

## California November Ballot Proposition 2

### Summary of Proposition 2

The official ballot summary is as follows:[3]

Ratifies existing law establishing the No Place Like Home Program, which finances permanent housing for individuals with mental illness who are homeless or at risk for chronic homelessness, as being consistent with the Mental Health Services Act approved by the electorate.

Ratifies issuance of up to \$2 billion in previously authorized bonds to finance the No Place Like Home Program.

Amends the Mental Health Services Act to authorize transfers of up to \$140 million annually from the existing Mental Health Services Fund to the No Place Like Home Program, with no increase in taxes.[4]

### Supporters

Zima Creason, CEO of Mental Health America (MHA) of California, David Swing, president of the California Police Chiefs Association, and Sergio Aguilar-Gaxiola, a former member of the National Advisory Mental Health Council of the National Institute of Mental Health

### Opposition

Leaders of the National Alliance on Mental Illness (NAMI) Contra Costa—President Charles Madison, Executive Director Gigi R. Crowder, and Legislative Committee Chairperson Douglas W. Dunn

### What supporters say

**YES on Prop. 2 delivers the proven solution to help the most vulnerable people experiencing homelessness in California. Prop. 2 builds housing and keeps mental health services in reach for people—the key to alleviating homelessness complicated by mental illness.**

**More than 134,000 people are languishing on our streets, huddled on sidewalks, sleeping under freeways and along riverbanks. As many as a third of the people living in these unsafe conditions are living with an untreated mental illness.**

**Each year, hundreds of people living with a serious mental illness die in pain and isolation. These deaths are preventable.**

**Prop. 2 tackles this public health crisis that is straining our neighborhoods, our businesses, our firefighters and emergency supervisors. It renews our sense of community and focuses on helping the lives of the most vulnerable among us.**

**YES on Prop. 2 means building 20,000 permanent supportive housing units under the “No Place Like Home” Program. This allows coordinated care of mental health and substance use services, medical care, case managers, education and job training to help people get the treatment and housing stability they need.**

**Decades of research shows providing people with a stable place to live along with mental health services promotes healthy, stable lives. The combination is known as permanent supportive housing. Studies show supportive housing significantly reduces public health costs and reduces blight.**

**YES on 2 will help establish and strengthen partnerships between doctors, law enforcement, mental health and homeless service providers to help ensure care is coordinated and tailored to meet the needs of each person suffering from mental health illness and homelessness, or who is at great risk of becoming homeless.**

**Without the foundation of a stable home connected to mental healthcare, people suffering from serious mental illness are unable to make it to doctors' appointments and specialized counseling services, often showing up in emergency rooms as a last resort.**

**"Mental illness does not have to be a life sentence of despair and dysfunction. Supportive housing provides the stability people need as they recover from untreated serious mental illness. It helps them stay off the street and live with dignity.**

**Prop. 2 brings NO COST TO TAXPAYERS—we simply need voter approval to cut through red tape and focus on building supportive housing for people who are homeless and need mental health services. This state funding has long been earmarked for these specialized types of mental health and housing services.**

**Helping people suffering from serious mental illness and homelessness is not easy. But together, we can help prevent more deaths on our streets and provide critical intervention by building supportive housing connected to mental health treatment and services.**

**What the opposition is saying**

**Please vote "No" on the "No Place Like Home Act," which should have been called the "Bureaucrat and Developer Enrichment Act," because that is who we feel will most benefit at the expense of those suffering with the most severe mental illnesses.**

**NAMI Contra Costa members are mostly family members with "skin in the game," so therefore are strong advocates for people living with serious and persistent mental illnesses who oppose this bill. Particularly given looming federal cutbacks, NPLH is counterproductive because it spends billions in treatment funds that Voter Proposition 63 dedicated to the severely mentally ill fourteen years ago. If passed, we strongly feel NPLH will cause more homelessness by forcing more mentally ill people into severe symptoms that could increase the numbers living on the streets.**

**Proposition 2 is:**

**Costly—up to \$5.6 Billion (\$140 million x 40, for 40- year bonds) to raise \$2 billion for housing projects. It won't all go to housing, because housing bureaucrats have already guaranteed themselves \$100 million (5% of the \$2 Billion), admittedly far more than needed to run the program, and have also agreed between themselves to take the entire \$140 million yearly as "administrative expenses," whether or not they need that amount to pay off the bonds. Developer subsidies (low interest deferred loans that developers will use to build and purchase \$2 Billion in valuable California housing, plus up to 50% operating subsidies) effectively cost the public even more.**

**Unnecessary, because the Legislature authorized counties to pay for housing for their severely mentally ill Prop 63 clients in 2017, in AB 727. Counties, which can accumulate Mental Health Services Act capital funds for up to ten years, can now do "pay as you go" both to build housing and to pay**

rent subsidies for these clients. Counties do not need to pay out billions in interest on bonds, unnecessary state administrative expenses, and developer subsidies to do so. Counties know their mentally ill clients' treatment and other needs as well as what housing is already available. Only they can determine whether their MHSA funds are best used to pay for treatment or to build housing in their localities.

Does nothing to address systemic legal barriers, like limited state protection against restrictive local zoning, that make it very difficult to build supportive housing for groups like the severely mentally ill. Neighborhoods often fight hard to keep them out. It is senseless to pay out billions in interest and expenses to borrow money that may sit unspent because of local opposition to supportive housing projects with severely mentally ill tenants.

This is an article from the LA Daily News

In 2004, Californians approved Proposition 63, a 1 percent tax on incomes of \$1 million and above to fund mental health services. The Mental Health Services Act, as it is known, has yet to fulfill its potential, despite raising \$1.5 billion to \$2.5 billion annually.

The MHSA has been criticized by the Little Hoover Commission, an independent oversight body, and the state auditor over ineffectiveness, weak transparency and fiscal accountability. Ensuring the MHSA is used to its full potential should be a priority.

Which brings us to Proposition 2. Backed by Sacramento Mayor Darrell Steinberg, who authored the MHSA, Prop. 2 would authorize the state to sell up to \$2 billion in bonds to help finance the construction of supportive housing units for people with mental health problems who either are homeless or are at risk of homelessness.

These bonds would then be paid off using MHSA funds. The legislative analyst estimates repayment costs of about \$120 million annually for 30 years.

As Steinberg and other proponents of the measure argue, this can be seen as consistent with the overall aims of the MHSA. A large segment of the homeless population struggles with mental health problems and could benefit from the housing finances by Prop. 2.

However, while we support the idea of greater investments in permanent supportive housing units, we are fundamentally concerned about the costs of this proposal, and not just dollar-wise.

Bonds are not free money. Selling \$2 billion in bonds requires the repayment of not only the \$2 billion but interest as well. This means squandering over \$1 billion that should have gone to mental health services on interest. Is that how Californians want MHSA money spent? We doubt that.

We encourage voters to reject Prop. 2, not because we oppose the goals of the measure, but because we support them.

Wasting over \$1 billion that should go to mental health services on bond interest is unacceptable. In a high-tax state like California, it shouldn't be hard for the state and local governments to come up with \$2 billion in direct funding over 30 years for supportive housing so long as mental health and homeless services are properly prioritized.

**Recommend Voting No on 2**