

Local Mental Health Board

Director's Report

May 18, 2020

a. COVID 19-

- i. **Public Health**-The county continues to see only a handful of new community cases of COVID-19 each week. Hospitalizations of confirmed and suspected cases remains very low, often with no cases over several days. There are no new identified outbreaks in the community aside from the ones identified at Stollwood and the Californian in early April. Public Health is now shifting attention toward expanding testing capacity in the community and ensuring a safe reopening for businesses and activities. We continue to monitor trends in infection rates and deaths, hospital preparedness, testing capacity, contact tracing capacity and protection of essential workers.
- ii. **Behavioral Health**- The Woodland, West Sacramento, Davis offices continue to serve clients via telephone for most services. Clients continue to be served in-person for injection medications and crisis services. As the county prepares for return of more in-person visit, the community can anticipate seeing sneeze-guards in the lobbies. Clients and their support persons are asked to wear cloth face covers when coming to the clinics, or in any other public place. NAMI, Health Council, Yolo County Mask Makers FB page and others are working to distribute masks in our community. Thank you, to NAMI, and hundreds of volunteers. The intensive service teams have been supporting their clients with housing supports, food and supplies along with any emergent issues that arise, as well as, supporting their clients who are homeless and currently in Project Room key with daily supports. The Access team is screening visitors at the front of the building and
 - a. **Forensics**: Yolo County collaborative courts (mental health court and addiction intervention court) only missed 1 court session each before the team figured out how to make telehealth work for court sessions. Yolo was one of the first, if not the first County in California to get their collaborative courts up and running during this time. Additionally, forensic staff resumed assessments at the jail, behind the glass with proper public health precautions on Monday May 11th.
 - b. **SUD**: Yolo County Opioid Coalition held its latest meeting on Friday May 8th which provided an opportunity for all Yolo SUD providers to share what services continue to be available during COVID-19. The overall takeaway was that all services remain active during this time, but many have moved to telehealth, telephone, or limited (i.e. group size for some outpatient providers to allow for proper distancing). Additionally, all providers shared the significant amount of protective measures that are in place for their staff and clients during this time. Lastly, access to

services continues to be available for folks through screenings by CommuniCare Health Centers in Davis, West Sacramento, and Woodland locations and through the 1-888-965-6647 access line.

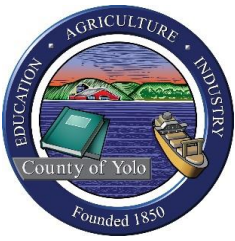
- iii. **Homelessness-** Yolo County has been ahead of the pack statewide in responding to the COVID-19 crisis through providing support and safe indoor locations, via Project Room Key for our unsheltered population.
 - a. Yolo County has .007% of the statewide homeless population, and currently has 4.5% of the Statewide total #'s of individuals being sheltered in motels.
 - b. The #'s of unsheltered individuals in motels is at 10% of the total Statewide 2019 PIT Count, while Yolo County has 70% of our local 2019 PIT count unsheltered in motels.

We have approached functional zero in our communities through this effort which is something to celebrate. That being said, we knew that we would be exiting people back to homelessness at the end of this so we are guiding the weekly exit conversations to downsize motels and keep 65+ year old indoors, along with people who are sick/in treatment (e.g., chemotherapy). This could be 20-25 per City, so some difficult decisions are pending. The back side of the final attachment to this email will help to track our progress toward this goal.

- iv. **Access to Food-** Several local restaurants in partnership with County staff were able to bring a significant amount of food support to rural Yolo last week. Woodland's "Dinner on Main" group has decided they would like to focus on feeding underserved rural Yolo populations, especially migrant workers and their families. On Thursday, May 7, several of their restaurants made and delivered meals to the Madison Migrant Housing Complex, Esparto Unified School District and Knights Landing schools. The County is supporting these efforts by providing some staff, including the Ag Worker Coordinator, and some other resources and personal protective equipment for local families. Buckhorn Restaurant (Winters), El Charro (Woodland) and Mojo's Kitchen (Woodland) made and delivered a combined 1200 meals! Broderick's in West Sacramento is providing meals and the Yolo County Food Bank with help from Yolo County disaster service workers have been delivering groceries to Project Room Key residents.
- b. **The Executive Commission to End Homelessness** - The Executive Commission to End Homelessness met on May 7th. The Commission is comprised of an elected representative from each of your jurisdictions, in addition to Chair Sandy and the current Chair of the homeless coalition, HPAC. Attached you will find the agenda, a comprehensive PowerPoint, and then four documents specific to different funding opportunities. The final attachment to this email is a motel flow sheet that visually represents number of folks in hotels by city, along with a few of the primary funding

streams and long-term housing developments per jurisdiction. The meeting was well attended by Zoom participants and focused on three main topics: 1) an overview of our COVID-19 Mitigation Homeless in Motels project; 2) a review of CDBG-CARES Act funding, and 3) a review of SB2 funding. Chair Sandy requested that each elected representative discuss their jurisdiction-specific plans for these funds with their City Manager and return to June's meeting prepared to discuss these plans, and how they contribute and intersect with our overall development of a countywide vision for addressing homelessness moving forward.

- c. **MHSA 3-year Plan-** HHS staff are close to completing a public draft of the new 3-year plan. Staff have had to continuously adjust for potential budgetary and programmatic impacts of COVID-19 and have had to update revenue projections based on recent state guidance and local estimates. The expenditure and revenue portion of the plan was finalized last week, and staff is now putting the final touches on the plan for public review. We expect to release a copy to the LMHB and public by early June.
- d. **Pine Tree Gardens/Adult Residential Facility-** The Save Pine Tree Gardens Ad hoc Committee met on May 8th to discuss the sustainability plan and the next steps for the County to purchase one of the homes. The Memorandum of Understanding (MOU), between the County and New Hope, the non-profit arm of the Yolo Housing Authority, will go before the Board of Supervisors on Tuesday, May 19th. The MOU will allow for the transfer of \$1 million in Capital Facilities MHSA dollars to New Hope for the purchase and ongoing maintenance of Pine Tree Gardens East House.
- e. **State budget Projections -** The onset of the COVID-19 pandemic has had a severe impact on the global, national, and state economies. In California, COVID-19 has led to the following:
 - i. In the last one-week reporting period, nearly 478,000 claims were filed in California for state and federal unemployment benefits. Since mid-March, more than 4.2 million claims have been filed.
 - ii. Job losses that have occurred disproportionately in the lower-wage sectors of the economy—amplifying the wage disparity that existed before the pandemic.
 - iii. Finance projects that the 2020 unemployment rate will be 18 percent, a much higher rate than during the Great Recession.
 - iv. The projected revenue decline equals approximately \$41.2 billion, combined with \$7.1 billion in caseload increases supporting health and human services programs, and other expenditures of approximately \$6 billion (the majority in response to COVID) will result in an overall budget deficit of approximately \$54.3 billion, of which \$13.4 billion occurs in the current year and \$40.9 billion is in the budget year.



COUNTY OF YOLO

EXECUTIVE COMMISSION TO ADDRESS HOMELESSNESS

Agenda

May 7, 2020

9:30am – 10:30am

Meeting ID: 988 7436 3113

Password: 066070

+1 669 900 6833

<https://yolocounty.zoom.us/j/98874363113?pwd=a2NnczJG1ZXREU3eGM0T21OdVlOZz0>

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County of Yolo

Board Supervisor
Gary Sandy

Vice Chair

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Lansburgh

City of Davis

Will Arnold

**City of West
Sacramento**

Beverly Sandeen

City of Winters

Wade Cowan

**Homeless &
Poverty Action
Coalition**

Ryan Collins

1. Welcome and Introductions
2. Review and Approve Agenda
3. Staff Presentation
 - i. COVID-19 Mitigation Homeless in Motels
 - ii. CARES Act CDBG Funding
 - iii. SB2 Planning
4. Discussion – Local Priorities and Building a Common Vision
5. Long Range Planning Calendar
 - a. 6/4/2020 Funding Deep-dive: Statewide and Local
 - b. Data and GIS Mapping
 - c. Gap Analysis
 - d. Legal Issues: Ordinance – Boise decision and response
 - e. Affordable Housing and Innovative Models

HOUSING INSTABILITY AND HOMELESSNESS

CARES Act Suggestions for State, Local, Tribal, and Territorial Elected Officials

Housing instability and homelessness are two of the most significant obstacles to flattening the curve and ending the COVID-19 pandemic. Residents and households on the economic margins and other marginalized populations require extraordinary intervention from state, local, tribal, and territorial governments to maintain housing stability and prevent homelessness. Under the bipartisan [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#), the [U.S. Department of Housing and Urban Development \(HUD\)](#) and Department of the Treasury is allocating billions to state, local, tribal, and territorial governments that may be used for emergency housing assistance.

The [National League of Cities](#), [National Low Income Housing Coalition](#), and [National Alliance to End Homelessness](#), and [Mayors & CEOs for U.S. Housing Investments](#) have prepared this guidance for elected officials to help maximize federal resources made available under the CARES Act to reduce housing instability and homelessness resulting from measures to control the spread of COVID-19.

Federal Programs and Funding to Prevent Housing Instability and Homelessness

The CARES Act provides additional flexible funding to state, local, tribal, and territorial governments, and public agencies, through familiar and new programs that can be used to address housing instability and homelessness. Some of these resources include:

- **Community Development Block Grants: \$5 billion.** Of that amount:
 - \$2 billion is allocated directly to state, local, and territorial governments entitled to CDBG through the regular program formula. States may pass these funds through to local governments with less than 50,000 in population. [Funding levels for each city, state, and territory](#) is available on HUD's website.
 - \$1 billion is allocated directly to the states and territories for expenditures.
 - \$2 billion remaining will be allocated to state, local, or territorial governments based on need, according to a formula to be developed by the HUD Secretary.
 - The CARES Act suspends the 15% services cap on CDBG expenditures so that grantees may spend up to 100% of their grant funding on rent payment assistance for distressed, low-income households.
 - **Eligible Activities** include housing assistance payments for rent, mortgage, and utilities, emergency home maintenance and rehabilitation, emergency public housing maintenance, meal and medicine delivery, and acquisition of hotels and motels to expand capacity of hospitals for COVID-19 patient treatment and isolation.
- **Emergency Services Grants (Homeless Assistance): \$4 billion.** Of that amount:
 - Up to \$2 billion allocation by formula to current grantees within 30 days of enactment.

- The remaining amount will be allocated by HUD to state, local, and territorial governments based on need, according to a formula to be developed by the HUD Secretary.
- **Eligible Activities** include street outreach (urgent needs, equipping staff, transportation, and referrals), rapid re-housing, homelessness prevention, shelter operations (supplies, furnishing, equipment and transportation) and administration.
- **Coronavirus Relief Fund (CRF): \$150 billion.** Of that amount:
 - \$139 billion is allocated directly to state and tribal governments and to [local governments with populations of 500,000 residents](#) or more. States have the option, but are not required, to provide CRF dollars to local governments with fewer than 500,000 residents.
 - \$8 billion is set aside for governments in tribal areas.
 - \$3 billion is allotted to governments in territories, including the District of Columbia and Puerto Rico.
 - **Eligible Activities.** The CARES Act requires that payments from the Coronavirus Relief Fund only be used to cover expenses that:
 - (1) are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19);
 - (2) were not accounted for in the budget most recently approved as of the date of enactment (March 27, 2020) for the state or government; and
 - (3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.
 - Unless the CARES Act is amended, CRF payments MAY NOT DIRECTLY REPLACE lost revenue resulting from the COVID-19 outbreak, such as declines in sales or income taxes or losses on waived fees. CRF payments MAY INDIRECTLY ASSIST with government revenue shortfalls in cases where budgeted expenditures for housing and homeless assistance would otherwise be reallocated for COVID-19 related expenses.
 - If possible, local governments should delay cutbacks and reallocations of budgeted funds for housing and homelessness until after states determine how their share of CRF will be used.

Recommended Action Steps for Elected Officials

State, local, tribal, and territorial governments are leading the way forward through this unprecedented public health and economic crisis. Elected officials are coordinating across jurisdictional lines, enacting difficult and fiscally challenging emergency measures to slow the coronavirus epidemic, passing ordinances to limit the worst economic outcomes for residents and small businesses and spending such sums as necessary to protect public health and the economy.

Urgent and bold action is necessary to preserve avenues for economic opportunity in the long run, after the current crisis ends. This is especially true for households on the economic margins and our most vulnerable residents. State, local, tribal, and territorial governments should take the following action steps to preserve housing stability [because housing stability is a prerequisite for economic mobility, job security, and health and well-being.](#)

- 1. Appoint a Housing Stability Lead.** Designate a member of your leadership team to coordinate state and local agency action and to serve as the main point of communication for housing stakeholders, including financial institutions, property owners, renters, housing counselors, and legal aid organizations.
- 2. Identify Multiple Funding Opportunities for Housing Assistance.** Federal funds under the CARES Act can complement funding from foundations, charitable networks, and private

enterprise. Set up a fund like the [#ATLStrong](#) Fund to accept individual and corporate contributions to support residents experiencing housing instability and homelessness.

- 3. Address racial equity and disproportionate impact on marginalized communities.** People of color are disproportionately represented among people experiencing homelessness and low-income, cost-burdened households. Data is emerging that coronavirus is infecting and killing black Americans at a disproportionately high rate. State, local, tribal, and territorial governments and their housing leads should work across jurisdictional lines to pair targeted housing and health outreach to higher-risk communities to stabilize households and suppress the spread of COVID-19.

Marginalized populations, including people of color, Native people, immigrants, people with criminal records, people with limited English proficiency, and other individuals, should have full and equitable access to these resources. Many federal resources provided under the CARES Act, including unemployment insurance and direct stimulus checks, are unavailable to undocumented immigrants. Moreover, many people exiting the criminal justice system are unable to access regular HUD housing assistance and must overcome significant barriers to obtaining affordable, accessible housing. The flexibility of ESG, CDBG, and CRF can also be used to address the urgent housing needs of these and other marginalized populations.

While staying at home is important for slowing the virus, it has created a difficult and often dangerous situation for people who are experiencing domestic violence. Many organizations have modified service delivery to provide virtual support, but it remains difficult for a survivor to confidentially access those resources if they reside in the same home as the abusive partner. As we continue to face this health pandemic, elected officials should help provide safe emergency housing options available for survivors, their children, and their pets during this crisis.

- 4. Enact a Temporary, Uniform Moratorium on Evictions within Your Jurisdiction.** Most families living in poverty spend at least half of their incomes on housing, leaving [virtually no margin](#) for an unexpected expense. Temporary declines of income and unreimbursed medical bills will quickly send the lowest-income households down the spiral of housing instability, eviction, and even homelessness. With the Coronavirus, many low-income, hourly wage workers will see reduced wages, whether because they have become sick or need to care for a family member or because their employer cut back on their hours.

The CARES Act enacted a 120-day moratorium on evictions for residents in federally assisted housing, including housing supported by HUD, USDA, and Low Income Housing Tax Credits, as well as renters living in properties covered by the FHA, Fannie Mae, or Freddie Mac. State, local, tribal, and territorial governments should take whatever steps necessary to make the moratorium apply uniformly for every resident within their jurisdiction. The moratorium should extend to long-term residents in hotels and motels. Moratoriums should provide renters with a minimum of 12 months to make up for any missed rental payments and should prohibit any back rent accrued during the crisis from serving as the basis for an eviction once the moratorium is lifted.

- 5. Use CARES Act Funds for Emergency Rent and Mortgage Payments.** Temporary eviction and foreclosure moratoriums are an appropriate immediate response to the COVID-19 pandemic. However, eviction moratoriums are not enough. State, local, tribal, and territorial governments should take steps to ensure that renters – especially those with the lowest incomes – do not face an eviction cliff when moratoria are lifted. This financial cliff could cancel out the positive impact of any economic stimulus if not done in tandem with emergency rental assistance or good-faith payments to impacted landlords and property owners. CDBG and ESG funding can be used immediately to make temporary rent payments to landlords and mortgage companies on behalf of residents in distress. Payments must meet HUD requirements within each program.

The U.S. Department of the Treasury, which administers CRF, is expected to provide additional clarity and direction to state and local governments regarding CRF payments to support emergency housing expenditures due to COVID-19.

6. Designate Agency Response Leads to Accelerate Rapid-Rehousing to Prevent Homelessness. Local governments, housing agencies, and service providers should coordinate on a plan to use and expedite rapid rehousing to help prevent an increase in homelessness. Rapid rehousing includes housing relocation and stabilization services and short- or medium-term rental assistance to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. The goals of rapid rehousing are to help people obtain housing quickly, increase self-sufficiency, and stay housed. Eligibility requirements or other local preconditions should be waived (such as employment, income, absence of criminal record, or sobriety) and services should be tailored to the needs of the resident. Rapid Rehousing is a proven effective approach to moving people experiencing homelessness into permanent housing and keeping them there. The intervention has also been effective for people traditionally perceived to be more difficult to serve, including people with limited or no income and survivors of domestic violence. Alternatives like permanent supportive housing should be expanded to meet the needs of individuals, such as those with mental health issues and/or with substance use disorders.

7. Support Homeless Shelter Operations and Plan for Alternatives. People living without basic shelter are at a [particularly high risk of a Coronavirus outbreak](#). Homeless populations have limited access to the preventive measures recommended by public health professionals, including handwashing, home isolation, avoiding high touch surfaces, and rapid access to health care. People who are homeless and unsheltered are far more likely to have chronic underlying health conditions that can make the disease more deadly. In fact, people who are homeless and contract coronavirus are twice as likely to be hospitalized, two to four times as likely to require critical care, and two to three times as likely to die than others in the general public. Moreover, a growing number of shelters have been forced to close their doors because they lack the resources to hire staff, as more volunteers and employees become ill or are unable to work.

Because people experiencing homelessness may be living in congregated communities - whether in encampments or shelters - and cannot self-quarantine, elected officials should prepare to contain an outbreak among people experiencing homelessness, should an outbreak occur in their community. Local governments should adopt a plan to use flexible funds to address the urgent needs facing homeless shelter providers as they work to decongest congregate shelters and identify alternative space, including hotels, for isolation and self-quarantine of people experiencing homelessness. Local governments should quickly identify and set up safe and humane alternatives available for homeless residents impacted by the loss of shelter availability. Local leaders can also work with public health, community health centers and social workers to ensure access to healthcare and services.

8. Minimize Unsheltered Homelessness. Local governments should adopt a plan to use flexible funds to address the urgent needs facing unsheltered homeless populations. Resources are needed to minimize the number of people living in homeless encampments and to identify space, including hotels and vacant commercial spaces, for isolation and self-quarantine.

Examples of Recommended Action Steps for Elected Officials

TYPE	EXAMPLE	DESCRIPTION
Appoint a Housing Stability Lead	Charlotte	The Mayor and Council will assemble a Community Recovery Task Force to support and assist families and businesses as they plan for the future. The Community Recovery Task Force will focus on three specific areas: Small Business, Housing, and the Airport.
Identify Multiple Funding Opportunities for Housing Assistance	Atlanta	Mayor Keisha Lance Bottoms issued an Executive Order authorizing the use of \$1.5 million in funds to match private philanthropic donations to provide individual shelter options for people experiencing homelessness
Enact a Temporary, Uniform Moratorium on Evictions within Your Jurisdiction	Oregon	Governor Brown issued a ban on residential evictions, prohibiting landlords from charging tenants late fees for nonpayment of rent during the moratorium.
	Seattle and Washington State	Mayor Jenny A Durkan acted quickly to enact a moratorium on residential evictions and prohibiting tenants from being charged late fees for nonpayment of rent and Governor Inslee issued a statewide moratorium shortly thereafter (statewide ban does not cover fees).
	San Francisco	On March 23, 2020, Mayor Breed ordered that no landlord may attempt to recover possession of a residential unit unless due to violence, threats of violence, or health and safety issues.

Use CARES Act Funds for Emergency Rent and Mortgage Payments	Boston	Mayor Martin J. Walsh announced that his administration is dedicating \$3 million in city funds to assist Bostonians who are at risk of losing their rental housing due to the worldwide COVID-19 pandemic. The funds will help income-eligible tenants in the City of Boston achieve housing stability by providing direct financial relief to assist with rental payments.
	Texas	Governor Greg Abbott and the Texas Department of Housing and Community Affairs (TDHCA) have taken initial action to provide tenant-based rental assistance for Texans experiencing financial hardship due to COVID-19. The Governor has waived statutes relating to HUD’s HOME Investments Partnership program which would allow Texas greater flexibility to use program funds to help certain Texans pay their rent. In addition, TDHCA has sent a letter to HUD requesting federal waivers to allow greater flexibility to Texas to reprogram these funds for that purpose. If these waivers are granted, Texas will reprogram these funds to provide financial housing assistance to certain Texans enduring economic hardships related to COVID-19.
	Seattle, King County	United Way of King County, in partnership with King County, the City of Seattle and the Seattle Foundation, today announced the launch of a \$5 million investment in United Way’s expanded Home Base program to provide rental assistance to King County households that have lost all or part of their income due to the coronavirus pandemic. It is estimated these funds will help up to 2,000 families stay in their homes.
Designate Agency Response Leads to Accelerate Rapid-Rehousing to Prevent Homelessness	San Diego	Continuing to take swift action to shelter and house San Diegans amid the COVID-19 pandemic, today Mayor Kevin L. Faulconer and the City Council secured \$3.7 million in state emergency funding to help prevent the spread of the virus among the homeless population. The move followed work between the mayor’s office and state legislators – including Senate President Pro Tempore Toni Atkins, Assemblymember Todd Gloria and Assemblymember Lorena Gonzalez – to make state funds available to San Diego. This grows the total additional resources directed to “Operation Shelter to Home” at the San Diego Convention Center to \$7.1 million when combined with state-backed emergency funds from the County of San Diego and the Regional Task Force on the Homeless (RTFH), which have partnered with the City on the extraordinary effort to temporarily repurpose the convention center as a regional homeless shelter.

Support Homeless Shelter Operations and Plan for Alternatives	Sacramento	The Sacramento City Council and Sacramento County Board of Supervisors on Tuesday both approved a \$15-million joint plan to provide nearly 1,000 beds for homeless people either diagnosed with or at high-risk for contracting COVID-19.
	San Francisco	San Francisco is leasing thousands of hotel rooms for people experiencing homelessness, both sheltered and unsheltered. By moving vulnerable people over the age of 60 and people with specific health conditions out of the shelters and into hotels, we are minimizing their risk for COVID-19, increasing the ability to implement strict physical distancing at shelters, and minimizing the potential for outbreaks in congregate facilities.
	Seattle, King County	Seattle and King County have taken steps to keep existing shelters able to keep people healthy and remain operating. Steps have included issuing public health guidance for providers, centralizing bulk cleaning supplies with online ordering, de-intensification through a motel voucher program and activating additional shelter sites and creating new homeless shelter beds.
Minimize Unsheltered Homelessness	Detroit	Detroit has added about 325 shelter beds for the homeless, rooms for isolation and launched a formal testing program for symptomatic members of the homeless community in an attempt to quell the spread, said Donald Rencher, director of the Detroit Housing and Revitalization Department. The city previously announced plans to open a Salvation Army building to create more room to isolate the city's sick homeless, but switched to a 124-room Detroit Rescue Mission Ministries building for greater capacity. Now, both facilities are being used along with a recreation center, said Rencher. In addition, the city hopes to add two other facilities by April 19, bring the total number of beds to about 500.
	Seattle	Mayor Jenny A. Durkan unveiled measures in the City of Seattle to prepare for the potential spread of COVID-19 amongst individuals experiencing homelessness by increasing shelter resources during this public health emergency. The goal of this expansion is to increase shelter capacity for Seattle's vulnerable unsheltered populations living in unsafe encampments, which are at elevated risks from public health concerns, including infectious diseases. At this time, the City is not expecting any of these sites to be quarantine or isolation sites. All locations will be accompanied with ongoing services, staffing, and support.

Address racial equity and disproportionate impact on marginalized communities	Chicago	Mayor Lori E. Lightfoot signed an executive order explicitly ensuring that all benefits, opportunities, and services provided or administered by the City of Chicago are accessible to all residents, regardless of birth country or current citizenship status.
	San Francisco	San Francisco has been expanding temporary housing for domestic violence survivors and their children through public-private partnership with a real estate management company that is donating use of vacant units in secure locations. Survivors are among the vulnerable populations who cannot shelter-in-place due to the risk of violence.

Additional Federal Resources Are Needed

The CARES Act included [\\$12 billion in housing and homelessness resources](#) to help prevent an outbreak of the virus among people experiencing homelessness, as well as needed resources and protections for America’s lowest-income renters. [This spending bill was an important first step to meet the immediate needs of state, local, tribal, and territorial governments and their residents, but Congress must provide far more resources](#) to help meet the dire and urgent needs of people who are experiencing homelessness or those individuals who are right on the brink. Congress should include housing and homelessness resources in any coronavirus response package, including:

- **Emergency Solutions Grants (ESG): At least \$11.5 billion.** Congress provided \$4 billion in ESG funds in the CARES Act; [additional funds are needed to respond to coronavirus](#) among people experiencing homelessness.
- **Emergency rental assistance and eviction/homelessness prevention: \$100 billion.** This assistance can be provided through a combination of Emergency Solutions Grants, Housing Choice Vouchers, Section 521 Rural Rental Assistance, or the Disaster Housing Assistance Program (DHAP), which was used by past Republican and Democratic administrations to address short-term rental assistance needs after previous disasters. Emergency rental assistance is supported by a broad array of [industry groups](#), [housing advocates](#), [cross-sector leaders](#), and [elected officials](#).
- **A national, uniform moratorium on evictions and foreclosures.** Congress should implement a uniform policy that assures each of us that renters will not lose their homes during a pandemic where our collective health depends on each of us staying home.

For More Information

Steve Berg, National Alliance to End Homelessness, sberg@naeh.org.

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Sarah Saadian, National Low Income Housing Coalition, ssaadian@nlihc.org.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

9 April 2020

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

MEMORANDUM FOR: All Fiscal Year 2020 and 2019 CDBG and CDBG-CV Grantees and All CPD Field Office Directors

FROM:  John Gibbs, Acting Assistant Secretary for Community Planning and Development

SUBJECT: CARES Act Flexibilities for CDBG Funds Used to Support Coronavirus Response and plan amendment waiver

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) (Public Law 116-136) makes available \$5 billion in supplemental Community Development Block Grant (CDBG) funding for grants to prevent, prepare for, and respond to coronavirus (CDBG-CV grants). Additionally, the CARES Act provides CDBG grantees with flexibilities that make it easier to use CDBG-CV grants and fiscal years 2019 and 2020 CDBG Grants for coronavirus response and authorizes HUD to grant waivers and alternative requirements.

The Department has announced the allocations of the first \$2 billion in CARES Act funding for CDBG grantees, as well as \$1 billion for Emergency Solutions Grants (ESG) and \$53.7 million for Housing Opportunities for Persons With AIDS (HOPWA). You can find the allocations at www.hud.gov/program_offices/comm_planning/budget/fy20/.

This memorandum transmits the attached *CARES Act Flexibilities for CDBG Funds Used to Support Coronavirus Response Guide (Guide)*. The Guide describes the immediate availability of a 5-day public comment period for amendments and new plan submissions, uncaps the percentage of CDBG funding for public services to prevent, prepare for, and respond to coronavirus, as well as other flexibilities. Please note that these new provisions are not only applicable to the \$5 billion in CDBG funding from the CARES Act but many of the new provisions are also applicable to FY2019 and FY2020 CDBG funding. This broad applicability provides grantees with flexibility to help address the challenges facing our nation.

Grantees are advised to amend or prepare their plans as soon as possible and not to wait for the pending Federal Register notice, which may provide additional waivers and alternative requirements. Similarly, grantees should not wait for HUD to allocate the remaining nearly \$3 billion of the \$5 billion provided by the CARES Act for the CDBG program. Upon publication of the Federal Register notice and subsequent allocations, grantees receiving allocations will then amend plans accordingly.

Grantees should proceed with all amendments and plans under these new provisions by adding the CDBG-CV allocation in their plans as an available resource for the year. The CARES Act permits HUD to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the CDBG-CV funds, FY2019 and FY2020 CDBG funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by the Secretary that any such waivers or

alternative requirements are necessary to expedite or facilitate the use of such amounts to prevent, prepare for, and respond to coronavirus.

To expedite grantees' use of CDBG-CV funds, HUD is waiving the requirements at 42 U.S.C. 12705(a)(2) to the extent it requires updates to the housing and homeless needs assessment, housing market analysis, and strategic plan and 24 CFR 91.220 and 91.320 to the extent the action plan is limited to a specific program year to permit grantees to prepare substantial amendments to their most recent annual action plan, including their 2019 annual action plan. Grantees must identify the proposed use of all funds and how the funds will be used to prevent, prepare for, and respond to coronavirus.

The Department is also waiving 24 CFR 91.505 to facilitate the use of the CDBG-CV funds to the extent necessary to require submission of the substantial amendment to HUD for review in accordance with 24 CFR 91.500. To receive a CDBG-CV grant, a grantee must also submit a SF-424, SF-424D and the certifications at 24 CFR 91.225(a) and (b) or 24 CFR 91.325(a) and (b).

The Guide addresses many of the Field's initial questions. Email inquiries to CPDQuestionsAnswered@hud.gov will continue to receive individual replies and guidance. HUD will also be batching questions and responses and periodically making them available as FAQs. Additional resources will continue to be posted to www.hudexchange.info/programs/cdbg/disease/.

Thank you for the work you and your staff do with our communities in the fight against the coronavirus.

CARES Act Flexibilities for CDBG Funds Used to Support Coronavirus Response

April 9, 2020

President Trump has signed *The Coronavirus Aid, Relief and Economic Security Act* (CARES Act). The CARES Act:

- Makes available \$5 billion in supplemental Community Development Block Grant (CDBG) funding for grants to prevent, prepare for, and respond to coronavirus (CDBG-CV grants);
- Provides flexibilities for CDBG grantees to make it easier to use CDBG-CV grants and fiscal years 2019 and 2020 CDBG grants for coronavirus response and authorizes HUD to grant waivers and alternative requirements;
- Requires CDBG-CV grantees to prevent the duplication of benefits, which means grant funds may not be used to pay costs if another source of financial assistance is available to pay that cost.

HUD will publish a Federal Register notice describing the requirements for CDBG-CV grants. The notice will also include waivers and alternative requirements for CDBG-CV and fiscal year 2019 and 2020 CDBG grants. A grantee may submit a CDBG-CV action plan substantial amendment to its most recent accepted CDBG action plan for the first CDBG-CV allocation before the notice is published. To apply for CDBG-CV grants, grantees may follow existing regulatory requirements for a substantial amendment to the grantee's action plan that describes the amount of CDBG-CV funds available in the first allocation and planned use of funds, in accordance with existing requirements and the flexibilities in the CARES Act, summarized below. HUD will publish a Q&A document with further information on this process.

Grantees may use CDBG-CV and CDBG funds for a range of activities to prevent, prepare for, and respond to coronavirus. For examples, see the [Quick Guide to CDBG Activities for Infectious Disease Response](#).

Summary of CARES Act Provisions for Coronavirus Response With CDBG-CV and CDBG Grants

<i>For more information, refer to applicable sections of the CARES Act, Housing and Community Development Act of 1974 (for State CDBG Grantees) and CDBG regulations (for Entitlement CDBG grantees).</i>			
<i>Description of Program Flexibility</i>	<i>Applicability to CDBG-CV and CDBG Grants</i>		
Public Service Activities			
Eliminates the 15 percent cap ¹ on the amount of grant funds that can be used for public services activities. <i>Following enactment, the cap in section 105(a)(8) of the HCD Act and 24 CFR 570.201(e) has no effect on CDBG-CV grants and no effect on FY 2019 and 2020 CDBG grant funds used for coronavirus efforts.</i>	CDBG-CV	Immediately Available	✓
	CDBG FY 19 and FY 20 Grants	Immediately Available	✓
	CDBG Grants before FY 19		Not Available ✗
Reimbursement of Costs			
Provides that grantees may use CDBG-CV grant funds to cover or reimburse costs to prevent, prepare for, and respond to coronavirus incurred by a State or locality, regardless of the date on which such costs were incurred, when those costs comply with CDBG requirements. <i>For other grants, pre-agreement and pre-award cost authority is available under 24 CFR 570.489(b) (states) and 570.200(h) (entitlements).</i>	CDBG-CV	Immediately Available	✓
	CDBG FY 19 and FY 20 Grants		See current regulations. ✗
	CDBG Grants before FY 19		See current regulations. ✗

¹ Section 105(a)(8) of the Housing and Community Development Act of 1974, provides a different percentage cap for some grantees.

<i>Description of Program Flexibility</i>	<i>Applicability to CDBG-CV and CDBG Grants</i>		
Citizen Participation and Public Hearings for Consolidated Plans (including Action Plans)			
<p>Provides that grantees may amend citizen participation plans to establish expedited procedures to draft, propose, or amend consolidated plans. Expedited procedures must include notice and reasonable opportunity to comment of no less than 5 days. The 5-day period can run concurrently for comments on the action plan amendment and amended citizen participation plans.</p> <p>In-person public hearings are not required. Grantees may meet public hearing requirements with virtual public hearings if: 1) national/local health authorities recommend social distancing and limiting public gatherings for public health reasons; and 2) virtual hearings provide reasonable notification and access for citizens in accordance with the grantee's certifications, timely responses from local officials to all citizen questions and issues, and public access to all questions and responses.</p>	CDBG-CV	Immediately Available ✓	
	CDBG FY 19 and FY 20 Grants	Immediately Available ✓	
	CDBG Grants before FY 19		Not Available ✗
Deadline to Submit Consolidated Plans (including Annual Action Plans)			
<p>Extends the deadline for grantees to submit action plans and other updates to their consolidated plans submissions for fiscal years 2019* and 2020 to August 16, 2021.</p> <p><i>Without extension, the deadline for fiscal year 2020 grants would be August 16, 2020, in accordance with section 116(b) of the HCD Act and 24 CFR 91.15.</i></p> <p><i>*The deadline for fiscal year 2019 passed on August 16, 2019 (plans due then have been submitted).</i></p>	CDBG-CV	Immediately Available ✓	
	CDBG FY 19* and FY 20 Grants	Immediately Available. ✓	
	CDBG Grants before FY 19		Not applicable. ✗
Waiver and Alternative Requirement Authority			
<p>Authorizes the Secretary to issue statutory and regulatory waivers/alternative requirements for CDBG-CV and some CDBG funds when necessary to expedite or facilitate the use of grant funds to prevent, prepare for, and respond to coronavirus.</p> <p>Prohibits waivers/alternative requirements related to fair housing, nondiscrimination, labor standards, and the environment.</p> <p><i>HUD has additional regulatory waiver and statutory suspension authorities that it may use for CDBG Grants before fiscal year 2019 if necessary.</i></p>	CDBG-CV	Immediately Available ✓	
	CDBG FY 19 and FY 20 Grants	Immediately Available. ✓	
	CDBG Grants before FY 19		Not applicable. ✗

Submit your questions to: CPDQuestionsAnswered@hud.gov

Yolo County Commission to Address Homelessness

May 7, 2020

Sandra Sigrist, LCSW
Director, Adult & Aging Branch
Yolo County Health & Human Services Agency



COVID-19 Mitigation – Homeless to Motels

8 leases/246 rooms

- Davis = 2/80; West Sacramento = 4/86; Woodland = 2/80
- Designed to provide non-congregate shelter in place
- Emphasize hygiene and social distancing guidance
- Assure basic needs are met in order to avoid the need to leave the motel
 - Safety – Security Patrols
 - Food Bank/Yolo Bus
 - Mobile/Street Medicine
 - Laundry
 - Community Based Organizations
 - WS-YCCA and Turning Point
 - Davis-CCHC
 - Woodland-Empower Yolo/County DSW's

COVID-19 Mitigation – Homeless to Motels

Funding-

\$2,957,360 Revenue through April

○ FEMA (est)	\$520,304
○ CDSS	\$500,000
○ HHAP2 County	\$117,439
○ HHAP2 CoC	\$127,648
○ Local	\$640,000
○ Sutter/Dignity	\$332,000
○ HDAP	\$ 82,549
○ CMSP	\$605,420
○ CSBG Discretionary	\$ 32,000

\$3,599,028 Expenses

(\$641,667)

Pending Revenue: FEMA – May

COVID-19 Mitigation – Homeless to Motels

Intersection of Exit Strategies and Long-term Planning

- Initiate transition of those stable to available shelter
- Decrease motels, moving towards only those who are 65+ and those currently receiving treatment for acute conditions
- Continue supportive case management and motel/street medicine
- Commit resources to permanent solutions for these most vulnerable
- Strategize for the Long-term in tiers, based on vulnerability

CARES Act Funding - CDBG

Existing CDBG regulations [24 CFR 570.207(b)(4)] allow use of CDBG to provide assistance for up to three months in the form of rent or mortgage assistance and utility payments.

The CARES Act removes the statutory 15% cap on the amount of a jurisdiction's CDBG allocation that can be used for "public services," which the provision of rental or utility payment assistance would normally be considered.

The Act limits the exemption from the 15% cap to "activities to prevent, prepare for, and respond to the coronavirus."

The Act also states that a jurisdiction's FY19 and FY20 CDBG allocations are also free from the 15% public-service cap.

CARES Act Funding - CDBG

<u>Jurisdiction</u>	<u>Current allocation</u>	<u>CARES Act</u>
Davis	\$743,986	\$437,662
West Sacramento	\$467,314	\$274,906
Woodland	\$513,442	\$302,041

CARES Act Funding

8 recommendations for governing officials to consider: https://endhomelessness.org/wp-content/uploads/2020/04/CARES-Act_Guidance_Mayors-Governors_04152020.pdf

SB2

Applications must be submitted between 4/27 – 7/27/2020

This funding provides grants to Entitlement and Non-Entitlement Local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities.

SB2

<u>Jurisdiction</u>	<u>Allocation</u>
Davis	\$302,924
West Sacramento	\$236,679
Woodland	\$248,989
Winters	\$88,783
County	\$136,610

Discussion - Where do we go from here?

Local Priorities

- Crisis, long-term

Building Consensus

- A countywide vision for addressing homelessness

Next Meeting
June 4, 9:30am
Location: TBD



Community Development Block Grants and the CARES Act

April 6, 2020

The U.S. Department of Housing and Urban Development’s (HUD’s) Community Development Block Grant program (CDBG) can be employed by states and local units of government to support economic and community development efforts in response to the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Security (CARES) Act ([P.L. 116-136](#)) includes \$5 billion for the Community Development Fund, enabling additional HUD support for CDBG grantees. This Insight provides an overview of the conventional CDBG program, considers how CDBG funds may be used to support community and economic development efforts in response to the COVID-19 pandemic, and discusses provisions in the CARES Act pertaining to CDBG.

Community Development Block Grant Program Overview

CDBG is a flexible program administered by HUD that provides formula-based block grant funding to states and eligible localities. CDBG authorities are regularly used to respond to unmet long-term recovery needs in disaster-affected areas. In some instances, Congress has enacted supplemental appropriations under CDBG authorities to provide additional resources for unmet needs of affected communities—typically, but not exclusively, in areas with [federal emergency or disaster declarations](#) under the Stafford Act—which have come to be known as CDBG Disaster Recovery, or CDBG-DR.

CDBG Formula Allocation

[CDBG funds generally are allocated](#) through two separate formula processes. Approximately 70% of the program funds are granted to general units of local government under the [CDBG Entitlement Program](#). Eligible grantees in the entitlement program are (1) principal cities of Metropolitan Statistical Areas; (2) other metropolitan cities with populations of at least 50,000; and (3) qualified urban counties with populations of at least 200,000 (not including entitlement city populations). About 30% of CDBG program funds are granted to states based on a separate formula allocation, for disbursement to communities that do not qualify for entitlement funds. States have broad discretion in disbursing funds to nonentitlement communities.

Congressional Research Service

<https://crsreports.congress.gov>

IN11315

National Objectives and Eligible Activities

As a condition for receiving funds, the program's authorizing statute requires states and local governments to certify that proposed CDBG activities meet one of the program's three national objectives. Eligible activities must:

- principally benefit low- and moderate-income persons, defined as families and individuals whose household incomes do not exceed 80% of a jurisdiction's median income;
- aid in the prevention or elimination of slums or blight; or
- meet an urgent need by addressing conditions that pose a serious and immediate threat to the health and safety of residents.

Title I of the [Housing and Community Development Act of 1974](#) identifies the categories of eligible activities that may be undertaken with CDBG funds. Generally, program activities fall into [six broad categories](#): planning and administrative activities; public works and public facilities; housing-related activities; public services; economic development; and acquisition, demolition, and disposition of real property.

Community Development Block Grant Program and COVID-19

The scope and objectives of the CDBG program enable activities that may support state and local responses to the COVID-19 pandemic. For instance, some U.S. localities have announced efforts to support [community services](#) and [small businesses](#) with existing CDBG funds. More states and communities may [make use of CDBG authorities](#) as a part of the federal response to the economic effects of the COVID-19 pandemic. Grantees might consider reprogramming existing CDBG funds or designating future funds as part of long-term social welfare and economic development recovery efforts.

For more information on CDBG and COVID-19, see CRS Insight IN11277, *Responding to the COVID-19 Outbreak with Community Development Block Grant (CDBG) Authorities*, by Michael H. Cecire and Joseph V. Jaroscak

Community Development Block Grant Provisions in the CARES Act

The CARES Act builds on features of the conventional CDBG program as well as precedents set by CDBG-DR supplemental appropriations in response to disasters. It appropriates \$5 billion for HUD's Community Development Fund. The act directs HUD to allocate the funds in various ways. Of the total, \$2 billion is to supplement the conventional CDBG program. The act directs HUD to administer these funds pursuant to Section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306). This provision calls for HUD to [allocate](#) the supplemental funds to CDBG grantees—including eligible [local governments](#), [states](#), and [insular areas](#)—proportional to their conventional FY2020 CDBG allocation, as [published by HUD in April 2020](#).

The act directs HUD to allocate \$1 billion of the total appropriation to states and insular areas outside of the standard formula. This funding is intended “to prevent, prepare for, and respond to coronavirus ... including activities within entitlement and nonentitlement communities, based on public health needs, risk of transmission of coronavirus, number of coronavirus cases compared to the national average, and

economic and housing market disruptions.” The act also grants authority to the Secretary of HUD to identify additional factors. These funds are to be allocated within 45 days of the bill’s enactment.

The remaining \$2 billion is to be distributed to states and units of local government on a rolling basis, at the discretion of the Secretary, with formula factors to be defined by HUD. Up to \$10 million of these funds may be used to supplement existing awards or to provide additional technical assistance to current CDBG grantees.

The CARES Act grants authority to the Secretary to waive or specify alternative requirements for the CDBG funds provided in the act and two other recent appropriations bills—[P.L. 116-94](#) and [P.L. 116-6](#). This waiver authority provided in the CARES Act is similar to that generally granted under CDBG-DR supplemental appropriations. The provision does not authorize waivers or modifications from requirements related to fair housing, nondiscrimination, labor standards, or environmental considerations. Additionally, the act sets forth expedited procedures for grantees to prepare, propose, modify, or amend their planned activities for appropriated CDBG funds in the act and those in the same heading in [P.L. 116-94](#) and [P.L. 116-6](#). The bill also waives program limits on public service activities that relate to COVID-19.

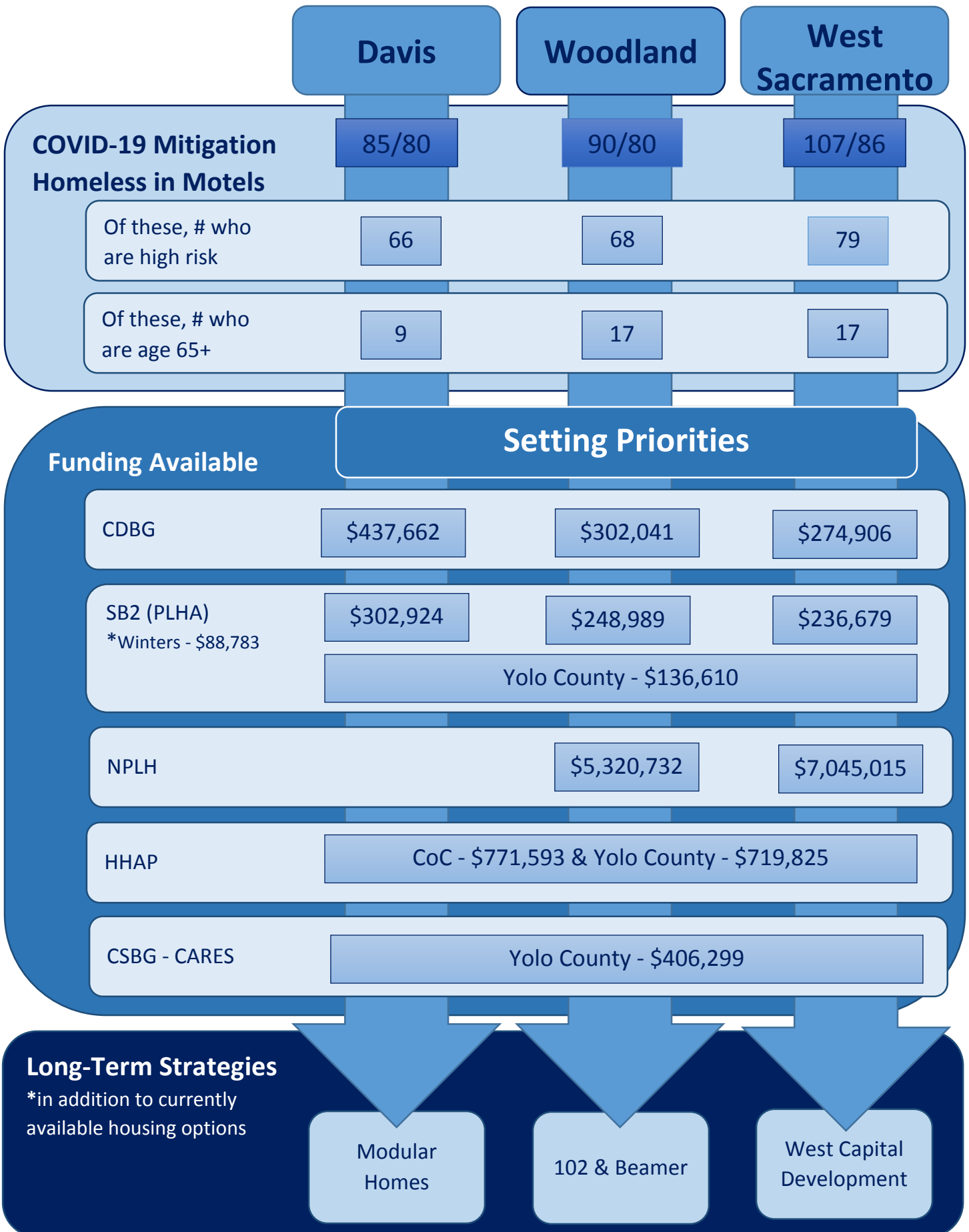
Author Information

Joseph V. Jaroscak
Analyst in Economic Development Policy

Disclaimer

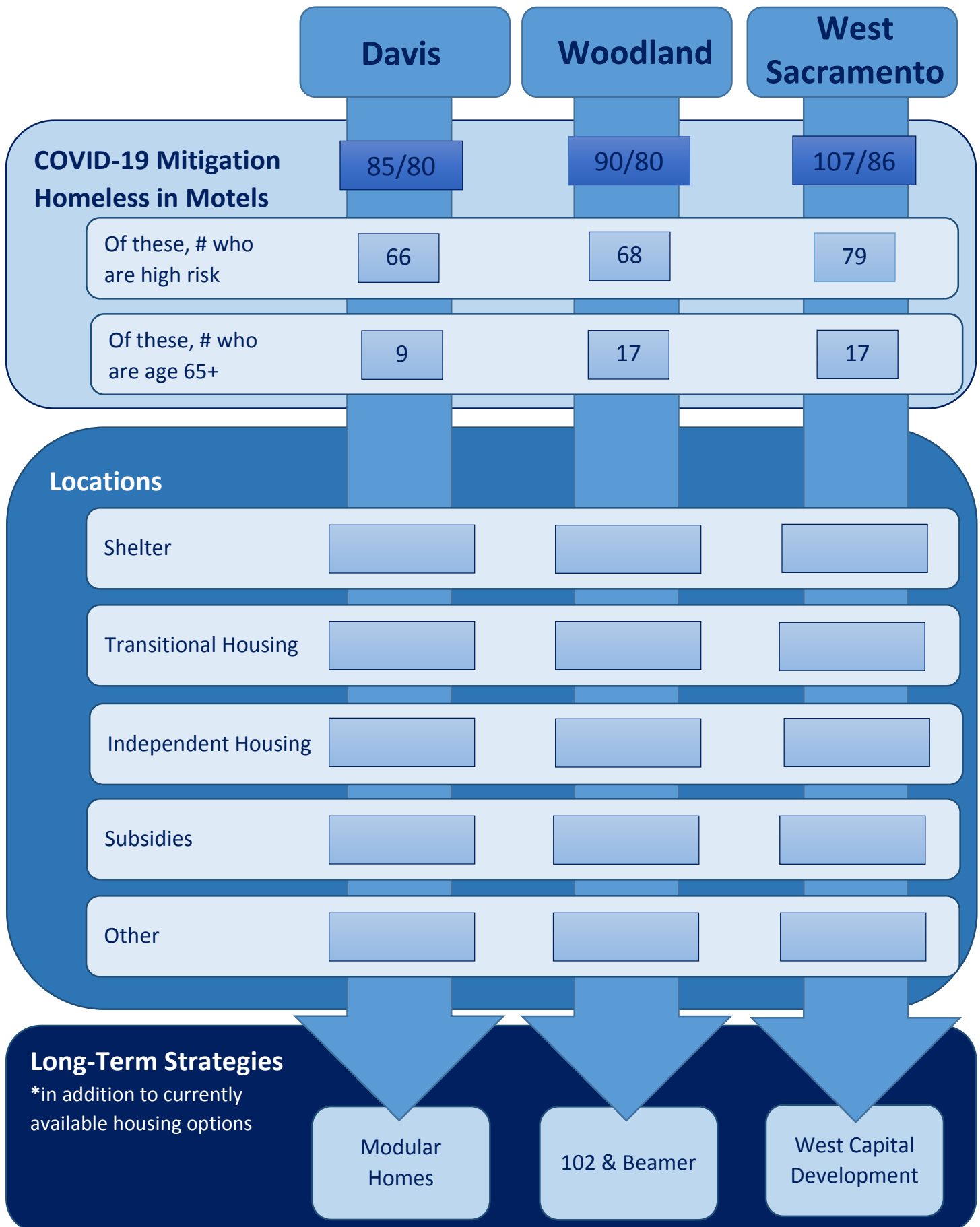
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Yolo County Unsheltered Homeless to Housed



*data as of 05/04/2020

Yolo County Unsheltered Homeless to Housed



*data as of 05/04/2020

PERMANENT LOCAL HOUSING ALLOCATION PROGRAM (PLHA) SUMMARY

Background

The **California Department of Housing and Community Development (HCD)** announced the availability of approximately \$195 million in funding for the Permanent Local Housing Allocation (PLHA) program Entitlement and Non-entitlement Local government formula component Notice of Funding Availability (NOFA).

Funding for this NOFA is provided pursuant to Senate Bill (SB) 2. SB 2 which established the Fund and authorizes the HCD to allocate to Local governments for eligible housing and homelessness activities.

For the 2019-20 fiscal year, the Department will issue two separate NOFAs to award the (PLHA) funds:

1. Entitlement and non-entitlement Local government formula component NOFA; and
2. Non-entitlement Local government competitive component NOFA (anticipated in August 2020).

Purpose

This funding provides grants to Entitlement and Non-entitlement Local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities.

Target Population

Specific guidance has not been provided regarding the target population. Generally, the program is intended to serve people who have unmet housing needs.

Eligible Applicants

- An Applicant must be an Entitlement Local government, a Non-entitlement Local government, or a Local or Regional Housing Trust Fund delegated by the Local government.
- A Local government that delegates another Local government to submit an application and administer the formula component of PLHA funds on its behalf must enter into a legally binding agreement with the Local government.
- A Local government that delegates a Local or Regional Housing Trust Fund to submit an application and administer the formula component of PLHA funds on its behalf must enter into a legally binding agreement with the Local or Regional Housing Trust Fund.

Match Requirements

No Match is required for PLHA.

Funds Available

- Approximately \$195 million
- Funding Amounts
 - Entitlement
 - Davis – \$302,924
 - West Sacramento – \$236,679
 - Woodland – \$248,989
 - Non-entitlement
 - Winters – \$88,783
 - Yolo County – \$136,610
- Non-entitled Local Government allocation:
 - 50% of funding available for Non-entitlement formula: divided equally among the number of eligible Non-entitlement Local governments.
 - Remaining 50%: allocated proportionately to said governments based on most severe housing needs

PERMANENT LOCAL HOUSING ALLOCATION PROGRAM (PLHA) SUMMARY

- Administrative costs related to the execution of eligible activities shall not use more than 5% of the allocation

Eligible Uses

- Predevelopment
- Development
- Acquisition
- Rehabilitation
- Preservation of Multifamily
- Residential live-work
- Rental housing
- Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs)
- Matching portions of funds available through the Low-and Moderate-Income Housing Asset Fund (pursuant to subdivision (d) of HSC Section 34176)
- Matching portions of funds placed into Local or Regional Housing Trust Funds
- Capitalized Reserves
- Assisting persons who are experiencing or at-risk of homelessness
- Accessibility modification in Lower-income Owner-occupied housing
- Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments
- Homeownership opportunities

Requirements

- Housing Element Compliance
- Annual Progress Report
- Complete Application
 - Request for allocation
 - Submission is authorized by governing board
 - BOS resolution
 - Plan for a term of 5 years detailing:
 - How the allocated funds will be used for eligible activities
 - Description of the way the Local government will utilize the investment in a way that increases the supply of housing for households with incomes at or below 60% of AMI

Timeframes

February 26, 2020	NOFA Release Date.
April 27, 2020 – July 27, 2020	Application Submittal
August, 2020 – October, 2020	Award Announcement

Reporting

- PLHA annual report due July 31st of each year
- Housing Element APR due April 1st of each year

COVID-19: ECONOMIC IMPACT ON THE PUBLIC BEHAVIORAL HEALTH SYSTEM

Michelle Doty Cabrera, Executive Director

mcabrera@cbhda.org

www.cbhda.org



April 29, 2020

AGENDA

1. Basics of public behavioral health financing
2. COVID-19 impacts
3. Early Fiscal Forecast

POPULATIONS SERVED



Medi-Cal

Specialty Mental Health
Substance Use Disorder
EPSDT



Also:

Uninsured
Commercially
Insured

BASICS OF PUBLIC BEHAVIORAL HEALTH FINANCING



1991 Realignment



2011 Realignment



Mental Health Services Act (MHSA)



Federal Financial Participation
(Medicaid aka Medi-Cal in California)



Other local funds (variable) and
grants

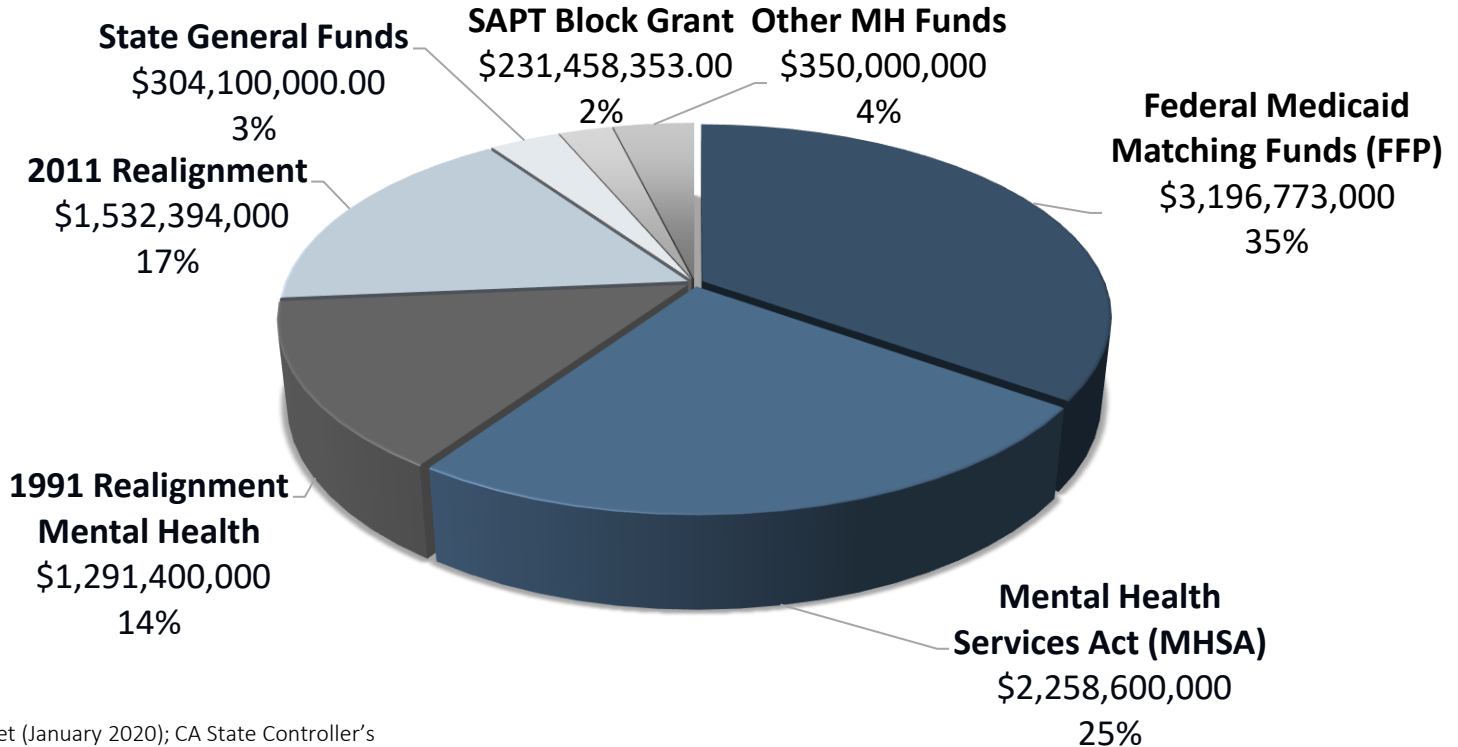
COUNTY BEHAVIORAL HEALTH SOURCES OF FUNDING

Funding for County Behavioral Health: \$9 Billion

(FY 2019-20 Estimate)

Total Medi-Cal:
\$105.2 billion
\$23 billion GF

Covers 13 million
(1 in 3) Californians



SOURCES OF FUNDING

- **Largest single funding source (35%): Federal Medicaid matching funds (FFP)**
 - Must be claimed and spent according to federal Medicaid rules
 - Does not pay for IMD level care
 - Crucial to county behavioral health networks
- **Second largest funding source (25%): MHSA**
 - Accounts for 1 out of every 3 Medi-Cal behavioral health dollars statewide
 - Volatile and vulnerable to changes in economic outlook
 - Must be spent in compliance with MHSA rules and requirements
 - Reserve levels are capped at 33% of CSS component

SOURCE: 1991 REALIGNMENT

- Flexible Funding for programs realigned to counties:
 - Community-based mental health (MH) services
 - MH services for civil commitments/conservatorships
 - Institutes for Mental Disease (IMDs)
 - \$1.1 billion base funding
- Source of Funding
 - *Sales Tax and Vehicle License Fee*

SOURCE: 2011 REALIGNMENT

- Counties (not the state) are responsible for Medi-Cal:
 - Specialty Mental Health for Adults with Serious Mental Illness (SMI)
 - EPSDT
 - Drug Med-Cal and Substance Use Disorder services
- Guaranteed base of \$1.4 billion

- Sources of Funding
 - *Sales Tax and Vehicle License Fee*

SOURCE: MHSA

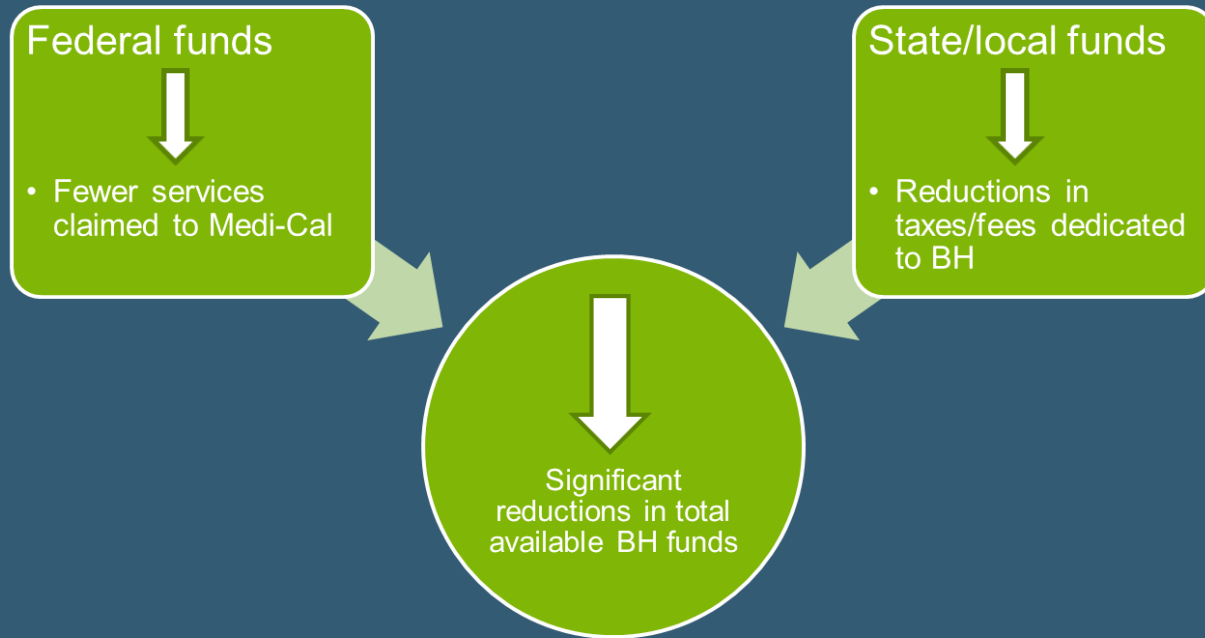
- Client and community centered
- Funds Community Services and Supports (CSS), Prevention and Early Intervention (PEI), Workforce and Education Training (WET), Capital and Innovations
- Source of Funding
- **1% personal income tax on millionaires**

COUNTY BEHAVIORAL HEALTH: A UNIQUE OBLIGATION

- **Medi-Cal**
 - Specialty delivery system for serious mental illness and substance use disorders
 - Beneficiaries must meet state medical necessity criteria
 - EPSDT entitlement for children/youth
- **All Populations, regardless of insurance** – obligation to serve, within resources
 - Mental Health Crisis Services (5150s, LPS conservatorships)
- **All Populations if dedicated funding available**
 - Mental Health Services Act (Prop 63)
 - SAMHSA Grants (relatively small; payer of last resort)
 - Public Safety Realignment (AB 109)
 - Proposition 47 Grants (for criminal justice-involved)

COVID-19 IMPACTS

COVID-19 IMPACT ON FUNDING



COVID-19 IMPACTS ON FUNDING

1. **Lower federal Medi-Cal payments:** Lower Medi-Cal billable services means fewer federal dollars and a significant negative impact overall.
 - COVID-19 lowered volume due to: Cancelled appointments, provider staffing challenges, illness, digital divide, etc.
2. **Loss of core funding:** main sources of funding (MHSA and Realignment) are drawn from millionaire's tax, sales tax, and vehicle licensing fees.
 - *All are projected to decrease significantly* over the next 1-5 years as the U.S. and California face economic recession.
3. **Increase in Medi-Cal beneficiaries:** More Californians will qualify for Medi-Cal Behavioral Health due to job loss and increases in mental illness and substance use disorders.
 - New beneficiaries will not come with new funding.

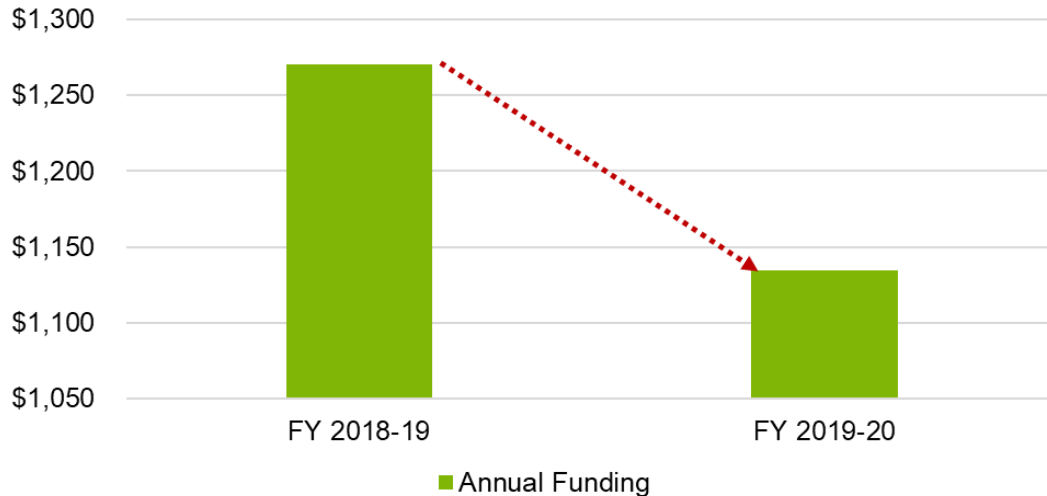
COVID-19 IMPACTS ON FUNDING (CONT.)

4. **Increased community need for emergency crisis supports:** Broad community reliance on public behavioral health safety net due to anxiety and stress of the global pandemic and related economic and other impacts.
5. **Migration to telehealth and phone-based services:** County behavioral health has undergone a complete shift to phone and telehealth-based services where possible with no new funding invested.
6. **Alternative sites for new and existing clients:** County behavioral health must self-finance alternative settings to help with isolation, new populations, and alternatives to residential and congregate care settings.
7. **Support for providers:** Counties have invested more in trying to ensure contracted providers can weather the crisis financially so that we maintain access to services.

FISCAL FORECAST

1991 REALIGNMENT

1991 Realignment Annual Funding in Millions

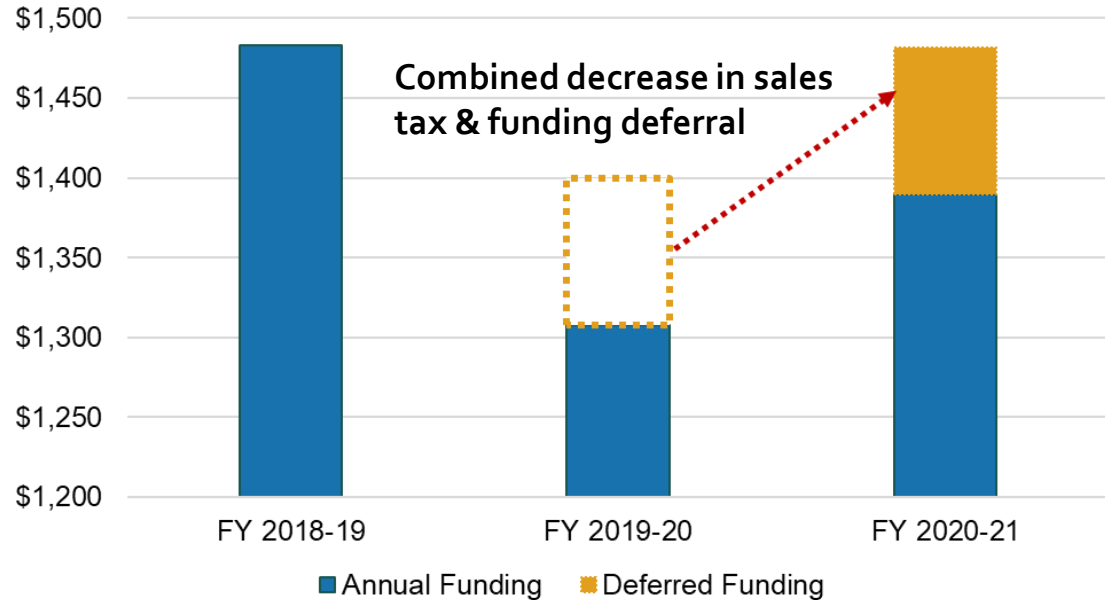


- **10% Drop in 1991 Realignment Funding**
- Counties limited primarily to the state mandated base of \$1.1 billion beginning in the current Fiscal Year

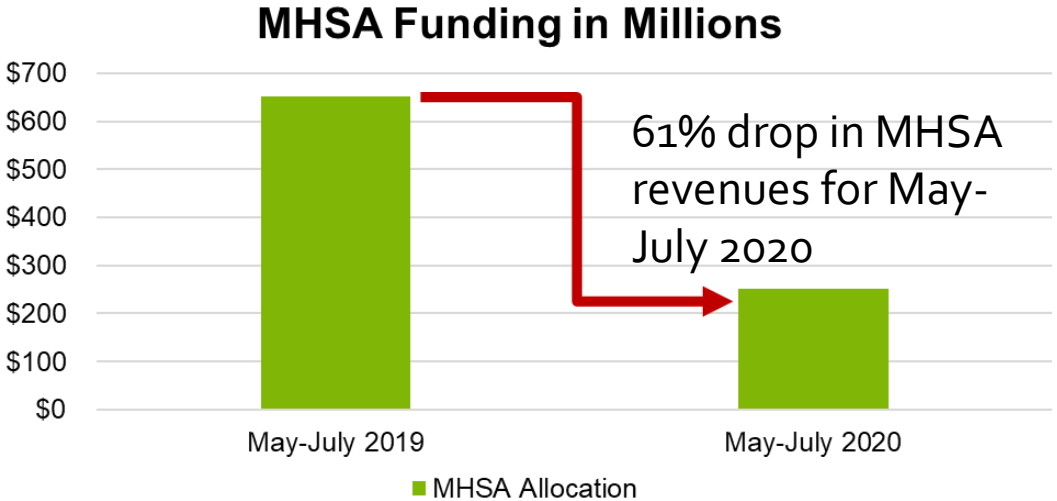
2011 REALIGNMENT

- Current year:
 - \$80 million decrease in sales tax
 - \$92 million deferral from 2019-20 to 2020-21
- Counties limited primarily to statutory base approximately \$1.4 billion with no growth
- Estimated 5-10% reduction in sales tax revenue from FY 2018-19

2011 Realignment Annual Funding in Millions



MHSA 2019-2020



- Estimate a loss of \$100 million due to lower revenues
- Estimated loss in current year of \$300 million due to deferral
- Impact greater in current year due to loss of federal matching funds

FISCAL FORECAST FACTORS & ASSUMPTIONS

- **Key factor:** The tax filing and payment deadline for calendar year 2019 taxes has been delayed until July 15, 2020
- **Key assumption:** The total decline in estimated revenues is comparable to revenues during the Great Recession
- **Delayed impact:** The economic downturn in Calendar Year 2020 will be felt in FY 2022-23 and beyond for MHSa funding
- **Cumulative impact:** Between deferrals, current year losses, and lost revenues from move to telehealth, we estimate a total loss of \$400 million - \$800 million in the current year
- **Far-reaching impacts, beyond behavioral health:** The state and local budgets will both take major hits. Base funding in mental health (1991 and 2011 realignment) has in the past served to buffer mental health services in particular.

PROPOSED FISCAL SOLUTIONS

1

Ask for greater flexibility to use MHA funds for COVID-19 response

2

Ask for \$100 million in state COVID-19 emergency relief funding

3

Ask for federal matching funds for board and care facilities' COVID-19 response

4

Adapt delivery systems to ensure client access and maximize Medi-Cal billing post COVID-19

Michelle Doty Cabrera

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