



Office of the City Manager

CONSENT CALENDAR
October 29, 2013

To: Honorable Mayor and Members of the City Council
From:  Christine Daniel, City Manager
Submitted by: Jane Micallef, Director, Department of Health, Housing & Community Services
Subject: Contract No. 7050E Amendment: Berkeley Food & Housing Project

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute an amendment to Contract No. 7050E with the Berkeley Food & Housing Project for operating costs for the Russell Street Residence supportive housing facility and to provide third party administration of Mental Health client funding supports and assistance to increase the amount by \$53,000 for a total contract amount not to exceed \$540,500 through June 30, 2014.

FISCAL IMPACTS OF RECOMMENDATION

Funding is available in the FY 2014 budget from the following sources: 1) Mental Health Services Act (MHSA) in the amount of \$10,000 for the Adult Full Service Partnership Program, budget code (063-4406-440-35-10); 2) \$30,000 from MHSA Community Services and Supports Program budget code (063-4406-440-35-10); 3) Alameda County Grant funding of \$12,000 from the Transition to Independence Program budget code (061-4431-440-35-10); and 4) \$1,000 from the Homeless Fund budget code (010-4402-440-55-70). This contract amendment has been entered into the City contract management database, and assigned CMS No. EHFBR.

CURRENT SITUATION AND ITS EFFECTS

The Russell Street Residence provides permanent supportive housing to seventeen (17) severely mentally ill and chronically homeless adults, aged eighteen and older, many of whom are dually and triply diagnosed. The contract provides a \$30,000 operating subsidy for the Russell Street Residence which enables the Berkeley Food & Housing Project (BFHP) to provide the level of service needed to maintain each resident's stability and coordinate the extensive mental and medical health care each resident requires. Fourteen of the clients residing at RSR are currently under the care of the Mental Health Division team that specializes in stabilizing chronically homeless and severely mentally ill adults who are high volume users of the county emergency services system. RSR serves a level of mental health clients who are not capable of living independently and require 24-hour supervision to maintain their housing. All RSR residents receive SSI benefits and are living at or below the poverty level.

The agreement with BFHP also provides \$22,000 for client support assistance to transition aged youth and high-risk adults with severe and persistent mental illnesses. BFHP acts as the third party administrator for these “flexible spending funds.” Flexible spending funds are a core component of Mental Health Services Act Full Service Partnerships and the Transition Aged Youth Grant from Alameda County. BFHP retains 10% of these funds to cover their administrative costs. Client assistance and supports are utilized throughout County Mental Health Systems to assist clients in their recovery and community integration. The unique needs of this population require the flexible and prompt financial assistance necessary to secure food, housing, drug/alcohol treatment, clothing, transportation and other client assistance. The ability of a community agency to rapidly issue a check or use a new vendor to efficiently and flexibly procure goods and services has proven essential and cost-effective. Appropriate procedural controls for expenditures have been established with the contractor.

The remaining \$1,000 in the contract is to cover transportation costs needed to reunite homeless people with family members willing and ready to receive them. The funding is through the Homeless Fund.

BACKGROUND

In 2001, the City assisted BFHP in obtaining \$ 222,005 from California Department of Mental Health funds for the start up costs associated with operating Russell Street Residence. Since that time, the City has continued to provide operating subsidies ranging between \$15,000 to \$77,500 annually. The funds have been utilized for maintenance and operation of the facility. The majority of the residents are clients of the Mental Health Division.

BFHP has satisfactorily provided third party administration of client assistance funds since FY 2007, and approval of the proposed amendment would allow the above-described services to continue uninterrupted for the remainder of the fiscal year. Flexible, efficiently administered client assistance funds are a central component of MHSA programs. The underlying philosophy in these types of programs is “to do what it takes” to help the client gain stability and live successfully in the community. Client assistance funds help to reduce hospitalization, incarceration, and community problems related to homelessness and mental illness. Client assistance funds also help mentally ill Transition Age Youth enter into community college by providing assistance with books and tuition, and help impoverished families with a range of supports for children who have serious emotional problems.

RATIONALE FOR RECOMMENDATION

BFHP has experience successfully providing the services subject to this contract. The Russell Street Residence continues to provide necessary supportive housing to Berkeley mental health clients with a minimal operating subsidy for the fourteen clients housed there.

ALTERNATIVE ACTIONS CONSIDERED

Since there is no comparable service in Berkeley, no other alternatives were considered.

CONTACT PERSON

Kelly Wallace, Deputy Director, HHCS, 981-5107

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 7050E AMENDMENT: BERKELEY FOOD & HOUSING PROJECT FOR OPERATING COSTS FOR THE RUSSELL STREET RESIDENCE SUPPORTIVE HOUSING FACILITY AND TO PROVIDE THIRD PARTY ADMINISTRATION OF MENTAL HEALTH CLIENT FUNDING SUPPORTS AND ASSISTANCE

WHEREAS, the Department of Health, Housing & Community Services, Mental Health Division is allocated annual funding under the State Mental Health Services Act for the provision of comprehensive mental health services; and

WHEREAS, the Mental Health Division works cooperatively and in partnership with community-based agencies in the provision of such mental health services; and

WHEREAS, on June 20, 2006 by Resolution No. 63,341-N.S., City Council authorized Contract No. 7050 with Berkeley Food & Housing Project for the operation of the Russell Street Residence in an amount not to exceed \$77,500 for the period June 1, 2006 to June 30, 2007; and

WHEREAS, the Berkeley Food & Housing Project continues to manage, as State licensee, the Russell Street Residence and has been selected to provide specialized client assistance flexible spending services; and

WHEREAS, on June 12, 2007 by Resolution No. 63,718-N.S., City Council authorized an amendment to Contract No. 7050 with the Berkeley Food & Housing Project for operating costs for the Russell Street Residence supportive housing facility, third party flexible client assistance spending administration and representative payee services to increase the amount by \$135,000 for a total contract amount not to exceed \$212,500 and to extend the expiration date to June 30, 2008; and that such contract be renewed annually for up to an additional two years (through June 30, 2010) contingent upon both satisfactory contract performance and the availability of external funding; and

WHEREAS, on December 16, 2008 by Resolution No. 64,294-N.S., City Council authorized an amendment to Contract No. 7050 with the Berkeley Food & Housing Project to increase the amount by \$87,500 for a total amount not to exceed \$300,000 and to extend the expiration date to June 30, 2009; and

WHEREAS, on June 18, 2009 in accordance with section 3, paragraph A of Contract No. 7050C, a letter was sent to the Berkeley Food & Housing Project providing official notification of the City's intent to extend the contract to June 30, 2010; and

WHEREAS, on March 9, 2010 by Resolution No. 64,787-N.S., City Council authorized an amendment to Contract No. 7050C with the Berkeley Food & Housing Project to increase the amount by \$87,500 for a total amount not to exceed \$387,500 and to extend the expiration date to June 30, 2010; and

WHEREAS, on June 2, 2010 in accordance with section 3, paragraph A of Contract No. 7050D, a letter was sent to the Berkeley Food & Housing Project providing official notification of the City's intent to extend the contract to June 30, 2011; and

WHEREAS, on June 14, 2011 in accordance with section 3, paragraph A of Contract No. 7050D, a letter was sent to the Berkeley Food & Housing Project providing official notification of the City's intent to extend the contract to June 30, 2012; and

WHEREAS, on June 12, 2012 by Resolution No. 65, 757-N.S., City Council authorized an amendment to Contract No. 7050D with the Berkeley Food & Housing Project to increase the amount by \$100,000 for a total amount not to exceed \$487,500 and to extend the expiration date to June 30, 2013; and

WHEREAS, on June 25, 2013 in accordance with section 3, paragraph A of Contract No. 7050E, a letter was sent to the Berkeley Food & Housing Project providing official notification of the City's intent to extend the contract to September 30, 2013; and

WHEREAS, on September 6, 2013 in accordance with section 3, paragraph A of Contract No. 7050E, a letter was sent to the Berkeley Food & Housing Project providing official notification of the City's intent to extend the contract to June 30, 2014; and

WHEREAS, funds are available in the FY 2014 budget in the Mental Health Services Act (MHSA) fund received from the State of California in the amount of \$10,000 for the Adult Full Service Partnership (FSP) Program, budget code (063-4406-440-35-10) and \$30,000 Community Services and Supports budget code (063-4406-440-35-10), \$12,000 from Alameda County for the Transition to Independence Program (TIP) Grant (061-4431-440-35-10) and \$1,000 from the Homeless Fund budget code (010-4402-440-55-70). This contract amendment has been entered into the City contract management database, and assigned CMS No. EHFBR.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute an amendment to Contract No. 7050E with the Berkeley Food & Housing Project for operating costs for the Russell Street Residence supportive housing facility, and third party flexible client assistance spending administration to increase the amount by \$53,000 for a total contract amount not to exceed \$540,500. A record signature copy of said contract to be on file in the Office of the City Clerk.

