



# AGENDA REPORT

**TO:** DEANNA J. SANTANA  
CITY ADMINISTRATOR

**FROM:** Sara Bedford

**SUBJECT:** MOU With Alameda County Behavioral  
Health Care Services (BHCS)

**DATE:** February 26, 2014

City Administrator

Date

Approval

2/26/14

**COUNCIL DISTRICT:** Citywide

## RECOMMENDATION

Staff recommends that the City Council adopt a resolution authorizing the City Administrator to enter into a Memorandum of Understanding providing City of Oakland grant funds in an estimated amount not to exceed \$200,000 per year to Alameda County Behavioral Health Care Services (BHCS) agency for the period of July 1, 2014 through June 30, 2015, with a two year renewal option, if funds are available, for provision of homeless services at several permanent supportive housing sites.

## EXECUTIVE SUMMARY

The Affordable Care Act has made new resources available for provision of homeless services connected with permanent supportive housing. These new funds, administered through county health care entities, require a local match and provide reimbursement of up to 100% for eligible clients and services.

Services for formerly homeless tenants at the Harrison Hotel are now provided through a City PATH contract, in the amount of approximately \$200,000 annually through June 30, 2014. Under the current Memorandum of Understanding (MOU) proposal, this amount would be transferred to Behavioral Health Care Services Agency (BHCS), which would provide 75% or higher leveraging through Medi-Cal reimbursements. It is estimated that \$200,000 in contract funding could be leveraged through reimbursements of approximately \$150,000 to a total \$350,000 in services. The amount of the original investment will be used to support residents at the Harrison Hotel, while the additional funding would be used to provide services at two newly completed supportive housing sites, the California Hotel and the Savoy Hotel.

## OUTCOME

Approval of the accompanying resolution will provide leveraging of an estimated \$150,000 in homeless services on a proposed City's investment of \$200,000, for a total service value of

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approximately \$350,000. The City funding of \$200,000 is currently used to provide wrap around services for a permanent supportive housing facility, the Harrison Hotel. The leveraged funds, derived from Medi-Cal reimbursements, will result in the addition of wraparound homeless services at two other supportive housing facilities, the Savoy and California Hotels, at no additional cost to the City. If the City does not approve the proposed leveraging arrangement with Alameda County, the \$200,000 in City funds will be used to continue services at the Harrison Hotel, but will not result in the leveraging of further service dollars.

### **BACKGROUND/LEGISLATIVE HISTORY**

The Affordable Care Act has had significant impacts on low income and homeless clients, as many, currently without health care will become insured, and provision of certain services, namely wrap around services connected with permanent supportive housing, are eligible for Medicare funding. However, since the type of services eligible for Medicare funding is limited, there will be continuing challenges involved with the ongoing funding of services for supportive housing. With its recent successes in placing people in permanent housing through programs such as the Oakland PATH Rehousing Initiative (OPRI), the AC Impact program and Supportive Housing Programs (SHP), Community Housing Services (CHS) providers now have a number of clients who are no longer eligible for shorter-term HUD funded services. In order to maintain stability for people assisted and keep funding available for those who are still homeless, CHS is pursuing healthcare funding through Medi-Cal reimbursement activities in collaboration with Alameda County BHCS. If successful, these efforts will allow Oakland to leverage its local dollars to a greater extent and maintain programs for homeless people in need of housing placement, rapid rehousing, and supportive services. In order to affect this change, Oakland will need to enter into a multi-year contract with BHCS, which will then subcontract the direct services to Oakland's providers. This arrangement will allow Oakland funding to leverage an additional 75% or more of the funds to use in additional supportive housing sites, while still maintaining existing service levels in at the Harrison Hotel.

BHCS will use the City grant funds to enter into a contract with a service provider agency for provision of medical, mental health, case management and other services at permanent supportive housing sites developed in partnership with the City's PATH Strategy. The service provider agency for the proposed services will be selected by the City through the annual Permanent Access To Housing (PATH) Request for Proposals (RFP) process.

### **FISCAL IMPACTS**

Funding available to enter into a grant agreement with BHCS is dependent on a number of factors and processes. First, federal homeless allocations, made through renewal of the McKinney-Vento Act, are contingent upon release of the 2014 federal budget. Federal funding for FY 2013 was subject to significant sequestration cuts; although there is some discussion in Congress of restoring some or all of the sequestration cuts for homeless services for 2014, the final allocation amounts will not be known until the passage of the federal budget. After release

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of the budget the HUD entitlements, grants are received by the City Housing Department when final dollar allocations are known. In the meantime, based on estimated funding anticipated, the Department of Human Services has issued the PATH RFP for homeless services. The RFP includes a specification for provision of services at permanent supportive housing sites that would be governed by the BHCS MOU. The anticipated amount available for the purpose is expected to be similar to the approximately \$200,000 awarded for provision of the same services during the current budget cycle. By seeking such authorization in advance, staff seeks to avoid an interruption of services to the homeless clients affected.

After the federal budget is passed, federal funds are accepted by the City, and the PATH RFP process is completed, staff will return to Council with a report and resolution recommending annual PATH grant agreements for 2014/2015. The report will describe which programs are funded, which grantees are selected through the competitive process, and detail the grant amounts and the sources of funds, as a result of staff analysis during the awards process. Further detail on the grant award MOU to BHCS will be provided at that time, including the exact grant award amount, amount of leveraging, and sources of funds.

### **PROGRAM DESCRIPTION**

This program will provide contracted services to tenants living at identified permanent supportive housing sites in Oakland. The site-based, integrated housing services teams will focus on helping tenants to maintain their housing, improve their quality of life, and contribute to their community. Services will be provided to residents of permanent supportive housing sites in Oakland at the Harrison, Savoy and California Hotels.

Services teams at supportive housing sites will assist tenants in achieving and maintaining housing stability, improve their physical and mental health, acquire income and other benefits, pursue activities (vocational, educational and recreational), increase opportunities for social connection and create a safe, viable community. The on-site teams will provide individual and group interventions including case management, mental health services, crisis intervention, outreach and referral to other Medi-Cal services including substance use and primary care, benefits advocacy, and housing-focused community building activities.

The BHCS contracted service agency will provide Medi-Cal outpatient specialty mental health services, Medi-Cal Administrative Activities (MAA), and non-Medi-Cal claimable housing services to tenants living at three permanent supportive housing properties in Oakland.

The service agency will work with BHCS and the City to help track services provided, outcomes achieved, and revenue generated. Tracking will be accomplished through use of a BHCS-managed data collection and billing system and through the Alameda County Homeless Management Information System (HMIS). Data will be collected and entered by provider staff. BHCS and the selected provider will provide quarterly and annual reports to the City regarding services provided and funding leveraged through this Agreement.

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Funding for the grant MOU with BHCS shall be contingent upon the City's receipt of Federal funding and the continued compliance of the service provider(s).

**PUBLIC OUTREACH/INTEREST**

This item did not require any additional public outreach other than the required posting on the City's website.

**COORDINATION**

This item required coordination with the Alameda County Housing and Community Development Agency (HCD) and the Alameda County Behavioral Health Care Services Agency; the report and resolution have been approved by the Office of the City Attorney and the Budget Office.

**SUSTAINABLE OPPORTUNITIES**

*Economic:* Integration of homeless clients into the economic mainstream reduces crime and provides economic stability for clients, their families, and the community.

*Environmental.* Integration of homeless clients into familiar Oakland neighborhoods in supervised settings will provide for community stability and productive environments.

*Social Equity:* Through the provision of housing and wrap around services to homeless and re-entry populations, these clients will begin to achieve stability and prosperity and contribute positively to the community.

For questions regarding this report, please contact Susan Shelton, Community Housing Services Manager.

Respectfully submitted,

  
Sara Bedford, Director  
Department of Human Services

COMMUNITY HOUSING SERVICES DIVISION

Reviewed by: Susan R. Shelton, Manager

Prepared by: Mike Church, Program Analyst II

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City Attorney

# OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

**A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING PROVIDING CITY OF OAKLAND GRANT FUNDS IN AN ESTIMATED AMOUNT NOT TO EXCEED \$200,000 PER YEAR TO ALAMEDA COUNTY BEHAVIORAL HEALTH CARE SERVICES (BHCS) AGENCY FOR THE PERIOD OF JULY 1, 2014 THROUGH JUNE 30, 2015, WITH A TWO YEAR RENEWAL OPTION, IF FUNDS ARE AVAILABLE, FOR PROVISION OF HOMELESS SERVICES AT SEVERAL PERMANENT SUPPORTIVE HOUSING SITES**

**WHEREAS**, the Affordable Care Act has made new resources available for provision of homeless services connected with permanent supportive housing; and

**WHEREAS**, these new funds, administered through county health care entities, require a local match and provide leveraging of 75% to 100% in additional Medicare reimbursable funding for homeless services; and

**WHEREAS**, homeless services for permanent supportive housing services at the Harrison Hotel are provided currently by Lifelong Medical Services through a City Permanent Access To Housing (PATH) contract in the amount of \$200,000 annually through June 30, 2014; and

**WHEREAS**, federal homeless allocations, made through renewal of the McKinney-Vento Act, are contingent upon release of the 2014 federal budget and the exact amount of federal allocations is not known at this time; and

**WHEREAS**, the anticipated amount available for the purpose of providing homeless services at permanent supportive housing sites is expected to be similar to the \$200,000 awarded to Lifelong Medical Care for provision of the services during the current budget cycle; and

**WHEREAS**, the City of Oakland wishes to enter into a Memorandum of Understanding with Alameda County Behavioral Health Care Services (BHCS) Agency governing transfer of grant funds in an amount not to exceed \$200,000 from the City to the County; now, therefore, be it

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**RESOLVED:** That the City Administrator is hereby authorized to enter into a grant agreement Memorandum of Understanding providing City of Oakland grant funds in an estimated amount not to exceed \$200,000 to Alameda County BHCS Agency for the period of July 1, 2014 through June 30, 2015, with a two year renewal option if funds are available, for provision of homeless services at several permanent supportive housing sites; and be it

**FURTHER RESOLVED:** That the City Administrator is authorized to conduct all negotiations, execute and submit all documents, including but not limited to applications, agreements, amendments, modifications, payment requests, and related actions which may be necessary in accordance with this resolution's basic purpose; and be it

**FURTHER RESOLVED:** That said agreements shall be reviewed as to form and legality by the Office of the City Attorney and copies will be filed in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF and  
PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California

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