



CALIFORNIA DEPARTMENT OF

# Mental Health

1600 9th Street, Sacramento, CA 95814  
(916) 654-2309



February 4, 2008

Jerry A. Wengerd  
Riverside County Mental Health  
P.O. Box 7549  
Riverside, CA 92513-7549

Dear Mr. Wengerd:

The Mental Health Services Act (MHSA) Agreement allows counties to assign the funding reserved for the county for specific MHSA activities to the Department of Mental Health for the purpose of implementing statewide MHSA projects. Provision 10 of the Agreement indicates that such assignment will occur through an Assignment agreement executed between the county and DMH which specifies the purpose of the agreement and the source of funds.

Enclosed is the Assignment document to allow your county to participate in the state-administered MHSA Housing Program funded from the Community Services and Support (CSS) Component of the MHSA. The MHSA Housing Program will be jointly administered by the Department of Mental Health (DMH) and California Housing and Finance Agency (CalHFA).

The County agrees that upon execution of this Assignment, the County's CSS Planning Estimate specified for the MHSA Housing Program identified in DMH Letter 07-06 will be transferred by DMH on behalf of the County to CalHFA. CalHFA will hold these funds in a county specific sub-account, invest the funds in an appropriate investment vehicle as determined by CalHFA, and credit the county sub-account with interest received on the investment. The County (and the project sponsor, if applicable) may access MHSA Housing Program funds only through a MHSA Housing Program Application approved by CalHFA and DMH.

Section 5892 (h) of the MHSA requires a 3 year reversion of funds allocated to the counties under the CSS component but not spent for their "authorized purpose." The transfer of funds from DMH to CalHFA constitutes an expenditure of funds for the purpose of funding housing development (the "authorized purpose"). Once transferred these funds would not be subject to the 3 year reversion provision in the MHSA.

In order to receive CSS funds, the MHSA requires the counties to submit a Plan, and gives the Department of Mental Health the authority to "establish requirements for the content" of the Plan.<sup>1</sup> The Plan must comply with all applicable statutory and regulatory requirements and must meet the program requirements as delineated in the applicable Department Guidelines. The Mental Health Services Act Housing Program Service Category is authorized by regulation to make MHSA funds available to the counties for the purpose of providing permanent supportive housing for clients. The

<sup>1</sup> (Welf. & Inst. Code § 5848, subd. (c))

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Department has the responsibility of reviewing and approving the CSS component of each County's Three-Year Plan<sup>2</sup>. All County MHSA expenditures must be made pursuant to an approved Plan<sup>3</sup>, and the Department is responsible for ensuring that MHSA funds are expended in the most cost effective manner. The Act gives the Department oversight authority to ensure accountability.<sup>4</sup> The Assignment is an update to the County's Three-Year Program and Expenditure Plan and subject to the requirements contained in California Code of Regulations Sections 3300, Community Program Planning Process; 3310, The Three Year Program and Expenditure plan; and 3315, Local Review Process.

Your MHSA Housing Assignment Agreement must either be:

- signed by the individual designated by your County to act as fiscal and programmatic administrative agent for the purposes of your MHSA Agreement or,
- accompanied by a copy of the resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing this Assignment.

If you do not yet have a fully executed Mental Health Services Act Agreement in place, your Assignment will become effective with the execution of your Agreement.

Please return your signed MHSA Housing Assignment Agreement to:

**California Department of Mental Health  
County Contracts and Technical Assistance Unit  
Attn: MHSA Housing Assignment Agreement  
1600 9<sup>th</sup> Street, Room 100  
Sacramento, CA 95814**

We look forward to your participation in this worthwhile effort to increase the permanent supportive housing for individuals with mental illness and their families. If you have any further questions, please contact your County Operations liaison identified on the following Internet site:  
<http://www.dmh.ca.gov/CountyOps/contact.asp>

Sincerely,



Denise M. Arend  
Deputy Director  
Community Services Division

Enclosures

<sup>2</sup> (Welf. & Inst. Code § 5847, subd. (a))

<sup>3</sup> (Welf. & Inst. Code § 5892, subd. (g))

<sup>4</sup> (See MHSA, section 3, subd. (e))

## Assignment Agreement

### MHSA Housing Program Riverside County

Riverside County (the County) agrees to participate in the state-administered Mental Health Services Act (MHSA) Housing Program funded from the Community Services and Support Component of the MHSA. The MHSA Housing Program will be jointly administered by the Department of Mental Health (DMH) in conjunction with the California Housing and Finance Agency (CalHFA).

The County agrees that upon its approval of this Assignment, the State Fiscal Year 2007/08 Planning Estimate in the amount of \$19,077,100 specified for the MHSA Housing Program will be transferred by DMH on behalf of the County to CalHFA. Specifically, funds in the amount specified will be transferred from the Mental Health Services Fund to the State Operations portion of the DMH state budget, item 4440-001-0001 Program 10, State Operations. DMH will then transfer these funds to CalHFA for support of the MHSA Housing program.

CalHFA will hold the funds transferred in a county specific sub-account, invest the funds in an appropriate investment vehicle as determined by CalHFA, and credit the county sub-account with interest received on the investment. The County (and the project sponsor, if applicable) may access MHSA Housing Program funds only through a MHSA Housing Program Application approved by CalHFA and DMH.

CalHFA is responsible for the review of the application for all aspects of the project related to purchase, renovation and/or construction of the housing development; underwriting of loans; disbursement of funds; all determinations regarding the use of operating subsidies for the development; and continued monitoring of the project.

DMH is responsible for review of the service related aspects of the application and for monitoring of the project to assure that appropriate supportive services continue to be provided.

Nothing shall prohibit the County from using funds from other programs to supplement the MHSA Housing Program funds, subject to requirements that may be applicable to use of such funds. This Assignment shall be effective only if the county has a fully executed MHSA Agreement with DMH.

Approved for County (by signature)
Printed Name and Title: