



Los Angeles County
Board of Supervisors

December 10, 2013

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF SUPPORTIVE HOUSING SERVICES MASTER
AGREEMENT WORK ORDER FOR PROPERTY RELATED TENANT
SERVICES - FLEXIBLE HOUSING SUBSIDY POOL OPERATOR
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina Ghaly, M.D.
Deputy Director, Strategic Planning

SUBJECT

Request approval to execute a Work Order for a Flexible Housing Subsidy Pool Operator to augment existing work orders under the Supportive Housing Services Master Agreement for the Department of Health Services.

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213)240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective health
care to Los Angeles County residents
through direct services at DHS facilities
and through collaboration with
community and university partners.*

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of Health Services (Director), or his designee, to execute a Work Order for Property Related Tenant Services (PRTS) to augment existing work orders under the Supportive Housing Services Master Agreement (SHSMA) with West Bay Housing Corporation to operate the Flexible Housing Subsidy Pool, effective upon Board approval through June 30, 2017, with provisions to extend the Work Order term for up to two additional five-year periods subject to extension of SHSMA.

2. Delegate authority to the Director, or his designee, to amend Work Order to accept future funding from Participating Funders (governmental, non-profit, and private organizations) and to add these funds to the Work Order and concurrently increase the maximum obligation under the Work Order by up to 100 percent, upon review and approval by County Counsel, with advance



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notification to the Board and the Chief Executive Office.

3. Delegate authority to the Director, or his designee, to exercise two additional five-year extension options, through June 30, 2027, provided the option terms for the SHSMA have been exercised, upon review and approval by County Counsel, with notification to the Board and the Chief Executive Office.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Director, or his designee, to execute a PRTS Work Order to augment existing work orders under the SHSMA, substantially similar to Exhibit I, with West Bay Housing Corporation. Approval of the second and third recommendations will allow for the effective administration of this Work Order. In particular, the ability for the Director to extend the terms of the Work Order consistent with his delegated authority to extend the terms of the SHSMA, and to ensure patients have access to PRTS and stable housing.

SHSMA

The Board approved SHSMA on June 19, 2012 with the provision of services in two categories, PRTS and Intensive Case Management Services (ICMS). Agencies with Master Agreements are eligible to bid on individual Work Order solicitations for specific community based supportive housing projects. At that time, the approved SHSMA did not contemplate a Flexible Housing Subsidy Pool in the range of services identified as PRTS. However, agencies that qualify to provide PRTS also administer housing subsidies. The Board's approval will authorize DHS to proceed with execution of the Flexible Housing Subsidy Pool Work Order with providers who qualify for both SHSMA Master Agreement and the Flexible Housing Subsidy Work Order solicitation.

Housing for Health (HFH) Background

In November 2012, the Department of Health Services (DHS) established the HFH division to expand access to supportive housing for DHS patients who are homeless and who have complex medical and behavioral health conditions and/or are high utilizers of DHS services. Since its implementation, HFH has provided permanent supportive housing to approximately 250 DHS homeless patients. Permanently housing homeless persons with complex health conditions will improve health outcomes and reduce costs to the public health system due to reductions in inpatient days, emergency room visits, and use of contracted hospital beds, and an improved payor mix which will result in an expected increase in the percentage of cases that are funded by Medicare, Medicaid, Commercial Insurance, HMO, Managed Care, and self-pay. A comparison of hospital utilization by homeless DHS patients in the 12 months before and after housing found a 77 percent reduction in emergency room visits and inpatient admissions and an 85 percent reduction in inpatient days.

To date, the majority of HFH clients have been housed using rental subsidies such as Housing Authority Section 8 vouchers, Project Based Vouchers, and Shelter Plus Care vouchers. However, these traditional sources of rental subsidies are not available in sufficient quantity to serve the volume of DHS patients who are homeless and at risk of early morbidity and mortality if they remain on the streets. Federal Budget sequestration mandates are further reducing the availability of rental subsidy vouchers. For example, Section 8 vouchers are no longer being issued and Shelter Plus Care vouchers are being curtailed. In addition, while such sequestration negatively impacts the homeless population who previously qualified for such benefits, DHS also serves a population of homeless patients who are not able to qualify for federally assisted housing and therefore have limited or no access to any type of rental subsidy. In order to address the increased need to ensure

patient stabilization, alternative methods to secure housing are essential to impact improved health care for homeless patients in Los Angeles County. DHS is seeking to establish the Flexible Housing Subsidy Pool as a mechanism to secure housing for high utilizers of County healthcare services.

Flexible Housing Subsidy Pool

The Flexible Housing Subsidy Pool will create a responsive and flexible mechanism to secure safe, decent, and affordable housing for individuals who are homeless and who have complex physical health and behavioral health conditions. As a result of the competitive solicitation, West Bay Housing Corporation was selected as the Operator of the Flexible Housing Subsidy Pool. As the Operator, West Bay Housing Corporation will perform a range of housing functions, acting as the central coordination entity for all activities of the Flexible Housing Subsidy Pool including SHSMA PRTS activities such as, establishing and maintaining relationships with property owners/operators, support services providers, public agencies, and participating funders; identifying and securing a broad range of decent, safe, and affordable housing countywide; providing 24/7 response for tenants who are experiencing issues with their unit/building and property owners/operators if they are experiencing tenant issues; providing monthly rent subsidy payments to participating property owners/operators; and, as controlled and directed by DHS, securing specialized goods and services necessary for patients to transition to the appropriate community setting when no other funding and resource options are available.

The goal of the Flexible Housing Subsidy Pool is to secure housing for 300 people in 2014, 600 in 2015, 1200 in 2016, and 2400 in 2017. All individuals who are housed through the Flexible Housing Subsidy Pool will be linked to ICMS to support them in their transition to permanent housing and to achieve housing stability. These services include case management with on-going monitoring and follow-up; linkage to health, mental health, and substance use disorder services; assistance with benefits establishment; assistance with life skills, job skills, and educational and volunteer opportunities; crisis intervention; etc.

DHS will monitor and evaluate the impact of the Flexible Housing Subsidy Pool. The evaluation will include client's use of medical services and establishment of a medical home; linkage to mental health, substance use disorder, and community services; benefits establishment; and stability in housing. Once systems such as DHS' electronic health record, ORCHID, and i2i (a patient centered medical home population management registry) are implemented, the evaluation of the patient's improved health care outcomes will be expanded to include individual health status and preventive health measures.

The Flexible Housing Subsidy Pool may also be a valuable tool for other County departments that serve clients who are homeless and are identified as having complex physical and behavioral health conditions. These departments include the Department of Mental Health and the Department of Public Social Services, among others. DHS fully supports the participation of other County departments in the Flexible Housing Subsidy Pool and will work with those departments to modify the budget and program regulations to accommodate their requirements.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness, Goal 2, Fiscal Sustainability, and 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total estimated maximum obligation for DHS is \$13 million: \$1 million in Fiscal Year (FY) 2013-14; \$3 million in FY 2014-15; \$4 million in FY 2015-16; and \$5 million in FY 2016-17.

Funding is included in the DHS FY 2013-14 Final Budget and will be requested in future fiscal years, as needed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The services provided under this Work Order are exempt from Proposition A because they are intermittent and as needed, and therefore, not subject to the Living Wage Program (Los Angeles County Code Chapter 2.201).

The majority of the funding will be dedicated for the Flexible Housing Subsidy Pool with only a minor percentage of the funding provided for the Operator’s administrative costs.

The Conrad N. Hilton Foundation has committed \$4 million to the Flexible Housing Subsidy Pool. The Foundation will make their award directly to West Bay Housing Corporation.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

On April 5, 2012, DHS released a Request for Statement of Qualifications (RFSQ) for Supportive Housing Services, posting it on the DHS Contracts and Grants website and the County “Doing Business with Us” website. Through the RFSQ, DHS identified qualified vendors to enter into Master Agreements with the County to provide ICMS and PRTS for future supportive housing projects. The RFSQ continues to be advertised and open to new agencies to ensure there are a variety of qualified agencies for Work Order solicitations.

DHS released the Work Order Solicitation for PRTS – Flexible Housing Subsidy Pool Operator on October 17, 2013. Three vendors submitted responses to the Work Order Solicitation by the due date of November 7, 2013. West Bay Housing Corporation was the top scoring respondent.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will expand access to supportive housing for DHS patients who are homeless, with the goal of improving health outcomes and reducing costs to the public health system.

The Honorable Board of Supervisors

12/10/2013

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, somewhat stylized font.

Mitchell H. Katz, M.D.

Director

MHK:az

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

SUPPORTIVE HOUSING SERVICES MASTER AGREEMENT

MASTER AGREEMENT NO. H-705430

WORK ORDER NO. SHSMA 006

Project Title: Property Related Tenant Services –
Flexible Housing Subsidy Pool Operator

Program Manager: Cheri Todoroff

Work Order Contractor: West Bay Housing Corporation

I. RECITALS

WHEREAS on September 14, 2012, the County of Los Angeles (County), Department of Health Services (DHS) and West Bay Housing Corporation (Contractor) entered into a Supportive Housing Services Master Agreement (SHSMA), which is comprised of Intensive Case Management Services (ICMS) and Property Related Tenant Services (PRTS); and

WHEREAS, the Contractor was determined to be the top scoring proposer in response to PRTS Work Order Solicitation No. SHSMA 006 and agreed to provide PRTS to DHS; and

WHEREAS, all terms of the Master Agreement No. H-705430 (hereafter Master Agreement) shall remain in full force and effect; and

WHEREAS, the Master Agreement provides that Work Orders will be issued and executed in accordance with paragraph 3.0, Work; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

II. WORK

The Contractor shall satisfactorily perform all services set forth in the Statement of Work (SOW), Exhibit A of this Work Order, attached hereto and incorporated by reference and in accordance with the Master Agreement. The Contractor shall be operational in 30 days from execution of Work Order. If the Contractor fails to perform within the first 30 days of the Work Order Term, the Contractor may be replaced.

III. TERM

The term of this Work Order shall be effective from date of execution through June 30, 2017.

IV. PAYMENT

The County shall pay the Contractor for all PRTS provided under this Work Order in accordance with Section 5.4, Invoices and Payments, of the Master Agreement, in an amount not to exceed \$13 million, for the entire Work Order term.

All invoices under this Work Order shall be submitted to the following:

Los Angeles County Department of Health Services
Housing for Health
313 N. Figueroa Street, Room 704
Los Angeles, CA 90012
Attn: Cheri Todoroff

For purposes of budgetary planning, the following shall constitute the estimated funding expenditures for PRTS that Contractor shall have for each Fiscal Year or portion thereof that this Work Order is in effect:

- A. Contractor estimated expenditures beginning from date of execution through June 30, 2014, shall be \$1 million.
- B. Contractor estimated expenditures from July 1, 2014 through June 30, 2015, shall be \$3.0 million.
- C. Contractor estimated expenditures from July 1, 2015 through June 30, 2016, shall be \$4.0 million.
- D. Contractor estimated expenditures from July 1, 2016 through June 30, 2017, shall be \$5 million.

Contractor shall adhere to its proposed annual budget as reflected and submitted to DHS. Any modification to said proposed annual budget shall be approved by the County's Program Manager.

Contractor shall not be entitled to any compensation whatsoever for any service or other work that is not specified in this Work Order, and/or goes beyond the expiration date of this Work Order.

V. COUNTY PERSONNEL

The County's Master Agreement Project Director (MAPD) and Program Manager are designated in Exhibit A, County's Administration, of the Master Agreement. The MAPD is the person designated by the Director with authority to negotiate and recommend all changes on behalf of the County as well as approve all Work Orders.

The Program Manager is the person designated as the chief contact person with respect to the day-to-day administration of the Master Agreement.

VI. CONTRACTOR PERSONNEL

The Contractor's Project Manager and Contractor's Authorized Officials are designated in Exhibit B, Contractor's Administration, of the Master Agreement. The Contractor's Project Manager and Contractor's Authorized Official(s) are the persons designated by the Contractor to administer the Master Agreement operations after the Master Agreement award. They shall be responsible for the Contractor's day-to-day activities as related to this Master Agreement and shall coordinate with County's Program Manager on a regular basis with respect to all active Work Orders.

VII. INSURANCE COVERAGE

Contractors providing PRTS shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 8.28 and 8.29 of the Master Agreement. In addition, Contractor shall also provide and maintain the following insurance coverages:

Sexual Misconduct Liability

Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than \$2 million per claim and \$2 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

Crime Coverage

A Fidelity Bond or Crime insurance policy with limits of not less than \$50,000 per occurrence. Such coverage shall protect against all loss of money, securities or other valuable property entrusted by Contractor clients to Contractor, and apply to all of Contractor's directors, officers, agents and employees who regularly handle or have responsibility for such money, securities or property.

Contractor's signature on this Work Order document confirms Contractor's agreement with all provisions of the Work Order. All terms of this Master Agreement shall remain in full force and effect. The terms of the Master Agreement shall govern and take precedence over any conflicting terms and/or conditions in this Work Order, regardless of any oral promise made to the Contractor by any County personnel whatsoever.

Contractor

County of Los Angeles

By: _____

By: _____

Name: _____

Name: Kathy K. Hanks, C.P.M.

Title: _____

Title: Director, Contracts and Grants

Date: _____

Date: _____