

COUNTY OF SAN MATEO
Departmental Correspondence

DATE: February 13, 2002

HEARING DATE: February 26, 2002

TO: Honorable Board of Supervisors
FROM: Gale Bataille, Director, Mental Health Services
SUBJECT: Agreement with the Mental Health Association



RECOMMENDATION

1. Adopt a resolution authorizing the President of the Board to execute an agreement with the Mental Health Association (MHA) to provide funds for their acquisition of real property as a site for the construction of supported independent living apartments for clients with serious mental illness.
2. Approve an Appropriation Transfer Request (ATR) transferring \$500,000 from Mental Health Reserves for FY2001-02 to increase the budget to support acquisition of real property by MHA, as a site for the construction of independent living apartments for clients with serious mental illness. (4/5 vote required)

Background

The volatility of the housing market in San Mateo County has meant that low income and disabled individuals cannot find housing, are often at risk for losing their housing, or are being housed in substandard and overcrowded conditions.

The Mental Health Association (MHA) currently owns 7 facilities, which provide permanent housing for adults with serious mental illness. MHA has approached Mental Health Services for assistance in funding their purchase of a currently vacant piece of land, which they have identified as suitable for the construction of a new apartment housing development for people with psychiatric disabilities.

In January 1999, Mental Health Services and the Human Services Agency Office of Housing issued a request for proposals presenting purchase options that would provide for increased housing opportunities for clients with psychiatric disabilities. Funding was recommended to Mid Peninsula Housing Corp, but they could not identify appropriate property and have now agreed to relinquish the grant. Mental Health Services proposes to award this funding to MHA for their proposed housing development. The Office of Housing supports Mental Health Service's decision to award the funding to MHA.

Discussion

The project will target mentally disabled adults who may also have special needs, (those who are seniors, people with physical disabilities, HIV/AIDS, or who are in recovery from chemical

dependency). A collaborative approach among both public and private agencies will be used for services including on-site case management, possible drug and alcohol referral, and assistance in obtaining benefits, medical and mental health treatment. The project will offer twenty-four, 450 square-foot studio apartments and a manager's unit. It will also include on-site laundry facilities, parking, meeting space and office space, and will meet physical disability accessibility standards.

The agreement with MHA will provide funding in the amount of \$500,000 toward the acquisition of vacant land at 1625 El Camino Real in Belmont. The funding is in the form of a thirty-year interest-free loan. One-thirtieth of the principle will be forgiven each year. No payment shall be required as long as MHA continues to rent the units to low income individuals with mental illness at rates affordable to them. The agreement requires MHA to file a Deed of Trust with the County Recorder to ensure that funds are used appropriately.

The anticipated cost of the development, which will house 24 mental health clients, is \$4,032,870. MHA has been approved for a Housing Enabled by Local Partnership loan of \$500,000 from the California State Housing Finance Agency. MHA has also applied for a Community Housing Block Grant, a Housing Urban Development loan, a HOME Continuum grant, and private foundation grants for additional funding/loans to cover the balance of the estimated cost of \$3,532,870 required for the purchase of the land and construction of the building. The resolution and agreement have been approved by County Counsel.

Vision Alignment

The contract with MHA keeps the commitment of Offering a Full Range of Housing Choices, and Goal number 9: Housing exists for all people at all income levels and for all generations of families. The agreement contributes to this commitment and goal by providing resources to MHA to develop supported independent housing in Belmont for persons with serious mental illness.

Fiscal

The total County obligation under this agreement is \$500,000, which was set aside as reserves in the FY2001-02 Mental Health Services Division budget for the purpose of acquisition of property for residential Mental Health program services.

RECOMMENDED


HEALTH SERVICES DEPARTMENT