

REVISED LEGISLATIVE DIGEST
(June 20, 2019 - AMENDED IN COMMITTEE)

[Administrative Code - Cooperative Living Opportunities for Mental Health Loan Fund and Program]

Ordinance amending the Administrative Code to establish the Cooperative Living Opportunities for Mental Health Loan Fund and the Cooperative Living Opportunities for Mental Health Program to finance the acquisition of residential properties to be operated as communal housing for people with chronic mental illness and/or substance use disorders; requiring the Mayor’s Office of Housing and Community Development and the Department of Public Health (“DPH”) to establish policies and procedures to issue loans from the Fund; and authorizing DPH to place eligible clients in properties financed by the Fund, and to provide oversight and monitoring of such properties.

Existing Law

The City and County of San Francisco (the “City”) provides an extensive array of services to help individuals with chronic mental illness and/or substance use disorders, including a program for the master leasing of residential property to house such individuals with chronic mental illness and/or a substance use disorders. There is currently no legal requirement that the City fund or create a program for nonprofit organizations to acquire housing units for a cooperative living model to serve individuals with chronic mental illness and/or substance use disorders.

Amendments to Current Law

This ordinance would require the Department of Public Health (“DPH”) and the Mayor’s Office of Housing and Community Development (“MOHCD”) to collaborate and develop a Cooperative Living Opportunities for Mental Health Program (the “Program”) for the purpose of enabling qualified nonprofit organizations to acquire residential property that can provide communal, non-institutional, neighborhood-based, household settings with 24-7 on call individual and household case management services (“Cooperative Living”). Housing units providing Cooperative Living would be available to individuals with chronic mental illness and/or a substance use disorders, as determined by DPH, who are exiting or have exited a transitional residential treatment program or an acute diversion unit. Under the Program, (1) MOHCD would administer a loan program for qualified nonprofit organizations to acquire residential property suitable for Cooperative Living and oversee asset management, and (2) DPH would facilitate placement of individual in housing units for Cooperative Living, provide funding for services and operations, and establish outcomes. DPH and MOHCD would develop rules and/regulations for the Program and receipt of a loan by a qualified nonprofit

FILE NO. 190573

organization. Nonprofit organizations receiving loans would provide annual reports to DPH and MOHCD regarding tenant outcomes and compliance with loan terms.

In addition, this ordinance would establish the Cooperative Living Opportunities for Mental Health Loan Fund (the "Fund") that would provide funding for the loans provided under the Program. The Fund would be a category eight fund, and expenditures of the Fund would be approved by the Director of MOHCD.

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