



Board Agenda Item 47

DATE: June 21, 2022

TO: Board of Supervisors

SUBMITTED BY: Susan Holt, Director, Department of Behavioral Health

SUBJECT: Master Leasing Agreement with RH Community Builders

RECOMMENDED ACTION(S):

- 1. Make a finding that it is in the best interest of the County to suspend the competitive bidding process consistent with Administrative Policy Number 34 for unusual or extraordinary circumstances as RH Community Builders is the owner of the housing units where the Department of Behavioral Health supportive housing tenants reside; and,**
- 2. Approve and authorize the Chairman to execute an Agreement with RH Community Builders to provide tenant lease and property management services for persons served by the Department of Behavioral Health, effective July 1, 2022, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$6,393,186.**

There is no additional Net County Cost associated with the recommended actions, which will enable RH Community Builders, LP (RHCB) to provide 68 master leased housing units and property management services at scattered sites for Department of Behavioral Health clients living with a serious mental illness (SMI) and experiencing or at-risk of homelessness. The agreement will be funded with Mental Health Services Act - Community Services and Supports (MHSA-CSS) funds, Realignment funds, and Client Rent. This item is countywide.

ALTERNATIVE ACTION(S):

There is no viable alternative action. If your Board does not approve the recommended agreement, the Department will not be able to continue master lease housing services for persons living with an SMI who are experiencing or at risk of homelessness.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

The Department's request to suspend the competitive bidding process consistent with Administrative Policy No. 34 is due to RHCB being the only vendor that can seamlessly provide master lease housing and property management services for all the leased units in which tenants that are Department clients. The Internal Services Department - Purchasing Division concurs with the Department's request to suspend the competitive bidding process.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum compensation for FY 2022-23 is \$1,186,150 with a term maximum of \$6,393,186. The recommended

agreement is offset with MHSA-CSS and Supports funds (\$5,183,540), Realignment funds (\$789,646), and Client Rent (\$420,000). Sufficient appropriations and estimated revenues are included in the Department's Org 5630 FY 2022-23 Recommended Budget and will be included in future budget requests.

DISCUSSION:

On August 18, 2020, your Board approved Agreement No. 20-312 with RHCB for property management services in a Master Leasing Program, beginning July 1, 2020 and ending June 30, 2022. The total number of units available was limited to 68 with the Department providing supportive services through its Housing, Access, and Resource Team (HART).

In FY 2020-21, RHCB served 81 unique individuals with a utilization rate above 88% for the last six months. Ten persons served exited into permanent housing. The utilization rate has continued to be above 88% in FY 2021-22, being near capacity at the end of May 2022.

Approval of the recommended actions will continue RHCB as the property management service provider of the Master Lease Agreement over 68 units leased to the Department for individuals experiencing or at-risk of homelessness with SMI. RHCB will work closely with the Department's HART to assist persons served in maintaining their housing as barriers to obtaining permanent housing outside of the program are removed. The recommended agreement with RHCB includes a three-year base term and two optional one-year extensions and provides for termination by Contractor, County, or designee upon 120 days advance written notice and 90 days advance written notice due to non-allocation of funds.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of the recommended agreement at its May 2022 meeting.

REFERENCE MATERIAL:

BAI #23, January 12, 2021
BAI #25, August 18, 2020

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request Form
On file with Clerk - Agreement with RHCB

CAO ANALYST:

Sonia M. De La Rosa