

**MENTAL HEALTH SERVICES
OVERSIGHT AND ACCOUNTABILITY COMMISSION (MHSOAC)
COMMISSION MEETING MINUTES
Wednesday, October 26, 2005
1600 – 9th Street
Sacramento, CA 95814**

I. Call to Order.

Chair Darrell Steinberg called the meeting to order at 1:15 p.m. at the Radisson Hotel, 6225 W. Century Blvd., Los Angeles.

Chair welcomed the public and the Commissioners. He welcomed Deborah Lee [representing Commissioner Feldman] and Richard Conklin [representing Commissioner Kolender]. He also thanked Commissioner Ridley-Thomas and his staff for organizing the evening tour of skid row and the morning tour of housing options.

The specific focus of the meeting was on how we may use the Prop. 63 funds to maximize the amount of supportive housing that is needed not only in Los Angeles but, throughout California for people with mental illness.

II. Roll Call:

Commissioners Present: Wesley Chesbro, Carmen Diaz, F. Jerome Doyle, Linford Gayle, Mary Hayashi, Patrick Henning, Karen Henry, Gary Jaeger, Andrew Poat, Darlene Prettyman, Mark Ridley-Thomas and Darrell Steinberg.

Commissioners Absent: Saul Feldman, William Kolender, Kelvin Lee and William Lockyer.

Deborah Lee represented Commissioner Feldman.
Richard Conklin represented Commissioner Kolender.
Tricia Wynne represented Commissioner Lockyer.

Staff present: Richard Van Horn, Principal Consultant; Poppy Johal, Secretary.

MOTION:

Chair Steinberg requested a motion to approve the September 28, 2005 minutes.

Minutes were approved unanimously.

III. Business Items:

Chair stated that the November meeting of the Commission, to be held in the Bay Area, will focus on Community Services and Supports, including an extended discussion of the guidelines and review process.

IV. Elaine Reed, consumer, gave the Commission a personal perspective on homelessness. She spoke about how she became homeless, how and from where she received services and how she now has her own apartment.

V. “Pay as You Go” Option
Presentation by: Mr. Jonathan Hunter
Corporation for Supportive Housing

Please see attached Power Point presentation CA MHSA

VI. Councilwoman Jan Perry:

Councilwoman Perry brought to the Commission’s attention that there are 91,000 homeless people in Los Angeles County. Too many of the homeless are suffering from mental illness and co-occurring disorders.

The results of a recent survey of 88 cities in Los Angeles County showed that only the City of Los Angeles and the County allow emergency shelters by right in specific zones. 61 cities or more than two-thirds of all jurisdictions in LA County made no provisions for emergency shelters or transitional housing.

Councilwoman Perry stated that she would like Prop. 63 to work for her city, her council district and for the county. She would like the homeless mentally ill to get their share of services and wants Los Angeles County to get the funding it needs to meet the challenge.

She stated that we need far more full service partnerships. Currently there are 158 AB2034 clients in downtown Los Angeles. There are thousands that could benefit from this program. We need far more integration of services in all of the systems that place people at risk or that directly deliver persons with mental illness into homelessness. These include the jail release programs, hospital release programs, state parole, the courts, Foster Care and the systems that fail to prevent people from becoming homeless. She strongly advocated for a Mental Health Court that can place persons with mental illness into appropriate programs county wide.

She also stated that all law enforcement agencies throughout the county need access to places that will assist the mentally ill and knowledge of which programs can and will accept clients immediately: stopping the habit of on the street delivery, hoping it will work out.

The City of Los Angeles has the largest year round emergency homeless shelter with 450 beds with at least half of that population suffering from mental illness. The shelter works well with integrated health and mental health services. In just over 2 ½ years, over 3,000 homeless individuals have been moved into a better living situation from this program.

She closed her statements by saying that she would like to work with the Commission and on behalf of the homeless mentally ill. Services for them are desperately needed and

long overdue. Services should be provided in communities throughout the region and should start where the highest concentration of homeless mentally ill are found [by design, not accident] in downtown Los Angeles.

Chair Steinberg assured her that the Commission is looking forward to working with her and the City of Los Angeles in partnership to use the funds and to leverage funds that are available through other sources to do exactly what it is that needs to be done in terms of housing.

VII. Statewide and Local Bond Options

Ms. Barbara Lloyd

Lehman Brothers

Please see attached Power Point presentation Commission...

Chair Steinberg: Our goal, just to sum up, then would be to have a program, having answered the legal questions and be able to present that program to the Department of Mental Health, which has the ultimate authority under the Act to approve the fiscal infrastructure pot of money and by the beginning of next year, have some consensus and clear direction around how we want to use these dollars to maximize the amount of housing to be built. I am going to ask that we come back with a report at every Commission meeting over the next several months that updates the Commission on the progress of the research in terms of some of the questions that have been asked here today.

Chair introduced Mercedes Marquez, the LA City Housing Director.

VIII. Ms. Mercedes Marquez

Los Angeles City Housing Director

What I want you to know first is that we are in absolute support of what you are doing. We do hope that you put more money in housing and we also hope that you set aside more for the homeless mentally ill as a percentage as we try to handle a very serious problem that we have.

The Mayor today announced a couple of very important things. One is an immediate issue – he committed today \$50 million to create the city’s first permanent supportive housing initiative. That money is being added to the Affordable Housing Trust Fund. The money already exists and we will move very swiftly to the City Council. This is going to be added immediately to the 05/06 budget. That means that as a result of that \$50 million infusion, our Affordable Housing Trust Fund is, for the first time in history, funded at \$100 million. We are hoping that as a result of this immediate infusion of \$50 million that we will start very quickly working on real housing deals. That means being forced in a very good way. Sometimes it takes a real deal to force this, to work with our counterparts in the county to make sure that we work together. I want to say to them and to you, that to the degree possible, this money is all coming to the housing department

that I run. We are very interested in working with the county. If we can work out now what the housing outline will be and what the services component will be and we make it easy for the developers and service providers to come and apply together so that we move these funds through, that would be lovely.

Obviously, one issue that we are interested in immediately is that given where we are on Prop. 46 funds, what's left of MHP, we want to make sure that we are taking advantage of that in the next year and getting as many deals as we can. So, that means that we are going to be moving very quickly and I would imagine that we will have deals ready for the first round of MHP next year.

One other thing that will have a very long lasting effect on the city of Los Angeles is a historic event: today, the Mayor announced his support to work with the business community and with elected officials to propose a \$1 billion housing bond for the city of Los Angeles. That means that over the next ten years, the affordable housing trust fund will be funded 100% in \$100 million every year. The money that you are all talking about is the money that we are going to need to leverage together to create even more housing. Bonding is a good thing. The cost of housing is rising so rapidly and with all the natural disasters happening, that we have to now put out a supplemental construction program to help these developers with sound performance and sound programs. They are not able to complete these projects because of the cost. The longer we wait, the more expensive it will become and there is only so much land. I would urge you to move forward as quickly as you can.

IX. Public Comment.

Numerous members of the public participated in the public comment segment of the agenda.

Carol Hood, Deputy Director Department of Mental Health

I have brought some comments from Dr. Mayberg that he wanted me to share his perspective on this. He believes that counties needs and priorities most likely will need a variety of options and strategies. No single option may work statewide. He is advocating that we use a thoughtful approach on this and we look at what the experience is from some of the initiatives that are out there already: primarily the governor's initiative to end chronic homelessness. The proposal will be out probably in November with funding being available sometime in the spring. To look at what we learn from that effort, he believes, could be valuable in setting a long term strategy. He also believes that any approach we take needs to be based on local needs assessments and consistent with their community services and supports plans. So, we need to factor in, besides all the research that was identified in the previous presentation, to look at what the community needs are. He strongly believes that not a single strategy should be selected and that pay-as-you-go needs to be part of the mix.

I would like to highlight as well, that the 10% of set-aside for infrastructure also includes the funding that was to be dedicated towards technological needs.

Whenever a recommendation is provided to the department, the department is committed to a stakeholder process to get input, including recommendations provided by the Oversight and Accountability Commission.

The other thing that we are doing now to help make this a reality is that at the local level, collaboratives need to be established between the developers and the people who deliver the supportive services. Funding was set aside in the governor's initiative to help develop those collaboratives. We have 12 regional programs that are going to be started very soon to help develop those regional collaboratives. Corporation for Supportive Housing will be a part of that.

Chair: Carol, I would hope and I would expect that the department would take this research, which again, was not made-up by the whole cloth but a result of a number of experts in the field and analyze it very carefully before concluding that not one approach may or may not work. We have not come to that conclusion but, I sense a little too much caution in your words. I intend to have this commission push hard to build as much housing, as quickly as possible, to meet the incredible human need in this State and I would hope and I would expect that we are going to work in a spirit of real cooperation to take the best of this kind of idea and to be aggressive in our approach. I didn't hear the department embrace the notion that housing is a must, that housing is a priority and that we must do as much as we can as quickly as possible.

X. Comments from the Commission:

Commissioner Chesbro: While questions remain, I think that it is very exciting, it has great potential and we definitely answer to our colleagues challenge. We definitely ought to continue to proceed down this path, no decision about anything today but, I also share your frustration with the department's seeming lack of enthusiasm and I hope that they hear the message from the whole Commission that we would like, at least proceed with optimism and try to figure out how to make this work and that the department will work with us on that.

Commissioner Henry: The housing issue is essential. We all agree with that. The question is how do we get from here to there? In looking at that road, I see lot of bumps along the way. We are going to have lot of stakeholders, not just family members, consumers and private providers but, I am thinking of all those counties, some are going to have proportionately more construction under the program because of the numbers of homeless, others will have less. So, now you have the board of supervisors, you have contractors and you have people that move and shake involved, I think we will get it done but, I like to make sure as we go along that those i's are dotted and those t's are crossed. e.g. the report that comes back again, if it is possible to have an abbreviated version, that is like a one, two, three, so other people who ask us about it or if we put it on the web, we are able to explain it properly. We need to start that education process. If we can, I would

like to look at the impact on counties because they do have those Community Support and Services programs and I know they are using up all of the funds, so, I simply want to be able to answer a question, so I know what kind of an impact it is. And then simultaneously, we are going to be telling the counties, we do the housing and you are going to need to supply the services within the housing. So, we are going to have to work that one through.

Chair asked Mr. Jonathan Hunter to develop a short one page Q&A together which would simplify the process.

Commissioner Prettyman: I think Karen covered a lot of what I wanted to say. What I am still trying to focus on, is it the county or is the state, how are we going to do this bond issue? I don't completely understand. I need more information so I can sit down quietly and we can break it down into simple steps. Jonathan would be really good to give us something.

Mr. Conklin: I will tell you something that I think indicates the general support in San Diego County. We are participating in a county-wide taskforce that the Judiciary is heading looking at homelessness. In addition to that, there has been a large emphasis with the prison industry authority and re-entry programs. We have a number of community based agencies that are focusing on re-entering, and of course, homelessness is a major intervention with that. In addition, we did the Connection program funded under the Mentally Ill or Crime Reduction Plan and I saw first hand the importance of housing as part of a supported transition and re-entry program. Our mental health work group in San Diego County has identified the homeless population and services to homeless as their number one priority and focused on the members of the community who are at risk to become involved with the criminal justice system, as number two priority. So, I think it indicates to the Commission the level of interest and support and commitment to that issue.

Commissioner Diaz: I think it's a wonderful idea. I am still stuck on a little bit with what Darlene said. I don't know the difference between a bond, pay-as-you-go or rental subsidies. But I am going to hit some of the LA County's housing specialists to see if they can explain a little bit more. Darrell, what I was trying to say is that it's a great idea; I think that it's a wonderful idea that the families are going to get a place to go but, I don't want people to forget what happens – the example is foster youth. They always go back to where they come from. So, we need to remember that we are closing the door here because it's better for them and we are sending people somewhere else but, we need to remember that they are going to come back.

Commissioner Doyle: I went down to the tour last night and then again this morning. It really is overwhelming to see what is going on on skid row and all those people on the streets. An incredible concentration of poverty and human misery. I think certainly one of the things that we need to be thinking about is dispersion. We can't concentrate all of the people with these problems in one neighborhood. You can't possibly set up a workable way of living in a situation like this. We are going to have to think how we are going to

overcome the nimbus so prevalent in our State and country and set aside some of the stigma about these folks with problems so we can welcome them, disperse them throughout all of our neighborhoods and not just in some downtown neighborhoods.

I really like the idea of leveraging the Prop. 63 dollars through a bond. I think that makes a lot of sense. We need a lot of housing and we need it now.

Commissioner Gayle: He started out by apologizing to the public for making them rush through the comment period.

As far as this housing bond goes, I think it's probably the only game in town and it really makes sense that we would want to try to get housing now before the price of housing goes up so high that we cannot get units no less than \$600,000 because they are already talking about them being \$300,000 per unit now. I think that it does make sense. We would probably be smart and wise investors to look at how to do this money in a way that we can capitalize it and get some money quickly. I just hope it doesn't turn into a junk bond like some of those other bonds.

Commissioner Ridley-Thomas: I think sentiment of the Commission, at least up to this point, has been affirmative with respect to, in concept, of the pursuit of a housing bond. We think it no doubt, that it can be both intelligent and strategic. I want to be understood that I think there is more work that we need to do to conceptually refine what it is that we are talking about so there is a kind of consensus among the members so that we all have a comparable level of literacy about what it is we are about to embrace. I think we can go as far as saying as in concept, but I will say in addition that it is important to identify that as priority but it is not the exclusive pursuit of the Commission. I think it is well within reason to communicate as clearly and as broadly as possible.

One of the questions that I think needs to be thought through is the implication of bonding and the like, and what would happen should Prop. 76 be enacted. That is to say, this notion of living within our means as generically defined on the November ballot. Seems to me that there should be at least a discussion about that. We probably want to consult legal council for some feedback to the Commission at our next meeting as to the implications of such, if not sooner. Yes, assuming it passes but it seems to me that it is well worth the discussion now, Mr. Chair, to try to figure out what all that might very well mean and I would hereby formally request that such review be undertaken.

Commissioner Poat: Mr. Chairman, I think we are on the right track. It's important that this Commission take a leadership role in developing options that are humane and effective and needed and I think that's something that we are doing and I am delighted to be part of that effort. I want to thank you Mr. Chairman, for your initiative in putting this whole thing together. I think it's the sort of leadership we need to illuminate options and to make sure that we are fully investigating and asking all the right questions and doing all the right calculations and talking to people to find out whether or not they are supportive of this direction.

In moving forward, there are two questions in my mind. First, I have too much economics training not to ask what are the other options. I don't have another one but, I guess I would just formally put that out there today. If the mental health directors, if some other providers or anyone else has other grand ideas about how to use these sorts of funds for major bonding initiatives, changing of medical records, processes, whatever it is, put all our options on the table because we need to hear those things. From what I have heard today, I am very attracted to this. But, I would like to know what other options are out there.

The second major area that clearly needs exploration is that as wonderful as this commitment of money is, its success relies upon the commitment of other funds. And then there will be operating funds necessary, once you build these wonderful facilities, we are going to have to operate them and that's going to require a commitment of funds to provide the services. There are further cost implications once you get by this product. I am not discouraging it. To make our review complete, we need to get to know those numbers. I, for one, will be looking to our friends in the counties to help illuminate our answers to those questions. But, in all, I think we are on the right track.

Commissioner Jaeger: I really want to thank Assemblyman Ridley-Thomas and his staff for putting this tour together. It was an incredible opportunity to meet people who live on skid row as well as people who work on skid row and get a chance to talk to them about what's going on. But, a couple of concerns that I would hope, that we would remember. I heard a lot of numbers and I get lost around two billion and six billion in really comprehending. But, when I hear some of the numbers on skid row, 7,000 units of housing by 2010 is not enough. While we were out today I heard a number of innovative approaches to providing high quality housing that was not at \$300,000 a unit. We need, as a Commission to always make sure that we have options to look at those and find ways to assist people who can provide those kinds of options when special opportunities arise and can further parlay the dollars that we are able to put into this.

We have spoken a lot about supportive housing and we are not far enough together as a Commission for me to know where we all stand. But, as a clinician, I am concerned that we keep our eye on the fact that we need a broad spectrum throughout the course of this, which people have very different needs at very different stages of their illness and their homelessness, and all those needs are not all going to be met in one particular facility.

Ms. Wynne: Thanks to Assemblyman for that wonderful tour and I think we have all learned so much. One thing that I learned today that I hadn't really put together before was that housing is part of the treatment. We heard it over and over again that "I started getting well when I got housing." I am not embracing a particular option but certainly housing has to be a high priority for this Commission.

Just in answer to your question, the Attorney General's staff has begun looking at a series of questions relating to the bonding and of course, we are working on this with Barbara Lloyd. One of our lawyer's told me yesterday that if Prop. 76 passes it does cap all

special funds and this is a special fund. So, even though funding would continue to grow in this pot, it would be capped and would not be allowed to be spent.

Closing remarks by Chair Steinberg: Let me apologize to Linford and all the consumers and all the witnesses for rushing. The only option for this Commission, in my view is, to do two day meetings so that we can have half a day or a day of site visit that we had the benefit of visiting here in Los Angeles but, then we have sufficient time to cover all of our very important business and hear from the public.

I thought this was a great hearing. Because it did begin to focus our discussion around specific options when it comes to housing. I have indicated a bias for a bond because of the numbers that I have seen. Namely, that we can build more housing earlier rather than later. It just seems to me that it is inexcusable that people should be mentally ill and living on the streets or be at risk for family members of becoming homeless. Everyone agrees that you cannot treat somebody, you can't help somebody, you cannot serve someone unless they are in secure and stable housing. So, we have an obligation to come to a consensus, sooner than later, that housing is a foremost priority of our work and the work of all of us involved in Prop. 63 and how we maximize the number of units or the number of housing opportunities for people as quickly as possible must be our goal. It may be a combination of rental subsidies and a bond and some pay-as-you-go. But, the goal must be to provide housing as quickly as possible to as many people as possible. I sense from my Commission here that there is such a consensus and we look forward to working with the department in the weeks and months ahead and the counties and all the stakeholders to ensure that we all have that same priority.

Chair Steinberg thanked the members of the public and fellow Commissioners for their participation.

The meeting was adjourned at 4:50 p.m.

Minutes approved 11/30/05