

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**AUTHORIZATION TO RATIFY AND ENTER INTO NEW AGREEMENTS WITH
THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES AND
THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request to ratify the Department of Mental Health's prior acceptance of Agreements and delegated authority to enter into new Agreements with the Housing Authority of the City of Los Angeles and the Housing Authority of the County of Los Angeles for rental subsidies through their Homeless Section 8 Housing Choice vouchers and Shelter Plus Care certificates programs.

REQUEST

Ratify the Department of Mental Health's (DMH) prior acceptance of 12 Agreements with the Housing Authority of the City of Los Angeles (HACLA) and the Housing Authority of the County of Los Angeles (HACoLA) to provide Homeless Section 8 Housing Choice vouchers (Section 8 vouchers) and Shelter Plus Care certificates to existing DMH clients valued at approximately \$33,843,192.

Delegate authority to the Director of DMH, or his designee, to extend and/or amend existing agreements, and sign and execute new agreements to accept new rental subsidy grants from HACLA and HACoLA; and for DMH to provide supportive mental health services to match the rental subsidies when new grants are awarded and/or existing grants are extended, provided that: 1) approval of County Counsel and the Chief Executive Officer (CEO) is obtained prior to any such Amendment or Agreement; 2) the Director of Mental Health notifies the CEO's office of new Agreements or Agreement changes within 30 days after execution of each Amendment or Agreement; 3) the CEO is updated with an annual housing grant listing; and 4) DMH returns to the Board in five years, by June 30, 2014, to renew delegated authority to enter into the agreements with HACLA and HACoLA for rental subsidy grants.

PURPOSE/JUSTIFICATION

The recommended actions will ratify DMH's prior acceptance of 12 Agreements with HACLA and HACoLA (collectively known as "Agreements") and allow DMH to extend, amend or enter into new agreements with HACLA and HACoLA (collectively known as

"Housing Authorities") for the purpose of accepting Section 8 vouchers and Shelter Plus Care certificates for existing DMH clients and their families who meet Section 8 voucher and Shelter Plus Care certificate eligibility conditions. Because Agreements are drafted by the Housing Authorities and not by DMH, new Agreement formats may not be substantially similar to the Agreements ratified herein. Therefore, any new Agreement will be subject to review and approval by County Counsel and CEO prior to execution to ensure the purpose of the agreement remains the same.

There is no actual cash match required from DMH nor is there cash revenue from these agreements. The Shelter Plus Care contracts do require a match of supportive services for every dollar of rental subsidy provided to DMH clients in the program. Through the contracts, DMH is required to provide supportive services in an amount equal to the rental subsidy provided by the Housing Authorities for Shelter Plus Care grants. The Housing Choice Voucher agreements have no such requirement.

CONTRACTORS

DMH, through a competitive process, responded to a Request for Proposals issued by the Housing Authorities to award Section 8 vouchers and Shelter Plus Care certificates. The Housing Authorities sought providers, like DMH, who have extensive experience in serving individuals who have a disability such as a diagnosis of mental illness and who are homeless or at risk of homelessness. DMH was awarded Section 8 voucher or Shelter Plus Care certificates grants to house DMH clients. However, DMH did not inform County Counsel nor CEO of this award, and therefore did not draft a Board letter requesting authority to accept the awards. DMH accepted the Agreements due to the belief that authority existed.

Pursuant to authority granted by Board letters adopted January 4, 2000, and November 21, 2000, DMH previously had Board approval to enter into the Agreements. However, DMH was mistaken that it had authority to continue to enter into new Agreements. The Retroactive Contracts Review Committee was informed of this mistake and requested a corrective action plan and recommended that DMH prepare this Board letter to ratify the previously executed Agreements and request delegated authority to amend the Agreements or enter into new Agreements.

DMH is requesting delegated authority to enter into new Agreements because on occasion, due to a long standing working relationship, additional unused Section 8 vouchers and Shelter Plus Care certificates are offered to DMH by either Housing Authority. In these instances, DMH has approximately two weeks to accept an offer of

Shelter Plus Care certificates or Section 8 vouchers since the Housing Authorities are mandated to move prospective clients into housing as quickly as possible. It is for this reason that delegated authority to enter into agreements is being requested. The Agreements are executed in a timely manner by the Housing Authorities, respectively, in order to memorialize the nature of the agreement between DMH and the Housing Authorities, delineating the responsibilities of the Housing Authority and DMH.

Since 1997, DMH has been granted 598 Shelter Plus Care certificates and over 500 Section 8 vouchers through the Section 8 Homeless Set-Aside Program administered by both Housing Authorities. In the past couple of years, due to the successful utilization of Section 8 vouchers and Shelter Plus Care certificates, DMH has been awarded an increase in the number of Section 8 vouchers and Shelter Plus Care certificates: in Fiscal Year (FY) 2007-08 DMH had been awarded a total of 350 Section 8 vouchers; in FY 2008-09 that number increased by 150 to 500 vouchers. Currently, approximately 15 applications for Section 8 vouchers and Shelter Plus Care certificates are submitted to DMH for processing on a weekly basis. Almost 100 percent of DMH Section 8 vouchers and Shelter Plus Care certificates applications are approved by the Housing Authorities. DMH's extensive network of directly operated and contract clinics have assisted clients in finding and maintaining permanent housing through the Section 8 vouchers and Shelter Plus Care certificates programs.

CONTRACTING PROCESS

DMH is requesting that your Board ratify DMH's prior acceptance of the 12 Agreements with the Housing Authorities. In August 2008, DMH, in collaboration with the Housing Authorities, applied for three new housing grants to add 174 Shelter Plus Care certificates through the HUD Continuum of Care application process. DMH also responded to an RFP for a new Section 8 vouchers grant and asked for 500 vouchers of which 200 vouchers are specifically for the Homeless CalWORKs Families Project (HCFP). The HCFP is a County effort to transition homeless families into permanent housing within a relatively short period of time, approximately six months. Delegated authority will allow DMH to accept these rental subsidy Section 8 vouchers and Shelter Plus Care certificates without delay once notified of the award.

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