel Valley schools², 6.9% of children live in households experiencing homelessness. There is a direct correlation between poverty and risk of becoming homelessness. Over seventeen percent of households with children in San Gabriel Valley schools live at or below the poverty level and over 59% are eligible for free or reduced cost meals. Nearly 47% of households with children in San Gabriel Valley schools are housing cost burdened³. Teen behavior patterns today can predict potential homelessness. Over 6% of teens neither attend school nor are employed.

As housing costs continue to rise, senior citizens on fixed incomes who are paying rent or mobile home space fees are at risk of losing their housing. The high cost of medical services and medications and increasing general tax burdens also jeopardize housing for senior citizens. The 2018 Point in Time homeless Count identified a 22% increase in homelessness of those 62 years or older although the count went down in all other age groups.⁴ Cities struggle to provide adequate affordable housing for recent college graduates, residents on fixed incomes and those providing basic services in their communities. . Virtually all citizens are impacted by homelessness as residents living in cities without persons experiencing homelessness travel to and through, do business in and attend social activities in neighboring cities impacted by homelessness.

¹<https://www.lahsa.org/documents?id=2030-2018-greater-los-angeles-homeless-count-service-planning-area-3.pdf>. This count excludes the City of Pasadena, which is in the San Gabriel Valley Service Planning Area (SPA 3) but has its own Continuum of Care. The count for the entire SPA is 4,292. <https://www.lahsa.org/documents?id=2059-2018-greater-los-angeles-homeless-count-presentation.pdf>. Count data reflects those enumerated at a single point in time and fluctuates throughout the year. Demographic and Subpopulations data are obtained through self-reporting surveys and are statistically significant with 91% confidence level.

² <https://www.kidsdata.org>, Lucille Packard Foundation for Children's Health, 6/18/18.

³ Households with a high housing cost burden: This is the estimated percentage of households that spend 30% or more of household income on housing costs.

⁴ <https://www.lahsa.org/documents?id=2059-2018-greater-los-angeles-homeless-count-presentation.pdf>

The San Gabriel Valley is a subregion of the County of Los Angeles which, in 2016 formally adopted the Los Angeles County Homeless Initiative with Approved Strategies to Combat Homelessness. Recognizing the important role that cities have in supporting the Los Angeles County Homeless Initiative, the Board of Supervisors allocated one-time funding for individual cities to develop plans to address homelessness in their respective communities. The resulting plans that the cities developed are specific to their cultures and needs. As part of the planning process, cities identified subregional groupings and participated in discussions about implementing collaborative common and mutually supportive strategies. Core cities that until this time have hosted the bulk of services and housing for those experiencing homelessness also engaged in discussions specific to the fair and equitable provision of housing and services for people experiencing homelessness in the San Gabriel Valley. These discussions have resulted in the policies outlined in this document.

KEY PRINCIPLES

Recognizing the need to work together to address homelessness, participating cities agree to the following principles.

1. Commitment to Help Solve the Crisis of Homelessness

Each city and unincorporated area should be part of the solution to end homelessness and assist homeless persons who have a connection to their city or unincorporated area. Supportive activities include, but are not limited to, the following:

- 1.1. Providing housing or bridge housing for a minimum of 25% of their most recent point in time (PIT) count need
- 1.2. Supporting outreach and education to remove stigma from those residents who need to enter bridge housing
- 1.3. Ensuring that bridge housing is operated by high-quality not-for-profit organizations to ensure limited negative impact on surrounding neighborhoods.

2. Local Preference

Unhoused families and individuals are often transient. Sometimes, this transience is due to circumstances and personal choice. However, many times, it is due to an absence of the needed support services in the community of origin which would enable them to remain housed or to secure and retain housing. Most unhoused families and individuals have connections to the community or communities in which they reside. According to the 2018 Point in Time Homeless Count survey, 56% of respondents stated that they lived in Los Angeles County when they became homeless. In 2016, the city of Pomona conducted a full survey of those experiencing homelessness in the city. Fifty three percent of respondents confirmed that they were living permanently in Pomona when they became homeless. These data hold across geographic areas. In Seattle, 70% of those without a housing living in Seattle/Kings County lived there prior to being homeless. A true definition of community connection can also mean a city where friends and family live, where one worships, attends school or works.

Cities and unincorporated areas have a right and responsibility to use local preference based on community connections when the providing housing and shelter to unhoused people in their

communities. Local preference benefits both the community, by incentivizing them to do their part in providing homeless solutions, and the person experiencing homelessness, by allowing them to remain connected to their existing support systems, school and work.

Recognizing that no one city can bear the burden or entire responsibility of meeting the region's homelessness needs. Cities in the San Gabriel Valley agreed upon the following criteria to help them to determine city connection:

- 2.1. Identified by the City staff (e.g. Police Department, Fire Department, Code Enforcement) or City Homeless Service or Outreach Team as high users of City resources and services and meet one of the other following criteria;
- 2.2. Individual or family is known to the City staff (e.g. Police Department, Fire Department, Code Enforcement) or City Homeless Service or Outreach Team to be sleeping in a place not meant for human habitation, in the City, for more than 12 months and has a service history or open case for over one-year consisting of ongoing interaction with one of the service agents listed; or,
- 2.3. Individual or family is has an immediate family member (mother, father, child, sibling, or grandparent) living in the City, who is willing to help in the remediation of their homelessness. Current residency of an immediate family member must be documented (e.g. owner of record, lease, and/or paid utilities necessary for legal use of the property for residential use), or;
- 2.4. Individual or family is become homeless while living permanently in City. Proof of residency on property zoned for residential use in City (e.g. owner of record, lease, and/or paid utilities necessary for legal use of the property for residential use) must be provided; or,
- 2.5. Individual or family includes an individual that is currently attending a City school full-time or is legally and gainfully employed at least 20 hours per week and works within the City limits. Proof of school enrollment or employment must be provided (e.g. report cards, pay stubs, or school or employee identification).

3. Reciprocal Agreements and Cooperation in Providing Shelter, Services and Housing

Within the San Gabriel Valley, cities and unincorporated areas do not have the capacity to provide all services, supports, shelter and housing for every demographic and subpopulation of the unhoused residents in their communities. In order to balance capacity and availability of services, cities may enter into reciprocal agreements to maximize assistance provided to homeless individuals and families.

By entering into fair and equitable agreements in writing, neighboring cities can work together to develop a range of services and housing meeting the varying needs of their unhoused residents. To this end, cities in the San Gabriel Valley agree to the following protocol:

- 3.1. Law enforcement, County and City Hospitals and clinics, service, shelter and housing providers, mental health jurisdictions, County departments and Governments will be provided with copies of the Jurisdictional Agreements and any modifications thereto.
- 3.2. Cities with Jurisdictional Agreements will actively promote the honoring of the agreements with their internal agencies and departments and local and regional providers.

- 3.3. There should be a clear and functional process for referral and acceptance, and a warm connection, meaning that the homeless family or individual is introduced to a receiver ready to assist them.
- 3.4. To facilitate referrals, cities and the service agencies therein, agree to provide referral contact information including position of authorized acceptor, phone number, e-mail, and days and hours of availability. As a courtesy, the authorized acceptor will respond promptly within the days and hours published.

4. Expectations in Collaborating with the County

By doing their part, cities in the SGV are contributing to the reduction of homelessness in the County of Los Angeles. This contribution should be recognized and valued by the County Departments, LAHSA and other agencies and government institutions. In order to enhance the partnership between cities and the County, the cities encourage the following best practices:

- 4.1. When contemplating service and resource allocation by SPA, the process should allow all partners (i.e. County, cities, supervisorial representatives, LAHSA, the United Way, and the SGVCOG) inform the process and share decision-making. This may include, but is not limited to, RFPs with regional parameters. Cities' unique populations, hotspots and subregional needs should be considered during this process.
- 4.2. Subregional designations should respect school districts' boundaries and have reasonable mileage parameters. Subregions should be determined by self-identified city groups.
- 4.3. Subregional and SPA level agreements between cities and the COGs regarding homelessness should be recognized in policy at the County level.
- 4.4. Subregion city groups should work with the County to serve subregional needs.
- 4.5. As additional cities participate in homeless programs, their efforts should be supported with funding and resources. New efforts, as well as hotspots, should be considered when allocating funding.
- 4.6. LAHSA should provide city and subregional level data on homeless populations, subpopulations, demographics, and funding levels in ratios to homeless populations and total residents. Additionally, this data should be used to evaluate proposed siting and funding and make objective comparisons between communities. Data should be released publicly on an annual basis and be maintained and easily accessible by cities and the COGs electronically.
- 4.7. The County should release a ranking of beds-to-population ratio annually by SPA, identified subregions and cities with more than 200 persons experiencing homelessness.
- 4.8. The County should engage early and often with cities and COGs when planning service provision and bed-siting options.

Homelessness Committee – City Homelessness Plan Update

June 28, 2018

Update: City Homeless Planning Process

- Plan drafts have been submitted to all 17 cities
- All add-ons completed
- Draft plans reviewed by City Council
 - Alhambra, Azusa, Baldwin Park, Claremont, Covina, Irwindale (joint plan with Duarte), El Monte, Glendora, La Puente, La Verne, Montebello, San Dimas, South El Monte, South Pasadena, West Covina
- Draft plans approved by City Council (as of June 19)
 - Azusa, Claremont, Covina, El Monte, Glendora, La Puente, La Verne, San Dimas, South El Monte
- Remaining plan approvals
 - June 19-30: Baldwin Park, Duarte-Irwindale, South Pasadena
 - July: Alhambra, Arcadia, Montebello, West Covina

Community Feedback

- Safety concerns, loitering, petty theft, service resistance, encampments
- Law enforcement limitations
- Lack of affordable housing, NIMBYism
- Regional fair share importance, avoid concentrating services in one area
- Resource strains – staff time, outreach, cleanups, first responder calls, housing placement
- Prevention – families, students, seniors
- More shelter beds needed
- Workforce development and jobs
- Address mental health issues, substance use
- Need data on local homeless populations
- Community meetings, resource cards/toolkits
- Better outreach coordination with mental health, law enforcement, CES

Common City Strategies

- Public education (regular community meetings), resources toolkit

San Diego Office
404 Euclid Ave, Suite 212
San Diego, CA 92114
619-236-0612 phone
619-236-0613 fax

Sacramento Office
1400 N Street, Suite 7
Sacramento, CA 95814
619-459-6292 phone

www.lesardevelopment.com

Los Angeles Office
448 S. Hill Street, Suite 618
Los Angeles, CA 90013
213-612-4545 phone
213-488-3468 fax

- First responder trainings for outreach and engagement
- Homelessness prevention (funding for service providers, communicating with school districts to identify at-risk students and families, surveying homeless populations to identify causes of homelessness)
- Promote to businesses participation in workforce development opportunities for homeless and formerly homeless individuals
- Increase participation of faith-based community (e.g., rotating shelter model, safe parking programs, available land for housing, outreach and engagement)
- Develop a rapid rehousing program with local preference and engage landlords for better housing placement
- Facilitate development and preservation of affordable housing (policies, developer incentives, publicly owned land)
- Explore shared housing models for certain populations (e.g., seniors, TAY)
- Improved regional coordination, e.g., CES, outreach for addressing encampments, partnering with neighboring cities to leverage rental markets, multi-jurisdiction (e.g., including CalTrans, Metro, etc.)
- Less common but important: shelter development, supportive housing development

Cohort Calls

- In June, LeSar team facilitated call with Cohort #5: El Monte, South El Monte, Baldwin Park
 - Key takeaways: Continue conversations re: joint shelter, coordinating outreach and engagement, pursuing funding as a team, and sharing resources such as City toolkit, draft policies etc.
- One additional cohort call with Pasadena, Alhambra, and Montebello in scheduling process

Next Steps

- All plans submitted to County by July 31
- Post Plan Summit scheduled for Aug. 1
- County to tentatively release RFP in early August to provide implementation funding – encourage cities to apply
- SGVCOG coordination plan implementation working groups (e.g., transit strategies for cities on Metro line, park/riverbed/encampment strategies)
- Continued conversations among city cohorts
- SGVCOG position paper

San Gabriel Valley City Homelessness Planning Update

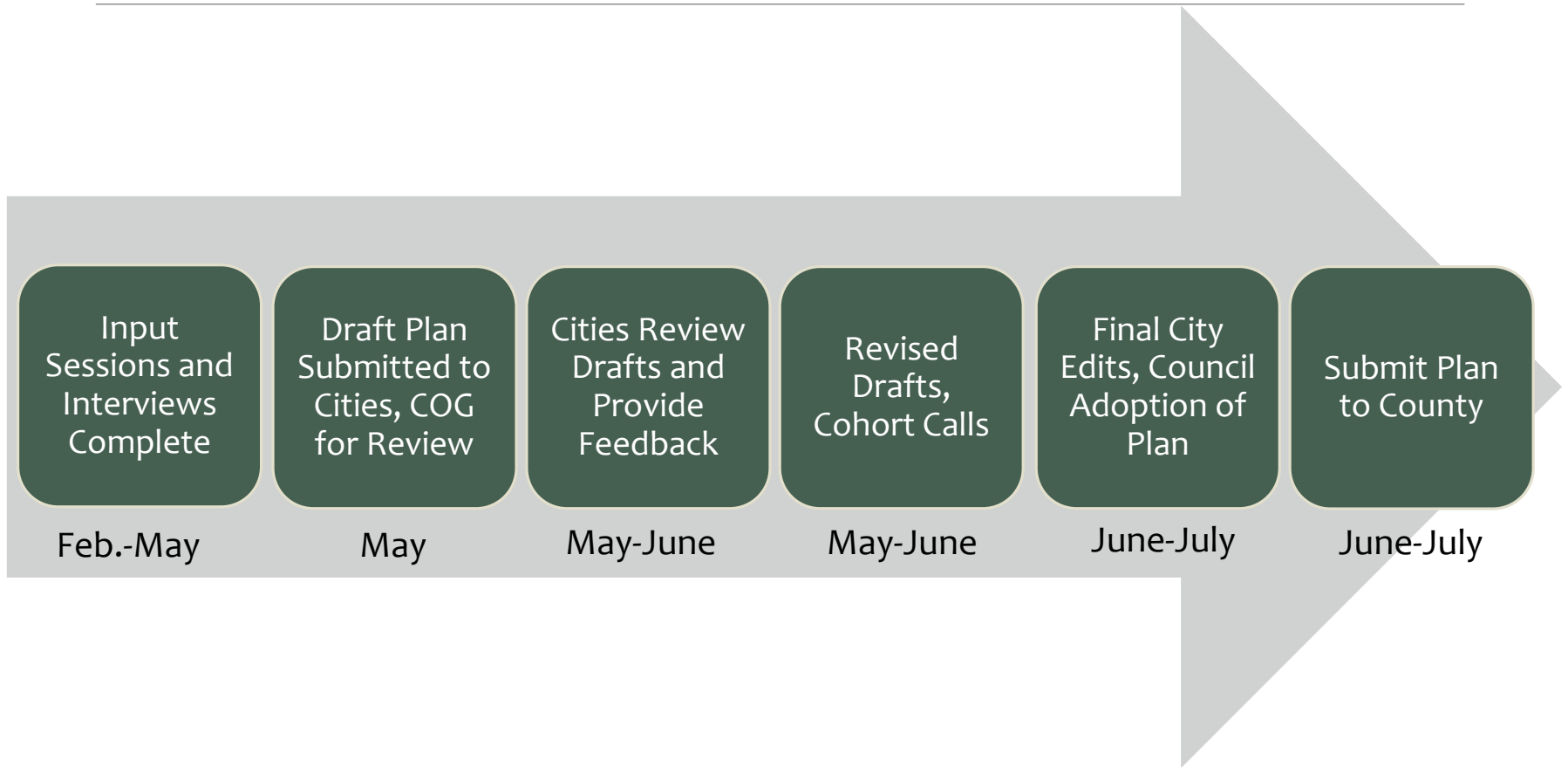
June 28, 2018



Update: City Homeless Planning Process

- Plan drafts have been submitted to all 17 cities
- All add-ons completed
- Draft plans reviewed by City Council
 - Alhambra, Azusa, Baldwin Park, Claremont, Covina, Irwindale (joint plan with Duarte), El Monte, Glendora, La Puente, La Verne, Montebello, San Dimas, South El Monte, South Pasadena, West Covina
- Draft plans approved by City Council (as of June 19)
 - Azusa, Claremont, Covina, El Monte, Glendora, La Puente, La Verne, San Dimas, South El Monte
- Remaining plan approvals
 - June 19-30: Baldwin Park, Duarte-Irwindale, South Pasadena
 - July: Alhambra, Arcadia, Montebello, West Covina

Planning Process Timeline



Community Feedback

Lack of
Affordable
Housing,
NIMBYism

Regional Fair
Share,
Resource
Strains

Safety Concerns,
Loitering, Petty
Theft, Service
Resistance,
Encampments

Better Local
Data Collection,
Increase
Outreach

Resources
Toolkit

Homelessness
Prevention (e.g.,
Families, Students,
Seniors)

Workforce
Development,
Job
Placement

Law
Enforcement
Limitations

Address
Mental Health,
Substance Use
Issues

Common City Strategies

- Public education (regular community meetings), resources toolkit
- First responder trainings for outreach and engagement
- Homelessness prevention (funding for service providers, communicating with school districts to identify at-risk students and families, surveying homeless populations to identify causes of homelessness)
- Promote to businesses participation in workforce development opportunities for homeless and formerly homeless individuals
- Increase participation of faith-based community (e.g., rotating shelter model, safe parking programs, available land for housing, outreach and engagement)

Common City Strategies

- Develop a rapid rehousing program with local preference and engage landlords for better housing placement
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REPORT

DATE: June 28, 2018

TO: Homelessness Committee

FROM: Marisa Creter, Executive Director

RE: **SAN GABRIEL VALLEY CONSORTIUM ON HOMELESSNESS
OVERVIEW**

RECOMMENDED ACTION

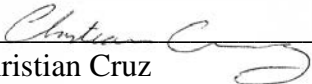
For information only.

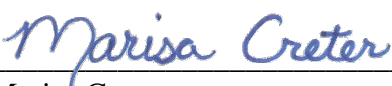
BACKGROUND

In 1995, Thomas P. McGuiness and LeLand Kaiser started the East San Gabriel Valley Task Force on Homelessness. The task force worked to identify existing homeless resources, and the gaps in homeless services within the San Gabriel Valley. Later that year, the task force transformed into what is now known as the San Gabriel Valley Consortium on Homelessness (Consortium). For the first ten years, the Consortium operated on a volunteer basis and grew to include nearly 400 agencies. In April 2012, the Consortium consolidated with the San Gabriel Valley Housing and Homeless Coordinating Council. This was done to better utilize resources in an effort to end homelessness in the San Gabriel Valley.

In 2017, the Consortium received a Homeless Prevention Initiative grant from Supervisors Solis and Barger to help to actualize the potential of Measure H by building regional capacity.

Richard Corral, Interim Executive Director will provide an overview of the Consortium and its role in the regional effort to combat homelessness.

Prepared by: 
Christian Cruz
Management Analyst

Approved by: 
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Presentation



SGVCOG Homelessness Committee



...leading the effort to end homelessness in the San Gabriel Valley by facilitating partnerships, educating community and member agencies, and advocating for appropriate housing and services.

SGV Consortium on Homelessness

Attachment A



Richard Xavier Corral, Interim Executive Director
Founder and Principal Consultant, Corral Consulting

SGV Cities & Homelessness

Attachment A

Objectives

1. Learn about the SGV Consortium on Homelessness and its long standing collaborative efforts to address housing and homeless throughout the SPA 3.
2. Learn how the SGVC can support the planning, implementation and regional integration of your city's homeless plans.
3. Learn how to connect your city with the SGVC

Mission

Attachment A

Facilitate partnerships, educate the community and member agencies, and advocate for appropriate housing and services.

History

Attachment A

- **1995:** Thomas P. McGuinness and LeLand Kaiser held the first meetings of the East San Gabriel Valley Task Force on Homelessness. First monthly Consortium meetings held at the end of 1995.
- **1995 - 2005:** As a volunteer run organization, grew network of organizations working with the homeless in the SGV.
- **2009:** Awarded the Community Engagement and Regional Capacity Building (CERC) grant administered through the City of Pomona
- **2011:** Hired staff and Volunteers of America was contracted to provide business incubation services
- **2012:** 501(c)(3) nonprofit status secured and grew to over 400 participating agencies.
- **2017:** Received Homeless Prevention Initiative grant from Supervisors Solis and Barger to help to actualize the potential of Measure H by building regional capacity
- **2018:** Corral Consulting contracted to execute new scope of work

New Scope of Work

- Improve communication, coordination, and partnership on homeless service provision, Measure H funded strategies and initiatives throughout SPA 3's.
- Facilitate lead agencies to collaborate on, implement and improve Measure H funded strategies and initiatives including the Coordinated Entry System (CES), Homeless Management Information System (HMIS) and 211.
- Improve SPA 3's homeless service providers understanding of and ability to implement Measure H funded strategies and initiatives.
- Increase the capacity of SPA 3's nonprofit homeless service providers to successfully apply for and secure Measure H funded opportunities.

New Scope of Work

Attachment A

- Develop data questions, tools and products that answer key questions about homelessness, homeless services and housing throughout SPA 3.
- Engage and educate SPA 3 municipalities to leverage and integrate Measure H funded strategies.
- Coordinate, facilitate and implement a plan to build more housing units throughout SPA 3.
- Sustain the Consortium's Work

Get Your City Involved

Attachment A

- Monthly SGV Consortium Meeting
- Subcommittees
 - Data - Facilitate data sharing and answer critical questions that inform homeless investments, policies and services throughout SPA 3
 - Health - Coordinate the SPA 3 health care system to develop strategies, policies and recommendations that address the comprehensive health care needs of homeless people
 - Law Enforcement
 - Education/Workforce
 - ???
- Housing Initiative

Richard Xavier Corral
Interim Executive Director
San Gabriel Valley Consortium on Homelessness
info@sgvc.org