

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**APPROVAL OF SOLE SOURCE AMENDMENTS WITH
STEP UP ON SECOND STREET, INC., AND OCEAN PARK COMMUNITY CENTER
(THIRD SUPERVISORIAL DISTRICT)
(3 VOTES)**

SUBJECT

Request approval to amend two existing Department of Mental Health Legal Entity agreements to provide housing and supportive mental health services to 65 individuals identified as the most vulnerable, chronically homeless individuals living in Hollywood and Santa Monica.

REQUEST

1. Approve and authorize the Director of Mental Health (Director), or his designee, to prepare, sign and execute an amendment to the existing Department of Mental Health (DMH) Legal Entity (LE) agreement with Step Up on Second Street, Inc., (Step Up) to provide housing and supportive residential mental health services to 40 of the most vulnerable, chronically homeless adults in Hollywood. The amendment will be effective upon your Board's approval and add \$250,738 through June 30, 2011, and increase the Maximum Contract Amount (MCA) for Fiscal Year (FY) 2010-11 to \$2,934,047.
2. Approve and authorize the Director, or his designee, to prepare, sign and execute an amendment to the existing DMH LE agreement with Ocean Park Community Center (OPCC) to expand residential mental health supportive services to an additional 25 of the most vulnerable, chronically homeless adults in Santa Monica. The amendment will be effective upon your Board's approval and add \$111,740 for FY 2010-11, increasing the MCA to \$312,912, and add \$223,480 for FY 2011-12, increasing the MCA to \$424,652.
3. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments to these LE agreements and establish as a new MCA, the aggregate of the original agreement and all amendments; and to further amend these LE agreements as necessary, including providing time extensions if funding is available provided that: 1) the County's total payments to the contract providers for each fiscal year will not exceed an increase of 20 percent from the last Board approved MCA; 2) any such increase will be used to provide additional services or to reflect program or Board policy changes; 3) your Board has appropriated sufficient funds for all changes; 4) approval of County Counsel, or designee, is obtained prior to any such amendments; 5) County and contract

providers may by written amendment reduce programs or services without reference to the 20 percent limitation and revise the applicable MCA; and 6) the Director will notify your Board and the Chief Executive Officer (CEO) of agreement changes in writing within 30 days after execution of each amendment.

PURPOSE/JUSTIFICATION

Approval of the requested actions will allow DMH to amend its LE agreements with Step Up and OPCC to provide housing and supportive mental health services to the most vulnerable, chronically homeless adults in Hollywood and Santa Monica. Your Board's approval of the requested actions will also allow OPCC to expand its existing residential program.

In recent years, Los Angeles County has collaborated with governmental and non-governmental agencies to implement creative and innovative programs that address homelessness, such as Project 50 in the Skid Row area of downtown Los Angeles. However, chronically homeless individuals with serious mental illness and co-occurring substance abuse disorders and/or complex medical conditions continue to live on the streets, under freeway bridges, in encampments, parks, or temporary shelters in areas throughout the County. As part of an effort to meet the critical needs for housing, mental health and substance abuse services for these homeless individuals, DMH will replicate the two-year Santa Monica HOME Team pilot program, funded by Supervisor Yaroslavsky's Office, in the Hollywood area to serve 40 of the most vulnerable, chronically homeless adults in Hollywood over two years.

The proposed program will target individuals identified on the Hollywood Homeless Service Registry who are diagnosed with a mental illness and/or a co-occurring disorder. Furthermore, DMH proposes to expand OPCC's current two-year pilot program funded by the Third District Homeless Services funds administered by the Community Development Commission and the Conrad N. Hilton Foundation (Hilton Foundation) that focused on 70 of the most vulnerable, chronically homeless individuals in Santa Monica. This expansion, if approved, would provide residential mental health supportive services to an additional 25 of the most vulnerable chronically homeless adults in Santa Monica over two years.

BACKGROUND or CONTRACTOR/CONTRACTORS

Chronically homeless individuals may have mental health issues, co-occurring substance abuse disorders, and/or complex medical conditions that result in high utilization of costly hospital emergency rooms, acute inpatient units, long-term institutional services and jails. In order to address service needs and evaluate costs of preventive versus reactionary services, Los Angeles County began collaborations with governmental and non-governmental agencies to implement creative and innovative programs that address homelessness.

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In 2008, Step Up was awarded a grant from the Third Supervisorial District Homeless Services funds to provide street outreach and intensive support services to individuals who are homeless and affected by mental illness as identified in the Santa Monica Service Registry, and to be served by the HOME Team, with the goal of housing 30 participants in permanent supported housing. Step Up is well on its way of reaching that target, eighteen months into this program. Step Up has distinguished itself as a housing developer and service provider.

As part of the effort to meet the critical needs for housing and mental health and substance abuse services for homeless individuals in Santa Monica, Third Supervisorial District Homeless Services funds have funded a two-year pilot program in collaboration with OPCC and the Hilton Foundation that currently serves 70 individuals. DMH plans to amend the agreement with OPCC to expand the pilot program to serve 25 additional vulnerable, chronically homeless individuals in Santa Monica, bringing the total number of individuals served by this program to 95.

Established in 1963, OPCC is a network of housing and services that empowers people to rebuild their lives by providing assistance to low-income; homeless and at-risk youth, adults, and families; battered women and their children; and people living with mental illness. A DMH contractor since 1989, OPCC has multiple contracts with the Department, including the provision of People Assisting the Homeless (PATH), basic living shelter services, outreach and Mental Health Services Act supportive housing services through which it serves chronically homeless men and women. OPCC is uniquely qualified to provide these services because it is already providing identical services through the pilot program.

The amendment formats have been approved as to form by County Counsel. The CEO has reviewed the proposed actions. Clinical and administrative staff of DMH will administer and monitor the agreements, evaluate programs to ensure that quality services are being provided to clients, and ensure that agreement provisions and departmental policies are followed.

CONTRACTING PROCESS

In accordance with your Board's contracting policy requirements for Sole Source contracts, DMH notified your Board on September 28, 2010, of its intent to negotiate a sole source agreement with Step Up and OPCC. Upon your Board's approval, DMH will amend the existing LE agreements with Step Up and OPCC to provide housing and mental health services to the most vulnerable, chronically homeless individuals in Hollywood and Santa Monica.

The required Sole Source Contract Checklist identifying and justifying the need for a sole source contract renewal has been approved by the CEO.

DMH Contact:

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APPROVED BY:

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