



Office of the City Manager

CONSENT CALENDAR
January 24, 2017

To: Honorable Mayor and Members of the City Council

From: *DWR* Dee Williams-Ridley, City Manager

Submitted by: Paul Buddenhagen, Director, Health, Housing & Community Services Department

Subject: Contract No. 9613B Amendment: Lakehurst Hall, Inc. for Temporary Housing

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute an amendment to Contract No. 9613B with the Lakehurst Hall, Inc. for the provision of temporary housing to mental health clients increasing the contract amount by \$100,000 for a total contract amount not to exceed \$149,500, and extending the term through June 30, 2019.

FISCAL IMPACTS OF RECOMMENDATION

Funding through FY 2019 in the amount of \$100,000 is available from Mental Health Services Act (MHSA) Community Services and Supports Program budget code (063-4405-440-35-10). The FY 2018 and FY 2019 funding is subject to Council approval of the Budget and the Annual Appropriations Ordinance. This contract amendment has been entered into the City contract management database, and assigned CMS No. J22JG.

CURRENT SITUATION AND ITS EFFECTS

The Department of HHCS, Mental Health Division provides MHSA-funded intensive case management services and temporary housing to homeless mentally disabled clients. The City pays for all or a portion of the rent depending on the client's financial circumstances. Rooms are rented by the week or month. The recommended action to amend the existing contract with Lakehurst Hall is consistent with required outcomes associated with MHSA funding, particularly related to achieving housing placements and housing retention for clients with severe and persistent mental illness, including Transition Aged Youth.

BACKGROUND

The Lakehurst Hall is a single room occupancy (SRO) hotel located in Oakland (adjacent to Lake Merritt) that offers its residents two meals per day Monday through Friday. The majority of rooms offer private bathrooms and each room is cleaned weekly by hotel staff. Based on the ongoing need to find affordable housing for our clients and

the continued satisfactory performance by Lakehurst Hall, the Department of HHCS, Mental Health Division has contracted with Lakehurst Hall since 2007.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

Under the MHSA, the Mental Health Division provides comprehensive services to severely and persistently mentally ill homeless clients. In addition to intensive mental health case management services, known as assertive community treatment, a range of income and housing supports are required to safeguard and stabilize these clients. This recommended housing subsidy contract is an essential resource to achieve short and mid-term housing stability while staff work with these clients to identify permanent housing placements.

The Lakehurst Hall has provided adequate temporary housing for our MHSA clients for the past nine years and the recommended action to amend the existing contract is consistent with required outcomes associated with MHSA funding, particularly related to achieving housing placements and housing retention of severely mentally disabled clients.

ALTERNATIVE ACTIONS CONSIDERED

A range of housing and residential treatment settings are under consideration for this target population. Longer-term planning is underway to identify funding opportunities for additional supportive housing development projects that may reduce, but not eliminate, the need for continued contracts with a variety of SRO hotels.

CONTACT PERSON

Nancy Njissang, Mental Health Program Supervisor, HHCS (510) 981-5248

Attachments:

1: Resolution

Exhibit A: Scope of Services

Exhibit B: Payment Terms

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

CONTRACT NO. 9613B AMENDMENT: FUNDS FOR LAKEHURST HALL, INC. TO PROVIDE TEMPORARY HOUSING SUBSIDIES TO INDIVIDUALS SERVED BY BERKELEY MENTAL HEALTH'S FULL SERVICE PARTNERSHIP PROGRAM

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 April 18, 2014 the City Manager authorized Contract No. 9613 with Lakehurst Hall, Inc. for the provision of temporary housing in the amount not to exceed \$30,000 for the period July 1, 2013 to June 30, 2016; and

WHEREAS, on October 30, 2015 the City Manager authorized an amendment to Contract No. 9613 with Lakehurst Hall Inc. to increase the amount by \$19,500 for a total contract amount not to exceed \$49,500; and

WHEREAS, on May 17, 2016, in accordance with section 3, paragraph A of Contract No. 9613A, a letter was sent to the Lakehurst Hall Inc. providing official notification of the City's intent to extend the contract to June 30, 2017.

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. 9613B for the Lakehurst Hall, Inc. for temporary housing subsidy funds to increase the amount by \$100,000 for a total contract amount not to exceed \$149,500, and to extend the expiration date to June 30, 2019 contingent upon both satisfactory contract performance and the availability of external funding.

Exhibits

A: Scope of Services

B: Payment Terms

EXHIBIT A

SCOPE OF SERVICES

Contractor: Lakehurst Residential Hotel

Contract Period: July 1, 2017 – June 30, 2019

Program: Room Rental Fees

The purpose of this agreement is to provide terms and conditions for the payment of room rental fees on behalf of clients pre-authorized by the City of Berkeley, Mental Health Division (“Berkeley Mental Health” or “BMH”). The City is not entering into a lease or rental agreement with the Contractor on behalf of the individual program participants.

The Contractor will enter into a separate agreement with each program participant regarding terms and conditions of room rental.

The Contractor will comply with all relevant provisions of the Health Insurance Portability Accountability Act (“HIPAA”) and all other applicable federal, state and local privacy laws and regulations. All program participant information must be kept confidential. The Contractor shall implement appropriate safeguards as are necessary to prevent the use or disclosure of BMH program participant’s personal information.

The Contractor will provide services in accordance with the terms listed below:

Facility and Related Amenities

- a) Clean, furnished and habitable rooms shall be provided to Berkeley Mental Health program participants receiving either a partial or full housing subsidy. Each room has a sink with functioning hot and cold running water and central heat.
- b) Functioning elevator, smoke detectors in rooms and halls, and fire escapes are present and repaired promptly when needed. Further, the Contractor will respond timely, and take corrective actions, to concerns or complaints by tenants or BMH relating to needed repairs or conditions of room or facility.
- c) Rooms shall be cleaned and linen changed weekly
- d) A desk clerk will be on-duty 24-hours a day. This function includes: i) monitoring and registering all visitors and related “foot traffic” in/out of the lobby and residential areas; ii) contacting emergency services for clients/tenants if necessary.

Liability for Room Damage

- a) Prior to initial occupancy, hotel staff, BMH staff, and program participant will complete, sign, and file a form detailing any damage to the room to be occupied. If no form is submitted, the room is considered to be in good repair.
- b) The Contractor shall maintain adequate and continuous liability coverage, including the City of Berkeley, its officers, agents and representatives as additional insureds.
- c) BMH will pay damage claims, in accordance with Exhibit B, for client-caused room damages in the amount not to exceed \$500 per room per program participant. BMH staff shall inspect and document room damage prior to repairs. All repairs for client-caused damage must be approved by BMH prior to payment. In coordination with BMH, the Contractor will first seek full or partial payment for damage directly from the client. The contractor shall provide sufficient proof of attempt to collect the cost of repairs for the damage from the client.
- d) For any program participant who withdraws from BMH services following placement, BMH will maintain financial responsibility for up to 60 days of rent. The Contractor will be responsible for eviction proceedings and associated costs.
- e) Once an individual client assumes responsibility for 100% of his or her own rent for 120 days, BMH will not be liable for any costs associated with facility damage that occurs after the 120-day period.

BMH supports to BMH clients residing at the Lakehurst Hotel

- a) All BMH-referred clients that are on subsidy will have an assigned Case Manager. Berkeley Mental Health case management staff will visit subsidized clients in their rooms at least 1x per month or upon request by Lakehurst staff, in order to monitor how clients are maintaining their rooms. The Hotel staff will immediately contact the assigned Case Manager to respond to BMH clients in crisis. For back up and troubleshooting, the hotel staff may contact the on duty clinician or Clinic Supervisor between 8:00 a.m. and 5:00 p.m. on weekdays. The Berkeley Mental Health Mobile Crisis Team can be contacted for phone consultation on evenings, weekend and holidays (Hours of operation are 11:30 A.M. to 10:00 P.M., daily).
- b) BMH will strive for client cooperation with client co-payment arrangements based upon signed lease agreements with the Hotel. In the event that a client co-payment cannot be made due to a reduction of income to the client, BMH will assume responsibility for the unpaid rental amount during that month if notified in writing within 10 days by Lakehurst Hall management that the client has not made payment.

- c) In the event of medical or police emergencies, the Contractor will call 911.

Payment Process for Hotel Subsidies

- a) For BMH clients who will receive an ongoing monthly rental subsidy, Contractor will submit invoice statements to BMH on a monthly basis, pursuant to the terms in Exhibit B.
- b) Contractor agrees that housing subsidy payments shall be issued only for the period during which the unit is leased and/or occupied by the client.
- c) If the client vacates the unit, the Contractor agrees to promptly notify BMH, and respective housing subsidy payments shall terminate after the month in which client moves. Contractor agrees to return any payments received after the client has vacated the unit to BMH.
- d) Contractor agrees to notify BMH of any missing rental payments.
- e) Invoices should be faxed to the BMH Adult Services Clinic (510) 981-5265; Attn. FSP Program Supervisor.

EXHIBIT B

PAYMENT TERMS

Payment Provisions

All financial arrangements disclosed in this Agreement pertain only to BMH program participants for whom BMH has provided a preauthorized rental subsidy notice to the Contractor. No payments on a disputed invoice will be made without written pre-authorization of the rental subsidy.

Room rental rates (including breakfast and dinner served daily, Monday through Friday, except State and federal holidays) are as follows:

1. Room rate: \$875 per month at time of contract and may adjust to reflect fair market rent. Rent will be verified by BMH staff to ensure that it does not exceed reasonable costs charged by other like housing providers. Contractor must notify the City of Berkeley of any increase in the room rate in writing at least 90 days prior to implementation of any room rate increase.
2. Daily and weekly rates will be prorated, based on the 30-day month rate, if stay is less than one month.

The Contractor will invoice BMH monthly for payment on the 1st of each month, unless that day should fall on a weekend or City holiday, in which case Contractor will invoice BMH on the next business day. Payment shall be made within 30-days receipt of an accurate and properly formatted invoice.

Damage Claims

BMH will pay for room damages, not to exceed \$500 per room per program participant. Contractor will submit to BMH an invoice with documentation of attempts to collect the cost of the repairs from the client and a copy of the invoice and payment made for repairs.

Total contract amount not to exceed: \$149,500

