



Board Agenda Item 33

DATE: June 10, 2025

TO: Board of Supervisors

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

SUBJECT: Agreement with RH Community Builders for the Lodge 2.0 Services

RECOMMENDED ACTION(S):

- 1. Under Administrative Policy No. 34 for competitive bids or requests for proposals (AP 34), determine that an exception to the competitive bidding requirement under AP 34 is satisfied and a suspension of competition is warranted due to unusual or extraordinary circumstances, and that the best interests of the County would be served by entering into an Agreement with RH Community Builders, LP as the vendor is uniquely qualified to provide ongoing low barrier lodging services for unhoused persons; and**
- 2. Approve and authorize the Chairman to execute an Agreement with RH Community Builders, LP for low barrier lodging services for unhoused persons, effective July 1, 2025, not to exceed three consecutive years, total not to exceed \$6,677,845.**

There is no additional Net County Cost associated with the recommended actions, which will allow RH Community Builders, LP to continue to provide low barrier lodging services to unhoused persons funded by Mental Health Services Act (MHSA) Innovation (INN) funds for FY 2025-26 through FY 2027-28 to test a secondary phase to a lodging pilot project. This item is countywide.

ALTERNATIVE ACTION(S):

If the recommended action is not approved, the Department of Behavioral Health (Department) would be unable to efficiently expand low barrier lodging services to address unhoused persons.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

The Department's request to suspend the competitive bidding process is consistent with administrative Policy No. 34 as the Department is seeking the last round of MHSA one-time funds to test a secondary phase to a lodging pilot project that seeks to address unhoused persons who are not engaged in care and are in the pre-contemplating state of change. The initial pilot was conducted with RH Community Builders, who were selected through the County's Request for Proposal (RFP) process in 2020. The program now seeks to apply the same model and setting to a broader population, including those referred from outreach teams, housing teams, mobile crisis, Lanterman-Petris-Short Act (LPS) conservatorship, post crisis, those with a substance use disorder (SUD), co-occurring diagnosis including some additional rehabilitation care for those with SUD. The Department needs to continue the existing project, to test the viability of these additions for an effective approach to supporting persons from various behavioral health issues needing care. RH Community Builders has been involved with the project from its inception and has the capacity to meet the additional requirements of the second phase. A shift to a different vendor could risk the integrity of

the research and evaluation of the program model and effectiveness. The General 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 of the agreement (\$6,677,845) will be funded with MHSA-INN funds and Medi-Cal Federal Financial Participation funds. Sufficient appropriations and estimated revenues will be included in the FY 2025-26 Recommended Budget for DBH Org 5630 and will be included in subsequent budget requests.

DISCUSSION:

The INN component of MHSA funds provides California counties the opportunity to develop, test, pilot, adapt, and research new or unproven mental health models. Each county's MHSA budget sets aside 5% for INN programs. Legislation requires counties to revert funds to the State that have not been spent within the required three-year period for the primary MHSA programs. Due to lack of guidance on amounts subject to reversion and a process to those revert funds, Assembly Bill 114 (AB 114), (Chapter 38, Statutes of 2017) was passed on July 10, 2017, allowing counties to submit a plan by July 1, 2018, to expend their respective funds that are subject to reversion by June 30, 2020.

On September 25, 2018, the Board approved of the Department's MHSA AB 114 Plan to Spend.

On June 18, 2019, the Board approved of the Department's MHSA Annual Update (FY 2018-19), which allocated up to \$4,200,000 of INN funding to be used for executing The Lodge INN pilot program over a three-year period. Of these funds, \$150,000 was allocated for evaluation on short-term lodging driven by peer support services to individuals who have a severe mental illness (SMI), are currently homeless, or at-risk of homelessness, are eligible for Department services, and have not previously engaged in ongoing outpatient behavioral health services.

On December 15, 2020, the Board approved Agreement No. 20-492 with RH Community Builders for The Lodge INN pilot program. The program provides services to individuals who are homeless or at risk of homelessness and have an early onset of a SMI or a chronic mental illness, who are in a pre-contemplation stage of change.

The recommended second phase seeks to now apply the existing model, staffing (specifically peers and certified peers), and setting to a broader population, which includes persons served referred by outreach teams, housing teams, mobile crisis teams, LPS conservatorship, and post crisis teams, as well as those with a co-occurring substance use disorder (SUD). The Department is required to build on the existing project, in order to test the viability of these additions in supporting unhoused persons with a variety of behavioral health issues. These models are necessary to help build and implement future requirements for the County to effectively serve this population.

The Mental Health Services Oversight and Accountability Commission regulations require all INN plans to have an evaluation component to assist in analyzing effectiveness and program feasibility. The California State University, Fresno Foundation evaluation team will develop evaluation tools, gather and analyze data, advise on data collection, provide organized reports and assist in communication of findings.

Should the evaluation find the pilot program to be effective, the Department will evaluate options and make future program decisions based on data and information yielded from the program and evaluation.

Upon approval by your Board, the second phase of the Lodge pilot program will be effective July 1, 2025, through June 30, 2028. The recommended agreement can be terminated without cause by County or Contractor upon 30 days advance written notice of an intention to terminate the Agreement.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of the recommended agreement for the Lodge 2.0 in the June 2025 meeting.

REFERENCE MATERIAL:

BAI #56, December 15, 2020
BAI #36, June 18, 2019
BAI #36, September 25, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request Form
On file with Clerk - Agreement with RH Community Builders, LP

CAO ANALYST:

Dylan McCully