



The Contra Costa County Mental Health Commission has a dual mission: 1) To influence the County's Mental Health System to ensure the delivery of quality services which are effective, efficient, culturally relevant and responsive to the needs and desires of the clients it serves with dignity and respect; and 2) to be the advocate with the Board of Supervisors, the Mental Health Division, and the community on behalf of all Contra Costa County residents who are in need of mental health services.

Current (2016) Members of the Contra Costa County Mental Health Commission

Greg Beckner, District IV; Duane Chapman, District I (Chair); Douglas Dunn, District III; Diana MaKieve, District II; Tess Paoli, District III; Lauren Rettagliata, District II; Barbara Serwin, District II (Vice Chair); Connie Steers, District IV; Gina Swirsding, District I; Sam Yoshioka, District IV; Candace Andersen, BOS Representative; Mary Piepho, BOS Alternate Representative

Commissioners Emeritus
Marie A. Goodman • David Kahler

June 9, 2016

Contra Costa County Board of Supervisors,

On June 8, 2016 at a special meeting of the Contra Costa County Mental Health Commission, the commission approved a motion to make the recommendations outlined below to the Contra Costa County Board of Supervisors.

The Mental Health Commission wants to end homelessness and we are for the concept of eliminating homelessness, that the bond measure, "No Place Like Home," is tackling. We are opposed to the fact that it is a bond measure that will incur debt for the MHSA funds and do believe that the Attorney General's statement of 2006 must be clearly taken into consideration.

California State Budget Trailer Bill language, entitled "No Place Like Home", is being introduced by the State Senate to redirect a portion of Mental Health Services Act (MHSA, or Proposition 63) funding from counties to secure up to \$2 billion in permanent affordable housing bonds to address the persistent issue of homelessness throughout the State.

The Contra Costa County Mental Health Commission recommends opposing "No Place Like Home", and finds the following:

- Affordable housing with mental health supports is a key part of successful treatment of individuals who experience serious mental illness or serious emotional disturbance.
- "No Place Like Home" addresses this strategy, but as written, contains legal, fiscal and program concerns:
 - **The trailer bill is inconsistent with the intent of Proposition 63, and therefore subject to legal challenge.** Proposition 63 may be amended by a two-thirds vote of the Legislature "so long as such amendments are consistent with and further the intent of this act." Proposition 63



clearly communicates that counties are the primary providers of mental health services and insulates this funding from diversion by the Governor and the Legislature.

- **Any state contract to secure these bonds would create an unconstitutional debt for the state.** Use of MHSA funds as security for long term State bond obligations is inconsistent with MHSA's requirement to ensure programs are held accountable by means of three year plans. Long term contracts cannot be made sufficiently conditional to withstand any legal challenges, should the program be terminated.
- **Would reduce MHSA revenues to Contra Costa County that are needed for mental health care.** Projections provided by the County Behavioral Health Director's Association indicate that Contra Costa County would receive 2% less revenue as the program ramps up in the three year period of FY 2017-20 (\$2.44M), and then would level off to a \$2.79M per year reduction in locally controlled revenues thereafter, or a 7% reduction. Currently the County's MHSA budget is balanced, with MHSA revenues matching expenditures. Reducing revenues would ultimately reduce the County's capacity to provide mental health services.
- **Requires counties to competitively bid for funds taken from their local control.** The trailer bill language establishes a competitive grant application process whereby counties are required to co-apply with developers to finance the construction, rehabilitation or preservation of permanent supportive housing for individuals with mental health supportive needs who are homeless or at risk of homelessness. Counties without established grant writing staff and resources would be at risk for being non-competitive in re-acquiring funds that had been taken by the State. The requirements also require the county to commit to provide mental health supportive services inside the supportive housing development for at least 20 years, and does not provide funding for needed ongoing capital operating reserves for such items as facility maintenance, repair and client move-in/move/out expenses. The above items would create an unfunded state mandate for counties while concurrently reducing their capacity for funding these requirements.
- **Would further segregate and stigmatize individuals with serious mental illness.** The trailer bill language requires that funded developments integrate the target population with the general public. However, units built specifically for individuals with serious mental illness by definition provide a means for segregation. Public funds have been unsuccessfully utilized in the past to build housing projects that then became segregated ghettos for the impoverished. The trailer bill language also indicates that integration requirements may be modified in shared housing models of fewer than five units. The concern then becomes utilizing MHSA funds for units housing individuals who do not meet the target population as required by MHSA.
- **Does not incentivize mental health recovery.** Permanent supportive housing for the serious mentally ill provides a substantial housing cost subsidy for individuals who meet this target population definition. Experience has shown that individuals possessing this financial subsidy have a significant incentive to continue to meet target population definition (i.e., remain seriously mentally ill). An effective continuum of care model should provide additional appropriate supports toward self-sufficiency and recovery. This proposed program is silent on this matter.

- **Has not involved stakeholders in its development as required by Proposition 63.** MHSA requires that plans and updates be developed with local stakeholders, and that draft plans and updates shall be prepared and circulated for review and comment for at least 30 days to representatives of stakeholder groups and any interested party who has requested a copy of such plans. The Senate trailer bill language was released on June 1 with no stakeholder participation, with intent for inclusion in the Governor's budget on June 15. This appears to be a violation of both the intent and letter of the law.

Respectfully,
Duane C. Chapman, Chairperson
Contra Costa County Mental Health Commission