



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: April 6, 2021
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Janette D. Pell, Director, General Services (805) 560-1011
Directors: Alice Gleghorn, Director, Behavioral Wellness (805) 681-5220
Contact Info: Skip Grey, General Services Assistant Director (805) 568-3083
SUBJECT: Behavioral Wellness Adult Crisis Residential Mental Health Services – Lease Agreement with Crestwood Behavioral Health, Inc.; District 2

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management & Behavioral Wellness

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify and authorize the Chair to execute the original and duplicate original Lease Agreement between the County of Santa Barbara and Crestwood Behavioral Health, Inc. to allow Crestwood to lease the 6,400 square foot County-owned building known as La Morada, Assessor Parcel Number 061-040-027 located in Santa Barbara, for a monthly rental amount of \$9,167 for a term of one (1) year from July 1, 2020 to June 30, 2021, for the purpose of operating an adult crisis residential facility (District 2); and
- b) Determine that the recommended actions are exempt under California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, as the actions consist of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features and involve negligible or no expansion of use.

Summary Text:

The Board's action to approve and authorize the Chair to execute the attached Lease Agreement (Attachment 1) with Crestwood Behavioral Health, Inc. ("Crestwood") will allow Crestwood to continue leasing County-owned space in Santa Barbara to operate an adult crisis residential facility in

accordance with the County's contractual obligations under the County Mental Health Plan (Contract No. 17-94613) and the Agreement for Services of Independent Contractor ("Service Agreement").

Background:

A Crisis Residential Treatment ("CRT") facility is a safe and therapeutic environment where residents are assisted to stabilize the symptoms of mental illness and co-occurring conditions; gain skills to manage the client's condition more effectively; make progress on the path to personal recovery; engage community supports that will enable the client to leave the facility, participate fully in necessary follow-up treatment, and improve networks of support for community life, including linkage to community services. Typically, these services are provided to clients upon discharge from a Psychiatric Health Facility (PHF).

On May 28, 2019, the Board authorized the Chair to execute separate agreements with experienced and qualified crisis residential service providers, Crestwood and Telecare Corporation ("Telecare"), in order to provide a seamless transition from the previous provider who unexpectedly filed for bankruptcy and ceased its CRT services. Service Agreements were executed with Crestwood and Telecare for the time period of May 28, 2019 through June 30, 2020, in compliance with federal procurement procedures.

Each Service Agreement contained a personal, revocable and non-assignable license that authorized each provider to use a County-owned program site to operate a CRT facility. Corresponding lease agreements were thereafter executed with each provider, authorizing Crestwood to operate a 10-bed CRT facility at 66 S. San Antonio Road in Santa Barbara and Telecare to operate two CRT facilities in Santa Maria. The lease agreements superseded and replaced the licenses granted in the Service Agreements. The Board of Supervisors has since authorized amendments to the Services Agreements to increase the maximum contract amounts and extend the term to allow the County Department of Behavioral Wellness ("BeWell") to complete a competitive process for CRT services. Currently, the Services Agreements expire on June 30, 2021.

On June 25, 2020, the County notified Crestwood and Telecare that continued occupancy of their leased premises beyond the lease termination dates of June 30, 2020, would be construed as month-to-month tenancies and each lessee would then be considered a holdover tenant. Telecare accepted its holdover status with no change in rent, so a new lease is not needed at this time. However, the monthly rent due from Crestwood was eligible for a decrease from \$12,500 to \$9,167, beginning July 1, 2020, due to a decrease in County-provided security services. The monthly rental amounts were initially set based on an analysis of site costs incurred by the County to maintain and repair the premises such as janitorial and security services and utilities. The Service Agreements are funded with Medi-Cal funds. In order to be reimbursed by Medi-Cal, all costs must be supported by actual expenditures. The original rent amount could not be supported with the reduced security costs therefore warranting a reduced monthly rental amount of the Crestwood lease. The recommended actions include ratification and approval of a new lease at this reduced rent for a one (1) year term from July 1, 2020 through June 30, 2021. This term matches Crestwood's current Service Agreement.

BeWell is in the process of negotiating new contract terms for Crestwood and Telecare to continue operating their respective CRT facilities through 2024. An RFP was issued in September 2020 and, through a competitive bidding process, Crestwood and Telecare were each independently selected to continue providing CRT services at the designated program sites. A Notice of Intent to Award was issued on November 23, 2020, and new contract terms for FY 2020-2024 are currently being negotiated. Staff will return to the Board, as necessary, for approval of any new lease agreements that exceed the General Services Director's authority under County Code Chapter 12A.

Approval of the new Lease Agreement will allow BeWell clients to continue to receive essential adult crisis residential mental health services without a gap in treatment while BeWell negotiates contracts with Crestwood and Telecare. BeWell will return to the Board with the final contracts recommended for approval.

Performance Measure:

Crestwood has operated the CRT facility at 66 S. San Antonio Road in Santa Barbara since May 28, 2019. The County Department of Behavioral Wellness is satisfied with Crestwood’s performance.

Key Contract Risks:

The Lease Agreement is ancillary to the Service Agreement. Termination of the Service Agreement terminates the Lease Agreement and vice versa. Crestwood has obtained all required licenses to provide services pursuant to its Service Agreement and is currently operating at its designated location.

Fiscal and Facilities Impacts:

Crestwood pays rent in the amount of \$9,167 per month for use of the County-owned property at 66 S. San Antonio Rd. in Santa Barbara.

In accordance with the terms of the Lease Agreement, the County provides maintenance and repair for the exterior and structural portions of the building, surrounding grounds, and the parking lot of each Crisis Residential Facility. The County also pays for utilities (except phone and data connectivity) and for any janitorial and security services to the premises.

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
Other: Rental Income	\$110,004	\$110,004	
Total	\$110,004	\$110,004	\$ -

The County will receive \$110,004 in annual rental income from Crestwood, which is anticipated to cover the anticipated operating costs of the facilities.

Staffing Impacts: None

Special Instructions:

After Board action, please distribute as follows:

- | | |
|--------------------------------------------------------|--------------------------------------|
| 1. Original Lease Agreement | Clerk of the Board Files |
| 2. Duplicate Original Lease Agreement and Minute Order | Susan Freebourn/Real Estate Services |
| 3. Copy of the Minute Order | Behavioral Wellness |

Attachments:

1. Original and Duplicate Original Lease Agreement

Authored by:

Susan Freebourn, General Services