COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

FACT SHEET

APPROVAL TO RENEW A SOLE SOURCE SERVICES AGREEMENT FOR PROJECT-BASED OPERATING SUBSIDIES FOR TRANSITION-AGE YOUTH SUPPORTIVE HOUSING FOR FISCAL YEARS 2010-11 THROUGH 2014-15 (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

Request approval to renew a Sole Source Services Agreement with Step Up on Second Street, Inc., for Project-Based Operating Subsidies towards permanent housing units assisting seriously emotionally disturbed and/or severely and persistently mentally ill Transition-Age Youth.

REQUEST

Approve and authorize the Director of Mental Health, or his designee, to prepare, sign, and execute a Sole Source Services Agreement with Step Up on Second Street, Inc. (Step Up), for supportive housing Project-Based Operating Subsidies for seven permanent single housing units (Daniel's Village), located at 2624 Santa Monica Boulevard, Santa Monica, California 90401, for Transition-Age Youth (TAY) ages 18-25 under the Mental Health Services Act (MHSA) – Community Services and Supports (CSS) Plan. The cost for each Fiscal Year (FY) is $56,666, funded by MHSA CSS funds. The Service Agreement will be effective July 1, 2010 through June 30, 2015.

Delegate authority to the Director of Mental Health, or his designee, to prepare, sign, and execute future amendments to the Agreement and establish as a new Total Contract Amount (TCA) the aggregate of the original Agreement and all amendments provided that: 1) the County's total payments to Contractor under this Agreement for each fiscal year do not exceed an increase of 20 percent from the applicable Board-approved TCA; 2) any such increase will be used to provide additional services or to reflect program and/or policy changes; 3) your Board has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Executive Officer (CEO), or their designees, is obtained prior to any such amendment; 5) the parties may, by written amendment, mutually agree to reduce programs or services; and 6) the Director of Mental Health notifies your Board of Agreement changes in writing within 30 days after execution of each amendment.

PURPOSE/JUSTIFICATION

Board approval of this Sole Source Services Agreement with Step Up for project-based operating subsidies at Daniel's Village will allow the Department of Mental Health (DMH) to continue providing housing to seriously emotionally disturbed (SED) and/or severely and persistently mentally ill (SPMI) TAY throughout Los Angeles County. Subsidies under Step Up's Daniel's Village are critical for meeting and maintaining long-term affordable housing needs for TAY clients, which has been helpful in assisting this population with living independently in the community and achieving goals of wellness, recovery, and self-sufficiency.

Approval of this Sole Source Services Agreement will also allow for continued support to existing clients already housed in Daniel's Village. Some of these clients are now enrolled and receiving mental health services through MHSA Full Service Partnerships, and other DMH programs that deliver services and supports to the TAY population. It is critical for these clients to continue receiving mental health services in a stable and long-term setting that provides basic housing supportive services.

BACKGROUND

TAY Project-Based Operating Subsidies are designed to sustain DMH in its long-term investments, when leveraged with other non-governmental funding, that is essential to the development of permanent affordable housing options, specifically with regard to the renovation and rehabilitation of housing units in this instance, for DMH consumers who meet the MHSA TAY target population.

The fiscal dynamic and interoperability of these specific MHSA funds are such that the loss of access to one fund would have an immediate negative impact on the ongoing viability of this housing project as well as put the TAY tenants occupying these subsidized housing units at immediate risk of homelessness. The length of time that the MHSA Housing funds are committed to this project are 55 years for the capital portion ($733,810 in the form of a loan), and 20 years for the operational portion ($728,000 in the form of a grant). The TAY Project-Based Operating annual subsidy ($56,666) ensures that the MHSA housing investments remain intact and that DMH retains designated permanent housing units for eligible TAY consumers.

Since the submission and approval of the County's CSS plan, it has become increasingly evident that affordable permanent housing is critical to support clients as they advance in their wellness, recovery, and self-sufficiency.

DMH will continue to administer and supervise the TAY operating subsidies program, evaluate the program to ensure that a safe and stable housing environment is being provided to clients, and ensure that Agreement provisions and DMH policies are being followed and that performance outcomes are being achieved.

The Agreement format includes the following revised and new provisions: Defaulted Property Tax Reduction Program, Contractor's Obligations as a Business Associate under the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and the Health Information Technology for Economic and Clinical Health Act (HITECH), Immediate Termination by County, and Indemnification and Insurance. The attached Agreement format has been approved as to form by County Counsel. The CEO has reviewed the proposed actions.

CONTRACTING PROCESS

Along with other County departments and the Community Development Commission, DMH released a housing Request for Proposals (RFP) during FY 2008-09, with the purpose of identifying eligible bidders for the MHSA TAY Project-Based Subsidies as well as for the MHSA Adult Safe Haven. Through this solicitation process, only Step Up's Daniel's Village was found eligible to receive this MHSA TAY Project-Based Subsidies funding.

Step Up currently has an Agreement with DMH, which was selected through the RFP in May 2009, and will expire on June 30, 2010. The new Agreement will have a five-year term beginning July 1, 2010 through June 30, 2015, contingent upon availability of funds.

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APPROVED BY:

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