



# County of Santa Cruz

## HEALTH SERVICES AGENCY

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### AGENCY ADMINISTRATIVE DIVISION

June 7, 2002

**AGENDA: June 18, 2002**

BOARD OF SUPERVISORS  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

**RE: AB 2034 Program**

Dear Members of the Board:

On January 23, 2001 your Board authorized County Mental Health and Substance Abuse Services (CMHSAS) to accept AB 2034 grant funds and implement a homeless support and outreach program for persons with mental disabilities. This program was implemented as a collaborative model with the Health Services Agency Homeless Person's Health Project. The program attempts to outreach adults who are homeless, mentally ill and not currently accessing services through the mental health system of care and then to provide on-going support as they become established with housing and employment.

The County's AB 2034 program has developed a number of strategies to utilize existing housing resources for program participants. One proposed program element would provide for homeownership possibilities for program participants who are employed and been in stable housing for at least one year. This proposed feature of the AB 2034 program would involve placing AB 2034 funds on deposit with the Santa Cruz Community Credit Union as a loan guarantee, and the Credit Union would provide for favorable loan terms to eligible program participants. It is anticipated that this program will be used to assist in the purchase of two units during the 2002-03. No county general funds will be used for this program, as all funding will come from AB 2034 State Funds

In order to retain AB 2034 funds for this program, it is necessary to encumber AB 2034 funds this fiscal year. To this end, it is recommended that \$150,000 in **A62034** funds be placed on deposit with the Santa Cruz Community Credit Union to provide for loan guarantees as outlined above. In addition HSA staff proposes to develop an MOU with the Credit Union to address program operations and loan procedures. It is, therefore, **RECOMMENDED** that your Board take the following actions:

1. Direct the HSA Administrator to place \$150,000 of AB 2034 funds on deposit with the Santa Cruz Community Credit Union to be used as a loan guarantee; and

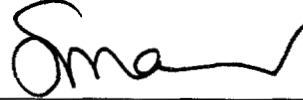
2. Direct the HSA Administrator to negotiate and sign an agreement with the Santa Cruz Community Credit Union to formalize program operations.

Sincerely,



Rama Khalsa, Ph.D.  
Health Services Administrator

RECOMMENDED:



Susan A. Mauriello  
County Administrative Officer

cc: County Administrative Office  
RDA  
Auditor-Controller  
County Counsel  
HSA Administration  
Mental Health and Substance Abuse Administration County Counsel