



State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

DATE: January 7, 2015

MHSUDS INFORMATION NOTICE NO.: 15-004

TO: COUNTY BEHAVIORAL HEALTH PROGRAM DIRECTORS
COUNTY DRUG & ALCOHOL ADMINISTRATORS
COUNTY BEHAVIORAL HEALTH DIRECTOR'S ASSOCIATION
CALIFORNIA COUNCIL OF COMMUNITY MENTAL HEALTH
AGENCIES
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS

SUBJECT: MENTAL HEALTH SERVICES ACT: RELEASE OF
UNENCUMBERED FUNDS DEDICATED TO THE MENTAL
HEALTH SERVICES ACT HOUSING PROGRAM

REFERENCE: WELFARE AND INSTITUTIONS CODE SECTION 5892.5

The purpose of this Information Notice is to inform counties of the process to request the release of unencumbered Mental Health Services Act (MHSA) Housing Program funds pursuant Welfare and Institutions (W&I) Code Section 5892.5, which becomes effective January 1, 2015.

Process for Requesting the Release of Unencumbered Funds

Pursuant to W&I Code Section 5892.5, the California Housing Finance Agency (CalHFA), with concurrence from the Department of Health Care Services (Department), shall release unencumbered Mental Health Services Fund moneys dedicated to the MHSA Housing Program to requesting counties.

The amount of unencumbered funds available for request by each county is reflected in the MHSA Housing Program Unencumbered Funds document (Attachment A). Counties must complete the MHSA Housing Program County Funding Release Form (hereafter referenced as "Form" and found in Attachment B) to request the release of unencumbered Mental Health Services funds from CalHFA. If the County has MHSA Housing Projects that it anticipates funding from the balance of unencumbered funds held by CalHFA, the county must include a Cover Letter with the Form explaining the amount of MHSA funds the county wants CalHFA to retain, and then the balance of unencumbered funds will be released to the County. The Form must be signed by the

mental health director and approved by the Board of Supervisors after January 1, 2015, when W&I Code Section 5892.5 becomes effective.

A completed Form with evidence of Board of Supervisors approval must be sent to the address below:

California Department of Health Care Services
Mental Health Services Division
Program Outcomes, Evaluation and Reporting Section
1500 Capitol Avenue, MS 2704
Sacramento, CA 95899-7413

Upon receipt, the Department will sign and forward the completed Form to CalHFA. CalHFA will process the Form and release to the requesting county the requested unencumbered funds by check (no more than one request per year), including accrued interest through the most recent calendar quarter. For questions about unencumbered MHSA fund balances, please contact Jennifer Beardwood with CalHFA at jbeardwood@calhfa.ca.gov or (916) 326-8805.

Use of funds: Counties must spend released Mental Health Services Funds monies to provide "housing assistance" to the target populations identified in W&I Code Section 5600.3 (W&I Code Section 5892.5 (a)(1)). Housing assistance means rental assistance or capitalized operating subsidies; security deposits, utility deposits, or other move-in cost assistance; utility payments; moving cost assistance; and capital funding to build or rehabilitate housing for persons who are seriously mentally ill and homeless or at risk of homelessness (W&I Code Section 5892.5 (a)(2)).

Administration of Funds: A County's administration of released Mental Health Service Funds is subject to the requirements of the MHSA (W&I Code Section 5892.5 (b)) including, but not limited to, the following:

- The County must follow the stakeholder process identified in W&I Code Section 5848 when determining the use of those funds;
- The County must include the use of those funds in the County's Three-Year Program and Expenditure Plan or Annual Update, per W&I Code Section 5847;
- The County must account for the expenditure of those funds in the County's Annual Revenue and Expenditure Report (W&I Code Section 5899). Reporting will begin in the fiscal year when the MHSA Housing Program funds were released to the County by CalHFA; and,
- The County must expend those funds within three years or the funds will be subject to reversion (W&I Code Section 5892 (h)).

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If you have any questions, please contact Donna Ures at donna.ures@dhcs.ca.gov or (916) 324-0401.

Sincerely,

Original Signed By

Karen Baylor, Ph.D., LMFT, Deputy Director
Mental Health & Substance Use Disorder Services

Attachments