



Board Agenda Item 37

DATE: May 1, 2018

TO: Board of Supervisors

SUBMITTED BY: Dawan Utecht, Director, Department of Behavioral Health/Public Guardian

SUBJECT: Amendment to Agreement with Mental Health Systems for increased capacity of master leased housing units

RECOMMENDED ACTION:

Approve and authorize the Chairperson to execute Amendment I to Agreement No. 17-135 with Mental Health Systems for master lease housing services, effective upon execution with no change in term to June 30, 2022 and increasing the maximum by \$2,115,646 to a total of \$4,454,344.

Approval of the recommended amendment will allow Mental Health Systems (MHS) to continue to assist the Department of Behavioral Health (Department) by increasing the capacity of supportive housing options for clients within the "New Starts" program by 100% during the remainder of FY 2017-18 (from 25 leased units to 50) and up to 75 leased units in the four remaining fiscal years of the agreement through June 30, 2022. The recommended action will also incorporate a mechanism to reimburse MHS for any security deposits required for leased units. The recommended action will increase the maximum compensation by \$2,115,646 and will be funded with Mental Health Services Act - Community Services and Supports (CSS) funds, with no increase in Net County Cost.

ALTERNATIVE ACTION:

Non-approval of the recommended action would limit the Department's ability to increase the capacity and availability of local supportive housing options for clients during FY 2017-18 and future fiscal years.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The recommended amendment will result in the following compensation:

<u>Fiscal Year</u>	<u>Increase</u>	<u>Original Amt.</u>	<u>Total</u>
2017-17	\$0	\$79,079	\$79,079
2017-18	\$140,145	\$453,472	\$593,617
2018-19	\$512,782	\$432,630	\$945,412
2019-20	\$501,249	\$444,163	\$945,412
2020-21	\$484,334	\$461,078	\$945,412
<u>2021-22</u>	<u>\$477,136</u>	<u>\$468,276</u>	<u>\$945,412</u>
Total	\$2,115,646	\$2,338,698	\$4,454,344

The cost of the recommended amendment will be fully offset by MHSA- CSS funds. Sufficient appropriations and estimated revenues of \$593,617 are available in the Department's Org 5630 FY 2017-18 Adopted Budget and will be included in future budget requests for the duration of the agreement; FYs 2018-19 through 2021-22

(\$945,412). Actual costs will be determined by the number of units leased to clients.

DISCUSSION:

On April 25, 2017, your Board approved agreement No. 17-135 with MHS for operation of the New Starts program, a master lease housing program for up to 25 Department clients. The New Starts program is in response to a high level of housing instability of Department clients living with a severe mental illness who are homeless or at-risk of homelessness. One of the strategies to address housing instability without the expense or time required to construct or develop new supportive housing inventory is termed "Master Leasing." Agreement 17-135 allows the Department to contract with MHS, who in turn, formally leases rental units from local property owners. MHS then sub-leases the rental units to eligible Department clients. MHS is responsible for all aspects of lease negotiations between property owners and clients; property management of all leased units; and remains in close communication with Department staff and the client to ensure safe and stable housing in accordance with federal, state and local housing regulations. The Department certifies the eligibility of all clients referred to the New Starts program, and no more than 30% of a client's income can be applied to their lease expense. All clients referred to the program are linked to a case manager to assist the client in maintaining their tenancy. All clients are actively engaged in services that support wellness and recovery.

As of March 1, 2018, 80% of the available 25 units within the New Starts program are leased to Department clients. To date, all clients having secured housing within the program have remained housed. Amendment I is being presented before your Board to allow for additional eligible clients to secure housing in the New Starts program. The recommended amendment will allow for increased capacity of the New Starts program by 25 additional units (total of 50 units) during the remainder of FY 2017-18 as well as an additional 25 units (total of 75 units) during the term of the agreement using MHSA CSS funding. The amendment will also create an expense line item within the New Starts program budget to allow DBH to reimburse MHS for security deposits (as needed) for leased units. As of March 1, 2018, 16 clients (70%) have provided their own security deposits, whereas seven clients (30%) required security deposit assistance.

REFERENCE MATERIAL:

BAI #37, April 25, 2017
BAI #34, April 26, 2016

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment I to Agt. No. 17-135

CAO ANALYST:

Ronald Alexander