

Orange County Mental Health Services Act (MHSA) Housing Plan

August 2009

A joint Plan of Orange County Health Care Agency/Behavioral Health Services (HCA) and OC Community Services (OCCS)

Table of Contents

EX	ecutive Summary	İ
1.	Purpose of the Orange County MHSA Housing Plan	1
2.	Background: MHSA, Supportive Housing and the Current Environment	2
3.	Identified Needs and Housing Preferences of Orange County Mental He Consumers	alth 5
4.	Financial Projections and Housing Creation Strategies	10
5.	Project Recommendations	11
6.	Annual Review of Housing Plan	14
Apı	pendix A - Definitions	A - 1

Executive Summary

The Orange County Mental Health Services Act (MHSA) Housing Plan is a plan for expanding housing resources in Orange County to meet the critical needs of persons with mental illness. The Plan will guide the investment of more than \$33 million in Mental Health Services Act (MHSA) Housing Program funds that are administered by the California Housing Finance Agency (CalHFA). Implementing this plan is expected to lead to the creation of approximately 185 new units of affordable housing with accompanying supportive services for persons living with mental illness. This plan is the result of a strong collaborative relationship between the Orange County Health Care Agency (HCA) and OC Community Services.

Persons with mental illness who have very low incomes have a difficult time finding housing in Orange County. During the 05-06 fiscal year HCA identified that it served as many as 5,861 homeless clients, approximately 17% of its total client population. The cost of housing in Orange County is extremely high. Persons with disabilities would have to pay 142% of their monthly Supplemental Security Income (SSI) income to rent a modest one-bedroom apartment and 126% to rent an efficiency unit.

In interviews and surveys of mental health clients, clients were asked to identify what they wanted from housing. Independence was identified as a top priority along with the freedom to come and go and privacy. Respondents wanted their own bathroom, kitchen and their own space, and a majority of clients wanted some services on site. Most clients wanted to be close to grocery shopping and public transportation and to live in a safe location.

Based on the preferences of clients and a financial model that projects the number of units that can be created using available MHSA Housing Funds and leveraging other federal, state and local funds for affordable housing, the County anticipates developing approximately 185 new units by the year 2012 dedicated for persons with serious mental illness, including housing for transitional age youth, adults and older adults. These units will primarily be incorporated into larger affordable housing projects, though some may be in rental projects dedicated for mental health clients and in shared housing sites. The anticipated unit mix prioritizes the development of one bedroom units, with a smaller number of studio units. Guidance for housing developers for required and desirable project features is provided in the Plan and will be further developed in the forthcoming application guidance.

To maximize opportunities for developers of MHSA housing to obtain other needed funding, HCA and OC Community Services will work with cities in Orange County to prioritize MHSA units or otherwise encourage the use of MHSA funds in projects. The first 24 units of MHSA housing have been created and are fully occupied, and several other units are in the development pipeline. County partners will continue to meet periodically through the period of the Plan to review progress toward the development targets.

¹ Note: Adding the 24 existing units to the goal approximately 185 new units brings the predicted MHSA Housing Program unit production to a total of 209 units.

1. Purpose of the Orange County MHSA Housing Plan

The Orange County Mental Health Services Act (MHSA) Housing Plan is a plan for expanding housing resources in Orange County to meet the critical needs of persons with mental illness. The Plan will guide the investment of more than \$33 million in MHSA Housing Program funds that are administered by the State of California Housing Finance Agency. Implementing this plan is expected to lead to the creation of approximately 185 new units of affordable housing with accompanying supportive services for persons living with mental illness.

The priorities of the Plan are to invest funds so that a variety of housing options are created for mental health clients, allowing for choice in housing for MHSA-eligible persons. Housing created will include both set-aside units in larger affordable housing developments, and housing sites that will be dedicated for persons with mental illness, which may include shared housing. The housing will serve persons throughout the MHSA targeted age groups (adults, older adults and transitional age youth) and will, as much as possible, be spread across the County's geography to reflect both the current areas of concentration of MHSA-eligible persons and their expressed desires for housing options throughout the County.

This Plan is intended to provide consumers, their families, providers, and other stakeholders in the community with information about housing needs and the current opportunities to meet them. To realize this plan, the County will depend on a wide range of partnerships, including affordable housing developers, service providers, property managers, other funders of housing, and the broader community. Through this Plan, the County seeks to provide clear and helpful guidance to developers regarding the requirements and priorities for this funding, and other information needed to help developers propose and be successful in receiving funding for MHSA projects. The County hopes to leverage other local housing funding by involving cities and regional funders of affordable housing in the effort to develop housing for Orange County's mentally ill population, who face some of the greatest barriers to housing.

Planning Process

This plan is the result of a strong collaborative relationship between the Orange County Health Care Agency/Behavioral Health Services (HCA) and OC Community Services. With assistance from the Corporation for Supportive Housing (CSH), staff from both departments met several times between January and April of 2009 to review the data available on housing needs, model expenditure plans for the available funding, and discuss the balance of requirements, priorities and incentives to be included in guidance for projects seeking local and/or State MHSA housing funds. The draft plan was presented to the MHSA Steering Committee for public and stakeholder input on April 6, 2009. Attendees included mental health consumers, family members, advocates, developers and service providers who also provided feedback on the Plan. In

addition, the draft plan was presented for feedback to the Consumer Advisory Committee on April 7, 2009.

2. Background: MHSA, Supportive Housing and the Current Environment

a. The Mental Health Services Act and Supportive Housing

In November 2004, the voters of the State of California approved Proposition 63, the Mental Health Services Act. This Act instituted a 1% income tax on personal income over \$1 million to be used for expanding mental health care. The MHSA's purpose was to transform the mental health system in California toward one that is more client- and family-centered and oriented toward wellness and recovery. The MHSA explicitly recognized that a lack of housing for individuals with mental health issues is a barrier to wellness and recovery, and identified supportive housing – housing with connected services that support housing retention, as a critical need of persons with mental illness in California.

During 2005, communities across the State developed and submitted Community Services and Support (CS&S) Plans for MHSA funds. Orange County's CS&S Plan, approved by the Board of Supervisors on December 13, 2005, was the result of an extensive open community planning process with stakeholder representation from a variety of groups. The CS&S Plan resulted in the creation of a number of new programs and strategies, including the creation of Full Service Partnerships, offering intensive, client-driven services to provide "whatever it takes" to foster wellness and resiliency. Many of these FSP's target persons with multiple barriers to housing. In addition, Orange County incorporated some system development proposals which included dedicating some CS&S funds for housing creation.

In August, 2007 the State issued guidance for the MHSA Housing Program, a special initiative created using Community Services and Support funds to specifically foster the creation of supportive housing for MHSA-eligible individuals. Funds for the program come from each County's allocation of CS&S dollars, but are held and administered by the California Housing Finance Agency (CalHFA). These County funds are available to MHSA Housing sponsors who submit applications for housing development and operating funding to CalHFA and the State Department of Mental Health. The funds reserved for each County are based on the CS&S formula, and Orange County has assigned \$33.1 million to CalHFA to administer for MHSA Housing projects in Orange County.

Supportive housing provides deeply affordable housing, coupled with client centered support services that enable tenants to live stable and independent lives. Developing and operating supportive housing requires a great deal of partnership, including coordinated planning between the developer, property manager, and service provider, even when a project is in a conceptual design

phase. These partnerships are fundamental to the successful development and operation of permanent supportive housing.

The Mental Health Services Act Housing Program provides funds to create new supportive housing opportunities for low-income individuals and families who meet the appropriate MHSA definitions and who are homeless or at risk of homelessness. The MHSA Housing Program will provide supportive housing, with no limit on length of stay, to tenants who meet the MHSA Housing Program criteria. The services that are offered will help tenants retain housing, while also supporting their recovery and resiliency. Services must be accessible to tenants and can be offered on-site or off-site.

b. Partnership between Health Care Agency and OC Community Services

To assist in expanding supportive housing opportunities using MHSA resources, Orange County Health Care Agency/Behavioral Health Services (HCA) formed a partnership with OC Community Services (OCCS), the County's housing policy, planning and funding division. Creating successful supportive housing requires knowledge of both the services and housing arena, and housing development and management is an area in which behavioral health departments typically have had limited experience. Housing agencies, on the other hand, typically have limited knowledge about the needs and services available to persons who are mentally ill, and also about the great potential of supportive housing with a focus on wellness and recovery to allow persons with mental illness to live independently. This partnership is designed to bring the knowledge and expertise of both departments together.

Under the partnership, OCCS is currently administering \$8 million in one-time MHSA funds for a range of housing opportunities for clients served through Full Service Partnerships (FSP). In an example of the potential uses of these funds, OCCS has combined those funds with other housing development funds through a local Notice of Funding Availability (NOFA) to encourage applications for affordable housing to include supportive housing units dedicated for persons with mental illness. Depending on availability, these funds might also be dedicated to other MHSA approved programs, such as providing housing and development support, predevelopment funding and providing rental assistance. Limited funds may be available for capacity building. HCA works with OCCS to ensure that supportive services are guaranteed for the residents of MHSA housing.

With the availability of funds from the State now through the MHSA Housing Program, HCA and OCCS have worked together on this Plan and to develop a project review process that will bring both of their expertise into the design, funding and monitoring of projects. This relationship is documented by a Memorandum of Understanding (MOU) executed by the two departments in June 2006.

Housing Development Capacity in Orange County

Orange County is a challenging community in which to develop affordable housing. Even with the current drop in housing prices, Orange County is still among the nation's highest cost communities. Both land and construction costs have historically been extremely high, making it difficult for non-profit and affordable housing developers to compete for property. As a relatively higher income community, despite pockets of poverty, Orange County also does not receive the proportionally larger amounts of federal funding of some of its neighboring counties.

While Orange County has some strong and qualified affordable housing developers, overall the capacity for adding a significant number of new housing units in a short period of time is limited. There are a relatively small number of affordable housing developers in the area, and very few have experience with the unique characteristics of supportive housing. Experience with supportive housing ensures successful coordination between developer, property manager and service provider. In addition, many funding sources provide deeper financing or expedited access for project sponsors proposing to develop supportive housing projects, but require past supportive housing experience.

Many communities experience some resistance to siting affordable housing and housing for persons with special needs. Despite that well-built and managed affordable housing has been shown to be neutral or positive in its impact on housing values, Orange County has historically encountered difficulty with siting projects due to high land costs, along with concerns about the impact of affordable and special needs housing on the areas around them. Community opposition, sometimes called NIMBY (Not in My Backyard), is a potential barrier for many projects.

All of the above issues present challenges to creating the much needed housing for persons with mental illness. In addition to this Plan, HCA, OCCS and the Corporation for Supportive Housing are seeking to address the development capacity issues in the County through efforts including assessments and targeted technical assistance in order to support the creation of MHSA Housing projects that are sponsored by qualified developers. HCA and OCCS will proactively provide technical and predevelopment assistance to help expand the capacity to develop MHSA Housing in Orange County, with the goal of building the knowledge, skills and resources to successfully house people under the MHSA program.

c. Planning in an Uncertain Environment

This MHSA Housing Plan has been developed during a period of extreme uncertainty in the nation and the state. Affordable housing development

strategies in general, and MHSA funding in particular, are deeply impacted by changes in the economic climate. Specific challenges include:

- Low Income Housing Tax Credits, the primary funding source for most affordable housing, have significantly lost their value. Investors purchase credits in exchange for tax benefits, but in the current market these credits are worth far less than anticipated. This means that developers must seek additional sources of funding to make up the loss of value of the tax credits.
- The State Multi-Family Housing (MHP) program is nearly out of funds.
 This source was last replenished with bonds under proposition 1C.
 Without an identified source of additional funding, MHP funds, including funds dedicated specifically to supportive housing, are expected to be exhausted in 2009.
- Mental Health Services Act funding is anticipated to decline in the coming years with decreasing tax revenue, and non-MHSA mental health funds from the State general fund have already been cut significantly, making planning for services more challenging.
- Due to the contraction in lending, traditional sources of financing such as banks and other lenders have also become much more challenging.
 For example, redevelopment areas are experiencing a decrease in their ability to borrow against future tax increment funds due to market pressures.

Although key funding has, at least temporarily, become harder to obtain, the recently passed stimulus package and resources in the President's proposed federal budget are likely to make new funds for affordable housing development available in the coming year. Even with additional funding, however, the shift in the funding landscape means that many of the planning assumptions that local governments and developers have used in the past in funding and developing affordable housing may not apply to the current situation. It is extremely difficult to plan for new development with certainty. Thus, this Plan has tried to project with the best information available and build in flexibility in its assumptions.

3. Identified Needs and Housing Preferences of Orange County Mental Health Consumers

The purpose of this plan is to expand the housing options available to MHSA-eligible persons with mental illness in Orange County. Persons with mental illness who have very low incomes have an extremely difficult time finding housing in Orange County. The community workgroups that identified priority issues under MHSA by age group identified homelessness or risk of homelessness and lack of affordable housing as a priority issue for every age group. For adults and older adults, homelessness was the number one issue.

Homelessness

Orange County Health Care Agency/Behavioral Health Services identified that it served as many as 5,861 homeless clients between July 1, 2005 and June 30, 2006, approximately 17% of its total client population. The 2009 Point in Time Count reported 8,333 unduplicated homeless persons identified in Orange County on the streets and in shelters on January 24, 2009. In addition, survey data from the count indicates that 21,479 unduplicated persons experience homelessness in Orange County over the course of one year.

Housing Trends

The cost of housing in Orange County is extremely high. During the last 10 years, the Fair Market Rent, a metric established by the U.S. Department of Housing and Urban Development, has risen by an average of 77% across unit sizes. In the same time, disability payments have only risen by 21%. Persons living in Orange County with disabilities would have to pay 142% of the monthly Supplemental Security Income (SSI) income to rent a modest one-bedroom apartment and 126% to rent an efficiency unit.

Table 1: Orange County Fair Market Rents

	Fair Market Rents by Unit Bedrooms from 2000 to 2009 Orange County, CA PMSA							
FMR Year	Efficiency	One- Bedroom	Two- Bedroom	Three- Bedroom	Four- Bedroom			
FY 2000	\$660	\$720	\$891	\$1,240	\$1,380			
FY 2001	\$774	\$845	\$1,046	\$1,455	\$1,619			
FY 2002	\$812	\$887	\$1,097	\$1,527	\$1,699			
FY 2003	\$855	\$934	\$1,155	\$1,607	\$1,788			
FY 2004	\$903	\$987	\$1,220	\$1,698	\$1,889			
FY 2005	\$979	\$1,098	\$1,317	\$1,885	\$2,165			
FY 2006	\$1,034	\$1,161	\$1,392	\$1,992	\$2,288			
FY 2007	\$1,103	\$1,238	\$1,485	\$2,125	\$2,441			
FY 2008	\$1,185	\$1,330	\$1,595	\$2,282	\$2,262			
FY 2009	\$1,147	\$1,296	\$ 1,546	\$ 2,188	\$ 2,518			

Geography

Orange County is 948 square miles and includes 34 incorporated cities. Behavioral Health serves clients throughout the County; however, most clients are concentrated in the areas of the County where housing is more affordable and closer to the clinics/service centers which they utilize.

High housing costs and low-incomes drive the high rates of homelessness and housing instability among individuals with mental illness in the Orange County area. In addition, other barriers to housing further contribute to a housing crisis for many individuals with mental illness. These issues were explored through focus groups and surveys of mental health system clients as part of the planning process.

Findings from Client Focus Groups and Surveys

To learn what housing features clients thought would be helpful to attaining recovery and living independently within the community, a series of forums and surveys were conducted. Two rounds of housing needs assessment surveys with persons enrolled in Full Service Partnerships (FSPs) were completed, creating a combined sample of 493 clients. The age range of participants for the total sample was 18 to 68. Respondents were 54% female, 46% male and less than one percent other.

Client Needs Assessment Survey: Current Living Conditions

Clients who responded to the surveys reported a wide variety of living situations. In the first survey, 62% were homeless, which included individuals living in temporary shelters paid for by their FSPs during the previous week. In the second survey 22% of clients were living in room and board facilities, and another 13% of clients reported that they lived in motel rooms from month to month. An additional 13% reported that they were currently homeless.²

Those reporting homelessness reported living on the streets, in parks, or in their cars. Forty-eight percent of those reporting recent homelessness reported they had only one episode, while 52% had been without shelter two or more times.

² Since the FSPs generally finance placements in motels and room and boards as temporary shelters it is likely that these placements would have qualified as "currently homeless" under the earlier survey's definition. An additional 6% reported living in sober living facilities. The remaining respondents reported living with friends, with family, in their own homes, board and cares, and in a mobile home/RV. The second survey reported that 12% were living with a spouse or significant other, 19% had children with them, and 31% had a roommate. The remainder was living with parents, friends, or alone (22%).

Client Needs Assessment Survey: Housing Preferences

Clients were asked a number of questions about the type of housing they would prefer, including size, amenities, location, and availability of services. In terms of apartment size, about half of the people wanted a one bedroom apartment. Some people wanted a two bedroom apartment or a studio unit. A small number of people wanted to share a house.

Clients were asked to identify what they wanted from housing. Independence, personal space, and amenities were the top features preferred by clients. Clients who reported that they already had housing wanted to maintain their housing. Those who were homeless or living in facilities were more likely to want to make changes in order to increase their independence, freedom and privacy.

Feature/priority	Percent reporting this preference 85%		
Independence			
Freedom to come and go	79%		
Privacy	79%		
Own personal space	77%		
Own bathroom	74%		
Own kitchen	66%		
Services on site	55%		

Living arrangements: Most respondents didn't want to live with anyone else. One transitional age youth wrote, "It would be nice to have a place that was my own so I can gain independence and responsibility." Another client wrote, "I need a place of my own that I can afford." A large majority of seniors also wanted to live on their own. When asked who they would want (or be willing) to live with, more clients wanted to have their choice of roommate or live with family members. A small number of clients, largely from the transitional age youth group, reported that they wanted or were willing to live with a roommate arranged with a facility or assigned by a facility.

Services: In terms of services that clients desired linked to the housing, transportation assistance was the most popular service and was chosen by almost half of the clients. Educational assistance, employment training and crisis assistance were also frequent choices. Medication assistance, having "someone to check on me," and housekeeping were wanted by some people.

Location: In considering the location of their housing most clients wanted to be close to grocery shopping and public transportation. Many wanted to be located close to work opportunities, public libraries, parks, colleges or schools, and banks. Half of the clients wanted to live close to their clinic. Most clients wanted

to live in a safe location—they wanted their neighborhood to be free from gangs and drug dealers. People wanted to "sit outside" or "walk/ride bikes." Very few clients reported wanting to live in their old neighborhood. All areas of the County were requested by at least some respondents.

Additional issues: Most clients wanted their housing to allow smoking without restrictions. Many clients were willing to have their smoking contained in designated areas. About one third desired a smoke free environment. Pets were also important to people. A slight majority of clients wanted their housing to allow pets. Slightly less than one third wanted to live pet free.

Housing Barriers: Respondents were asked, "What obstacles have you found to finding housing?" The most frequent response was income. One client wrote that he was unable to get into housing due to the "requirement of triple rent income." The second most frequently reported barriers were poor credit history and a long wait for housing programs. Difficulties due to mental illness were mentioned by one in four clients.³

Stakeholder Forums

In addition to information from the surveys, during the MHSA Community Services and Supports planning process a series of stakeholder forums were conducted to elicit information regarding what type of housing consumers, family members and other interested stakeholders wanted/needed. Key findings from the forums included:

- One bedroom units were preferred; studios should be at least 450 square feet
- There should be some shared housing and some larger units available.
- All units should have full kitchens, full baths, and adequate storage and closet space in apartment.
- Buildings should be well designed and well maintained, include on-site laundry services, and have cable access and internet/computer access.
- There should be both smoking and non-smoking units, as well as furnished and unfurnished apartments available.
- Housing should be close to transportation, shopping and services, and located in a safe neighborhood.
- Buildings should include security features such as architectural and landscape configurations, cameras in common areas, or security services.
- MHSA units should be mixed with other special needs or general population, not just mental health clients. Housing for seniors especially should be mixed with the general senior population.

³ Consumers have also reported barriers to housing in the background check process, including a criminal background check. In addition, the requirement for previous landlord references poses a barrier for consumers.

- Services should be available both on and off site, and projects should include service space and community rooms, with kitchens if possible.
- MHSA housing should be located in various parts of the County (North, South, East and West). Each city should do their fair share.
- Rents should be targeted to extremely low income levels and housing should be kept affordable for the maximum length feasible.
- Housing should have low security deposits, and accommodations should be made for people with poor credit and eviction history.
- Projects should be encouraged to include green features.

4. Financial Projections and Housing Creation Strategies

This plan will guide the development of approximately 185 new units dedicated for persons with serious mental illness by the year 2012. These units will primarily be incorporated into larger affordable housing projects, though some may be in mental health dedicated projects or in shared housing sites. To determine both the number of units possible and the range of unit types, Orange County Health Care Agency/Behavioral Health Services and OC Community Services developed a financial model that projects the number of units that can be created using available MHSA housing funds and leveraging other federal, state and local funds for affordable housing.

MHSA Housing Program funds will be used to create housing for the target populations with identified housing needs in the Community Services and Supports Plan. It is estimated that approximately half of the units created will be for adults with serious mental illness, particularly those who have been homeless, high utilizers of acute care and/or with links to the justice system, as these are the targeted groups from the Community Services and Supports Plan. Other units will be created for transitional age youth as well as for older adults.

Based on preferences expressed through the surveys and focus groups, and analysis of the typical household size of persons participating in services, developers will be encouraged to focus on the development of one bedroom units as the highest priority, with a smaller number of studio units.

A handful of shared living homes are also anticipated. The number is expected to be small to meet consumer preferences while allowing the County and developers and service providers to take advantage of the Neighborhood Stabilization Program and other programs that currently support the acquisition of single-family homes. A few two bedroom units are projected to meet current consumer needs and preferences. As with the units for the target populations, this bedroom-size mix is a projection only and will be modified to reflect development opportunities.

The financial model to estimate the development targets is based on assumptions of approximately \$350,000 total development costs per unit, and a maximum MHSA housing investment of approximately \$105,000 per unit. The remaining funding needed to develop the housing units is projected to come from a range of sources including:

- Low Income Housing Tax Credits
- The HOME Program and local Redevelopment funds
- The State of California Multifamily Housing Program (MHP) and Governor's Homeless Initiative (GHI) programs
- The Federal Housing Finance Board Affordable Housing Programs (AHP)
- Neighborhood Stabilization Program / Other Federal Stimulus Funding
- Conventional loans

To maximize opportunities for developers of MHSA housing to obtain other needed funding, HCA and OCCS will work with cities in Orange County to prioritize MHSA units or otherwise encourage the use of MHSA funds in projects. OCCS has combined local MHSA funds within its standard annual funding round and developers can apply for these monies in a single application process.

Current and Pipeline Projects

The first locally funded MHSA project is already providing housing to people with serious mental illness in Orange County. The Diamond Apartment Homes project, located in Anaheim, provides 24 units of housing for adults. This project is funded with locally managed MHSA housing funds and opened in December 2008. The County has also received expressions of interest for several units in additional projects.

5. Project Recommendations

As described above, the MHSA Housing Plan targets the creation of approximately 185 new units for transitional age youth, adults and older adults. In order to maximize the dollars available and consumer choice in housing, projects funded will follow a range of models, including projects that will be dedicated specifically to MHSA-eligible persons, units incorporated into larger affordable housing projects, and shared housing.

- Mixed Tenancy Projects: The highest priority of this plan is for the creation
 of mixed tenancy projects, that is projects that integrate MHSA units with
 other affordable housing units. The target percentage of MHSA units to
 total units in any given project is approximately 20%, though set-aside
 units may represent a range. The MHSA Housing Program requires a
 minimum of at least 10% of the units, but no fewer than five (5) units per
 development.
- <u>Dedicated Projects</u>: As appropriate and feasible, some projects dedicated for MHSA tenants will also be developed.

 Shared Housing: A small number of shared housing sites will be created for each target population. The County anticipates 10% of the housing created will be in shared sites (approximately 4-6 houses).

Based on consumer preferences, a commitment to achieving a fair share distribution of housing, and the need to tap local resources throughout the County to make development feasible, the plan targets the creation of MHSA housing throughout the County.

Project Requirements and Desirable Features

As needed, the County will be issuing updated guidance for applications for MHSA housing funds. In order to ensure that the projects developed with Orange County MHSA funds meet the needs expressed by consumers, the following requirements will be applicable to projects:

- All units, except for shared housing, must incorporate full kitchens, full baths, and adequate storage and closet space in each apartment.
- Shared housing units must provide lockable bedrooms for each tenant.
 Shared housing projects must demonstrate that kitchen and bath facilities are adequate for the number of tenants, and that bedrooms and shared living areas provide adequate personal space.
- Buildings shall be well designed and well maintained, include on-site laundry services, and have cable access and internet/computer access
- Projects must be located close to transportation, shopping and services.⁴
- To meet consumer need for safety and security, projects applying for funds will be required to document how they incorporate considerations for the safety of tenants at the property and in the surrounding neighborhood.
 - Buildings shall include security design features such as architectural and landscape security design configurations, cameras in common areas and/or security services.
- Project designs shall be non-institutional in feel and blend in with the community. Designs shall include a case management office and adequate space for resident activities.
- Projects shall include dedicated service space and community rooms, with kitchens if possible.
- All units shall include air conditioning; units for seniors shall have microwave ovens.
- At least 5% of units must be accessible to the physically disabled and at least 2% of units must be accessible to the sensory disabled.

⁴ At minimum, public transit that comes with reasonable frequency must be accessible within 0.5 mile. It is preferred that, where possible, other services be walkable within 0.5 mile (e.g. not including physical barriers that prevent access by foot or public transit).

In addition, the following recommended amenities or features are encouraged:

- Clients prefer to reside in studios or one bedroom apartments.
 Studios should be 450 square feet (if possible) and larger studios will be preferred over smaller ones.
- There should be both smoking and non-smoking units, and furnished and unfurnished apartments available.
- Projects are encouraged to include green features.

Adequate and appropriate supportive services are a critical component of supportive housing projects. As part of the project application that will be reviewed locally and jointly submitted by the County and a developer to the State of California for MHSA Housing funds, proposers will include a detailed services plan and descriptions of the project and how it meets other State requirements. Applications are considered updates to the County's Community Services and Supports component of its Three-Year Program and Expenditure Plan. All projects submitted to the State for funding will need to publically post the services plan and other relevant sections of the application for review and comment by stakeholders for at least 30 days prior to submission of the application.

6. Annual Review of Housing Plan

The MHSA Housing Plan and the financial model used to generate its targets are intended to serve as broad guides for housing development between 2009 and 2012. County partners recognize that the actual housing created will differ from what is projected here. Challenges, as well as opportunities, may arise that are not currently anticipated. Even without major shifts, it is impossible to predict accurately, the exact final mix of types of projects, unit sizes, populations that will be served, and development costs. Thus, the plan charts a general course and establishes priorities and preferences for moving forward with developing MHSA housing.

County partners will continue to meet through the period of the Plan's implementation. Periodically, and not less than annually prior to the anniversary of the Plan, County partners will review the plan targets and the units created and those in the pipeline for development. The partners will compare progress to the projections and, if necessary, adjust targets or modify project requirements. The partners will issue a brief annual report to the MHSA Steering Committee and present on progress to the Committee as requested.

Appendix A

Definitions

Definitions

The following important terms and acronyms are used in this plan.

Acronyms:

AHP: Affordable Housing Program – a program of the Federal Housing Finance Board to finance the development of affordable housing.

CalHFA: The California Housing Finance Agency.

CS&S: Community Services and Supports, a portion of the Mental Health Services Act funding and planning.

FSP: Full Services Partnership (see below).

GHI: Governor's Homeless Initiative – a program of the State of California to finance the development of affordable housing for persons who have been homeless.

HCA: Orange County Health Care Agency.

MHSA: Mental Health Services Act.

MOU: Memorandum of Understanding – an agreement to work together between two agencies.

MHP: Multi-family Housing Program – a program of the State of California to finance the development of affordable and special needs or supportive housing.

NIMBY: Not In My Back Yard – a term to describe community opposition to siting affordable or special needs housing projects.

NOFA: Notice of Funding Available – a method by which public agencies make funding available for applications from non-profit housing developers or service providers.

OCCS: OC Community Services.

SSI: Supplemental Security Income, a federal disability benefits program.

TAY: Transitional age youth – youth with mental illness between the ages of 16 and 25.

Key Terms (in alphabetical order):

At Risk of Homelessness:

At risk of becoming homeless due to one of the following situations:

- (i) Transitional age youth exiting the child welfare or juvenile justice systems.
- (ii) Discharge from crisis and transitional residential settings; a hospital, including acute psychiatric hospitals; psychiatric health facilities; skilled nursing facilities with a certified special treatment program for the mentally disordered; and mental health rehabilitation centers.
- (iii) Release from city or county jails.
- (iv) Temporary placement in a residential care facility upon discharge from (ii) or (iii) above.
- (v) Certification by the county mental health director as an individual who has been assessed by and is receiving services from the county mental health department and who has been deemed to be at imminent risk of being homeless.

(Source: MHSA Housing Program Term Sheet)

Adult or Older Adult with Serious Mental Illness:

- (A) The person has a mental disorder as identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders, other than a substance use disorder or developmental disorder or acquired traumatic brain injury pursuant to subdivision (a) of Section 4354 unless that person also has a serious mental disorder as defined in paragraph (2). [See definition below for Serious Mental Illness]
- (B) (i) As a result of the mental disorder, the person has substantial functional impairments or symptoms, or a psychiatric history demonstrating that without treatment there is an imminent risk of decompensation to having substantial impairments or symptoms.
- (ii) For the purposes of this part, "functional impairment" means being substantially impaired as the result of a mental disorder in independent living, social relationships, vocational skills, or physical condition.
- (C) As a result of a mental functional impairment and circumstances, the person is likely to become so disabled as to require public assistance, services, or entitlements.

(Source: California Welfare and Institutions Code Section 5600.3, b, 3)

Chronically Homeless:

The definition of "chronically homeless" has very recently evolved at the federal level. The reauthorization of the federal homeless assistance programs provided under the McKinney-Vento Homeless Assistance Act of 1987 was signed into law on May 20, 2009 through the passage of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act and will be implemented over the

next 12 – 18 months. The HEARTH Act expands the definition of "chronically homeless" to mean a homeless individual or family with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years.

(Source: SEC 401 (2): S. 896 - Helping Families Save Their Homes Act of 2009)

Full Service Partnerships:

A mental health program that enters into partnerships with clients, their families and their communities to provide, under client and family direction, whatever it takes to enable people to attain their goals. Under full service partnerships:

- The program agrees to working with the individual and his/her family, as appropriate, to provide all necessary and desired appropriate services and supports in order to assist that person/family in achieving the goals identified in their plan.
- Individuals have an individualized service plan that is person/childcentered, and individuals and their families will be given sufficient information to allow them to make informed choices about the services in which they participate.
- All fully served individuals have a single point of responsibility Personal Service Coordinators (PSCs) for adults case managers for children and youth with a caseload that is low enough so that: (1) their availability to the individual and family is appropriate to their service needs, (2) they are able to provide intensive services and supports when needed, and (3) they can give the individual served and/or family member considerable personal attention. Services must include the ability of PSCs, children's case managers or team members known to the client or family member to respond to clients and family members 24 hours a day, 7 days a week. For transitional age youth, adults and older adults this service must include the ability to respond to landlords and or law enforcement. For children and youth it must include the ability to respond to persons in the community identified by a child's family.
- PSCs/case managers must be culturally competent, and know the community resources of the client's racial ethnic community.
- Services also include linkage to, or provision of, all needed services or benefits as defined by the client and or family in consultation with the PSC/case manager. This includes the capability of increasing or decreasing service intensity as needed (Source: California Department of Mental Health, Mental Health Services Act Community Services and Supports, Three Year Program and Expenditure Plan Requirements, August 1, 2005)

Homeless:

Living on the streets or lacking a fixed and regular nighttime residence. This includes living in a shelter, motel or other temporary living situation in which the individual has no tenant rights.

(Source: MHSA Housing Program Term Sheet)

MHSA housing-eligible:

Individuals who meet the following criteria:

- (1) Adults or older adults with serious mental illness
- (2) Children and youth with severe emotional disorders
- (3) In addition to meeting either (1) or (2) above, the individual shall be either homeless or at risk of being homeless.

The county mental health department must certify the eligibility of individuals meeting target population criteria. Individuals who have been certified are MHSA-eligible residents.

(Source: MHSA Housing Program Term Sheet)

MHSA Housing Program:

A program jointly administered by the California Housing Finance Agency (CalHFA) and the Department of Mental Health (DMH) which offers permanent financing and capitalized operating subsidies for the development of permanent supportive housing, including both rental housing and shared housing, to serve persons with serious mental illness who are homeless, or at risk of homelessness.

(Source: MHSA Housing Program Term Sheet)

Serious Mental Illness (SMI):

A mental disorder that is severe in degree and persistent in duration, which may cause behavioral functioning which interferes substantially with the primary activities of daily living, and which may result in an inability to maintain stable adjustment and independent functioning without treatment, support, and rehabilitation for a long or indefinite period of time. Serious mental disorders include, but are not limited to, schizophrenia, bipolar disorder, post-traumatic stress disorder, as well as major affective disorders or other severely disabling mental disorders. This section shall not be construed to exclude persons with a serious mental disorder and a diagnosis of substance abuse, developmental disability, or other physical or mental disorder.

(Source: California Welfare and Institutions Code Section 5600.3, b, 2)

Seriously Emotional Disturbed (SED) Child or Adolescent:

Minors under the age of 18 years who have a mental disorder as identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders, other than a primary substance use disorder or developmental disorder, which results in behavior inappropriate to the child's age according to expected developmental norms. Members of this target population shall meet one or more of the following criteria:

- (A) As a result of the mental disorder, the child has substantial impairment in at least two of the following areas: self-care, school functioning, family relationships, or ability to function in the community; and either of the following occur:
 - (i) The child is at risk of removal from home or has already been removed from the home.
 - (ii) The mental disorder and impairments have been present for more than six months or are likely to continue for more than one year without treatment.
- (B) The child displays one of the following: psychotic features, risk of suicide or risk of violence due to a mental disorder.
- (C) The child meets special education eligibility requirements under Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code. (Source: California Welfare and Institutions Code Section 5600.3, a,1)