

The Road to Recovery Leads Home

In 2004, Justin was homeless, addicted to crystal meth and weighed 115 pounds. He's now returning to school and is looking towards journalism as a career. Last year, Leslie was crying her eyes out at a bus stop in Santa Monica after having shut herself in her bedroom for three straight months. She's currently taking classes towards her certification as a massage therapist. What they have in common is that their road to recovery was funded by California's Proposition 63, or the Mental Health Services Act (MHSA).

BACKGROUND

The MHSA created many assistance networks for those with mental health problems. One of these networks, the MHSA Housing Program (MHSA-HP), is a unique partnership between the California Housing Finance Agency (CalHFA), the California Department of Mental Health (DMH) and 51 of the 58 California County Mental Health Departments. The Act was intended to transform the way California delivers mental health services to individuals with serious mental illness, with the goal of moving beyond the mental health clinic setting to offer a much wider and more creative array of services and support to the individual in community settings, enhancing their recovery efforts and their opportunities for independent living.

The MHSA Housing Program provides funding for the capital costs and operating subsidies to develop permanent supportive housing for persons with serious mental illness who are homeless, or at risk of homelessness. It is a unique collaboration among government agencies at the local and state level targeting transition-age youth, adults, older adults and families where a child is often the qualifying member.

The Program embodies both the individual and systemic transformational goals of the Mental Health Services Act through the recognition of housing as an essential service component for mental health clients. A study conducted by Berkeley's Goldman School of Public Policy found that 81% of tenants who reside in supportive housing remained housed for at least one year and that they experienced over a 50% drop in both the number of emergency room visits and inpatient days—a huge savings for the hospital system.

The partners in this collaboration include CalHFA with their housing and financial expertise; DMH with responsibility for overseeing the mental health system and ensuring that consumers have access to an appropriate array of services and support; and County Mental Health Departments, which have the ultimate responsibility for the design and delivery of mental health services and support at the local level throughout the State of California. Through this collaboration, the MHSA Housing Program offers safe, decent and affordable housing and the critical supportive services that will enable individuals to live more healthily and independently in their communities.

HOW IT WORKS

The California counties transferred approximately \$400 million (funded through the MHSA's 1% tax on incomes in excess of \$1 million) to CalHFA to provide residual receipts, capital loans and operating subsidies to projects in each of the participating counties. The counties choose which projects will receive the funding allocated to them and act as a co-applicant with the project developer. The counties agree to direct clients to their developer partner and also to provide support services to the MHSA residents in that housing for the duration of the loan agreement.

CalHFA then underwrites requests for capital funds and capitalized operating subsidies while DMH evaluates each applicant's proposed target population and supportive services plan. Flexibility has been designed into the program to allow for exceptions to program guidelines when necessary.

Capital funds (currently \$112,486 per MSHA unit) may be used for either Rental Housing Developments or Shared Housing Developments. For Rental Housing Developments, applicants are required to obtain capital funds from a range of programs administered by other agencies. However, for Shared Housing Developments—defined as one to four unit developments where all of the bedrooms are leased to MHSA eligible residents—funds may be used to cover all capital costs up to the funding limits specified in this application. Rental Housing refers to an apartment building with five or more units where a designated number of units are restricted to occupancy by at least one MHSA eligible resident. The goal of the Operating Subsidy funds is to subsidize MHSA tenant rents for 20 years. The intent of the program provides that in five years prior to the exhaustion of the operating subsidy, the County DMH plans for renewal of the subsidy.

Once funding is awarded, CalHFA issues the final commitments, closes both MHSA predevelopment and permanent loans and executes and administers subsidy contracts. CalHFA is the note holder until the loan matures and provides asset management services for the term of the MHSA loan. DMH oversees provision of services, including continuing assessment as to whether the population served continues to meet MHSA Housing Program requirements.

In addition, the California Institute for Mental Health (CIMH) and the Corporation for Supportive Housing (CSH) together work under contract with the DMH to provide statewide training and technical assistance for the MHSA Housing Program. CSH brings housing expertise and relationships with housing entities, while CIMH has extensive knowledge of each county's mental health services and critical relationships with county mental health leadership.

Finally, CalHFA and DMH (along with the counties, developers and stakeholders) meet regularly to discuss policy issues. There are also ongoing monthly meetings with CalHFA, CIMH, CSH, DMH and the counties to address operational questions and concerns associated with the program.

RESULTS

While it may seem daunting to orchestrate collaboration between so many government agencies, CalHFA has put its administrative expertise to good use: The program has been wildly successful despite being introduced into what is the worst economic environment since the Great Depression. In the first three years, the MHSAs Housing Program has achieved the following milestones:

- Secured commitments for 90 Loans, 60 of them closed to date
- Created over 1,504 MHSAs units
- Total MHSAs capital funding requested \$ 149,366,341
- Total MHSAs operating subsidy funds requested \$ 89,764,132
- Total MHSAs dollars requested \$ 239,130,473
- Total development cost of all projects \$1,758,156,941

The MHSAs-HP not only provided housing to individuals in need of supportive services but also saved a number of affordable housing projects in the middle of the 2008 credit crisis by providing “gap financing” and a financial strategy to complete the projects' financing cost while adding much-needed supportive services housing to communities. MHSAs commitments of financing also helped projects leverage other sources of financing so they could start construction.

The MHSAs-HP worked in collaboration with our sister agencies in a myriad of ways. The California Tax Credit Allocation Committee (TCAC) amended their regulations to provide for deals that were awarded an operating subsidy to garner tie-breaker points. Nine MHSAs-HP projects received TCAC awards this year. San Diego County locality mandates that any locality loan to a project must have MHSAs inclusionary housing. All of the Orange County housing departments pool their respective resources including development experience, funding, Project Based Section 8 Housing Vouchers and land to provide long term feasibility for their affordable housing developments. Los Angeles Housing Department coordinates with MHSAs-HP to provide their program funds to complement each other for each supportive housing project in development.

San Francisco DMH transferred additional MHSAs funds to provide for operating subsidy for a project that will serve MHSAs eligible residents who are Veterans. Alameda County DMH is in the process of assigning additional funds to the MHSAs-HP to fund another project. San Diego and Santa Clara County are also contemplating additional funds to the MHSAs-HP.

Most importantly, individuals like Justin and Leslie have a new start in life, residing in a safe, supportive, healthy environment while they piece their existences back together to live a productive, resilient life. CalHFA is proud to be part of such a large collaborative effort, and looks forward to helping many more people living with mental illness get back on the road to recovery.

Attachment A: Justin's Story

Attachment B: Leslie's Story

Attachment C: MHSAs Housing Program Project Examples

Justin's Story

Six years ago, Justin* was homeless and heavily into crystal meth. The 25-year-old former college student and football player weighed only 115 lbs. Despite a tumultuous childhood spent mostly in the foster care system and battling schizoaffective disorder, attention-deficit/hyperactivity disorder, and posttraumatic stress disorder, Justin made it far enough to attend California Polytechnic State University. He excelled at sports and academics. His mental disorders, however, derailed his plans, and Justin wound up living in his car and in short-term residential treatment programs. When a spot opened up at Building Hope, the Mental Health Association of Santa Barbara County's new apartments, Justin got in. "Being in my own place has helped me with my drug addiction problems and with life in general," Justin says. He got his fresh start in the beautiful Santa Barbara setting, a community that resembles a spacious European retreat.

Justin wears baseball hats and jerseys all the time, and he looks younger than his years. "When I was homeless," he says, "my life wasn't worth living. I didn't have many friends. Now I know everyone in this building, everyone says hi to me." During his childhood as a ward of the court, Justin says, people were always telling him what to do. Now, he says, "I feel like an adult. Having my own place gives me a chance to slow down and enjoy life again." It's also a boost to Justin's self-esteem.

"The most compelling thing is his attitude about telling his story," says Annmarie Cameron, executive director of the Mental Health Association in Santa Barbara County. "Justin sees this as his opportunity to give something back, not just to the people here but to the whole mental health movement, and [to erode] the stigma."

Justin is heading back to school and thinking about giving journalism a whirl. "I'm a very good writer, and I think I have a lot of good things to say," he says, adding that he was inspired by a poem written by Tupac Shakur, "The Rose That Grew from Concrete."

"To grow and survive the concrete," Justin starts and then, after a contemplative pause, adds, "I've survived with nothing also. And life is good right now."

*name changed for privacy

Source: Santa Monica Daily Press

Recovering through housing

By Melody Hanatani

September 12, 2009

SANTA MONICA BLVD — A trio of antique typewriters sit in a line atop a desk, showcased in exhibition yet still living out their created purpose, each holding a piece of paper from the platen, containing the thoughts of a 23-year-old woman.

"That one types in cursive," the woman said, pointing to the device the farthest from her.

A proud smile comes across her face as she then pulls open a drawer, revealing two very special typewriters, picking up a hard case that holds one from the 1920s, purchased from her fiancé who helped the young woman begin her growing collection.

From the books on the shelf to the typewriters on the desk to the black shawl draped over the window, these are the items that make the small room inside the former Village Motel feel more like home for Leslie Moreno, who this summer was one of eight local young adults suffering from mental illnesses to take up residence in the new Daniel's Village.

"I feel safe," Moreno, who suffers from depression and bipolar disorder, said. "Being able to have my things is important to me."

Daniel's Village, the latest project of nonprofit organization Step Up on Second, celebrated its grand opening on Friday, having the distinction of being the only permanent supportive housing program in the Los Angeles area for young adults — 18-28 years old — who experience the initial symptoms of mental illness.

The program was spawned from Daniel's Place, a drop-in center geared toward the same demographic that has served more than 400 clients since it was founded 11 years ago, offering support groups for clients and families and individual consultations.

Located at 2624 Santa Monica Blvd. in an old motel, the \$2.4 million project involved converting eight old units into dormitory-style rooms, each coming with its own bathroom and kitchenette. Several original pieces of the motel remain, including the old "Village Motel" and office signs, the latter of which hangs outside the resident manager's unit.



AT HOME: Leslie Moreno shows off her typewriter collection at Daniel's Village on Friday. *photo by Brandon Wise.*

The tenants are required to meet certain criteria in order to qualify for housing, being both homeless and suffering from a mental illness.

The idea for a permanent supportive housing program to supplement the services at Daniel's Place was originally conceived about four years ago but faced several roadblocks on its way to completion, including opposition from neighbors in Sunset Park where it was originally proposed to be located near John Adams Middle School and its new neighbors because of the proximity to McKinley Elementary School.

The organization takes a housing first approach when it comes to treating its clients, finding that homelessness is often one of the biggest obstacles to recovery.

"We're really providing a solution to homelessness in the city," Tod Lipka, the CEO of Step Up on Second, said. "It's all about people moving in and people having a home for the first time in their adult life."

It was earlier this year when Moreno realized that she needed help, having essentially isolating herself in a bedroom for three months.

An independent person, she said it was difficult to take the first step toward recovery.

It started at a bus stop in Santa Monica.

Moreno sat at the stop crying when a stranger asked if she could do anything to help. What she received was a referral to see Ed Edelman, the Santa Monica "homeless czar."

That led to a series of referrals that brought Moreno to Daniel's Place in May.

Today Moreno has resumed taking courses at the California Healing Arts College, hoping to become a massage therapist.

There are still days that are worse than others, but Moreno is thankful regardless that she took that first step, the first step out of the room she was holed up in for three months, and the first step toward recovery.

MHSA Housing Program Project Examples

To date, eight projects have been completed through the MHSA Housing Program funding, and another seventeen are underway. Here's a look at some project examples.

Sunflower Gardens



Sunflower Gardens, an 18-unit permanent supportive housing complex located in Salinas, has 15 units dedicated for MHSA target population adults. Sunflower Gardens earned a Platinum Rating award for LEED (Leadership in Energy and Environmental Design) certification by the U.S. Green Building Council for energy efficiencies. A community-wide art collective / outreach program, Breakthrough H'Art, engages homeless adults with mental illness, and created much of the sunflower-themed mosaic tile art for the outdoor public spaces. *Project Completed: June 2010*

Folsom Oaks Apartments



Folsom Oaks Apartments, a 19-unit complex located in Folsom, provides permanent supportive housing for adults and families. Five units in this project are set aside for MHSA target population adults and their families. This project is a unique collaboration among Housing and Urban Development (HUD) Section 811 program, Sacramento Housing Redevelopment Agency (SHRA), Housing and Community Development (HCD) and MHSA; HUD is also providing a Project Rental Assistance Contract for all 19 units. The residents and clients will have use of the on-site community room that provides social activities, rehabilitation services and meeting space for additional supportive services. *Project funding closed into construction: December 2009*

990 Polk Street Senior Housing



This 110 unit project has provided housing for San Francisco's neediest seniors, combining services-rich supportive housing within a larger low-income population. 10 units are for MHSA target population seniors, who along with 40 other homeless seniors and the remainder of the tenants can enjoy access to ground floor retail spaces, generous community rooms and amenities, outdoor terraces, and community gardens in the heart of downtown San Francisco. The development won the Affordable Housing Finance Magazine's overall winner in their Reader's Choice awards. *Project Completed: December 2008.*

Timberline Shared Housing



The first shared housing completed using MSHA funds, five MSHA target population adults share one renovated single family home in Auburn. Each client has a secure, lockable, private bedroom and a separate lease, and will receive services either on-site, or off-site. *Project Completed: January 2010*

Daniel's Village



Daniel's Place, founded in 1998, is a support center for young adults suffering from mental illness and their families. The Village Motel was a vacant eight-unit motel in Santa Monica. CalHFA provided funds to transform it into Daniel's Village, an offshoot of Daniel's place, which provides seven units of permanent, supportive housing for homeless, transition age youth (ages 18-25) with mental illness. The motel was converted into seven single apartments, featuring private bathrooms and kitchenettes, and one apartment for the resident manager. *Project Completed: July 2009*

MHA Garden Street Apartments



MHA Garden Street Apartments, a 51-unit complex located in Santa Barbara, provides low-income affordable work-force housing with supportive services for mentally-ill residents. The project includes 10 units set aside for MSHA target population adults. The building also houses the administrative offices of Mental Health Association and the National Alliance on Mental Illness, along with office space and parking for City of Santa Barbara employees. The residents and other eligible clients have use of the on-site Fellowship Club that provides social activities, meals, rehabilitation services, with meeting space for additional supportive services. *Project Completed: October 2008*