



C o u n t y o f S a n L u i s O b i s p o

# General Services Agency

Janette D. Pell, General Services Agency Director

Helen McCann, Department Administrator

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## **REQUEST FOR PROPOSAL PS- #1010 MENTAL HEALTH SERVICES ACT (MHSA) HOUSING PROGRAM**

March 17, 2009

The County of San Luis Obispo is currently soliciting proposals for professional services for Mental Health Services Act (MHSA) Housing Program.

Each proposal shall specify each and every item as set forth in the attached specifications. Any and all exceptions must be clearly stated in the proposal. Failure to set forth any item in the specifications without taking exception may be grounds for rejection. The County of San Luis Obispo reserves the right to reject all proposals and to waive any informalities.

If your firm is interested and qualified, please submit six (6) copies of your proposal by 3:00 p.m. on May 18, 2009 to:

County of San Luis Obispo  
Phill Haley, GSA-Purchasing  
1087 Santa Rosa Street  
San Luis Obispo, CA 93408

If you have any questions about the proposal process, please contact me. For technical questions and information contact Janet Amanzio at (805) 781-4732.

PHILL HALEY  
Buyer – GSA-Purchasing  
phaley@co.slo.ca.us

**TO:            ALL PROSPECTIVE PROPOSERS**  
**SUBJECT:    LOCAL PROPOSERS PREFERENCE**

The County of San Luis Obispo has established a local vendor preference. All informal and formal Request for Proposals for contracts will be evaluated with a 5% preference for local vendors. Note the following exceptions:

1.     Those contracts which State Law or, other law or regulation precludes this local preference.
2.     Public works construction projects.

A "local" vendor will be approved as such when, 1) It conducts business in an office with a physical location within the County of San Luis Obispo; 2) It holds a valid business license issued by the County or a city within the County; and 3) Business has been conducted in such a manner for not less than six (6) months prior to being able to receive the preference.

As of March 3, 1994 individual County Buyers evaluate RFPs (Request for Proposals) considering the local vendor preference described above. The burden of proof will lie with proposers relative to verification of "local" vendor preference. Should any questions arise, please contact a buyer at (805) 781-5200. All prospective proposers are encouraged to quote the lowest prices at which you can furnish the items or services listed in County proposals.

	YES	NO
Do you claim local vendor preference?		
Do you conduct business in an office with a physical location within the County of San Luis Obispo?		
Business Address: _____ _____		
Years at this Address: _____		
Does your business hold a valid business license issued by the County or a City within the County?		
Name of Local Agency which issued license: _____		

Business Name: \_\_\_\_\_

Authorized Individual: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

**PROPOSAL SUBMITTAL AND SELECTION**

1. All proposals, consisting of 6 (six) copies must be received by mail, recognized carrier, or hand delivered **no later than 3:00 p.m. on May 18, 2009. Late proposals will not be considered.**
2. All correspondence should be directed to:

San Luis Obispo County  
General Services Agency  
1087 Santa Rosa Street  
San Luis Obispo, CA 93408  
ATTENTION: Phill Haley  
Telephone: 805-781-5904
3. Costs of preparation of proposals will be borne by the proposer.
4. It is preferred that all proposals be submitted on recycled paper, printed on two sides.
5. Selection of qualified proposers will be by an approved County procedure for awarding professional contracts.
6. This request does not constitute an offer of employment or to contract for services.
7. The County reserves the option to reject any or all proposals, wholly or in part, received by reason of this request.
8. The County reserves the option to retain all proposals, whether selected or rejected.
9. All proposals shall remain firm for ninety, (90) days following closing date for receipt of proposals.
10. The County reserves the right to award the contract to the firm who presents the proposal which in the judgment of the County, best accomplishes the desired results, and shall include, but not be limited to a consideration of the professional service fee.
11. Selection will be made on the basis of the proposals as submitted. The Selection Committee may deem it necessary to interview applicants. The County retains the right to interview applicants as part of the selection process.
12. The proceedings of the Selection Committee are confidential. Members of the Selection Committee are not to be contacted by the proposers.

**PROPOSAL FORMAT**

A qualifying proposal must address all of the following points:

1. Project Title
2. Applicant or Firm Name
3. Firm Qualifications
  - a. Type of organization, size, professional registration and affiliations.
  - b. Names and qualifications of personnel to be assigned to this project.
  - c. Outline of recent projects completed that are directly related to this project. Consultant is required to demonstrate specific design and project expertise relating to the requirements of the Project Scope.
  - d. Qualifications of consultants, subcontractors, or joint venture firm, if appropriate.
  - e. Client references from recent related projects, including name, address and phone number of individual to contact for referral.
4. Understanding of and Approach to the Project
  - a. Summary of approach to be taken.
  - b. Description of the organization and staffing to be used for the project.
  - c. Indication of information and participation the proposer will require from County staff.
  - d. Indication of time frame necessary to complete the plan review once a Notice to Proceed is issued.
5. Fees and Insurance
  - a. Propose total fixed fees to complete project as described under Project Scope.
  - b. The selected Consultant will be required to provide insurance coverage in the amount of \$1,000,000 General Liability Insurance and \$1,000,000 of Professional Liability Insurance. This amount of insurance coverage shall be reflected in your estimated professional fee.
  - c. The Consultant shall provide within five (5) days after the Notice of Award is issued a certificate of liability insurance naming the County of San Luis Obispo and its employees and officers as additionally named insured. This shall be maintained in full force and effect for the duration of the contract and must be in an amount and format satisfactory to the County.

d. Indemnification

Consultant shall defend, indemnify and hold harmless the County, its officers and employees from all claims, demands, damages, costs, expenses, judgments, attorney fees, liabilities or other losses that may be asserted by any person or entity, and that arise out of or are made in connection with the acts or omissions relating to the performance of any duty, obligation, or work hereunder. The obligation to indemnify shall be effective and shall extend to all such claims and losses, in their entirety, even when such claims or losses arise from the comparative negligence of the County, its officers and employees. However, this indemnity will not extend to any claims or losses arising out of the sole negligence or willful misconduct of the County, its officers and employees.

The preceding paragraph applies to any theory of recovery relating to said act or omission, by the Consultant, or its agents, employees, or other independent contractors directly responsible to Consultant including, but not limited to the following:

1. Violation of statute, ordinance, or regulation.
2. Professional malpractice.
3. Willful, intentional or other wrongful acts, or failures to act.
4. Negligence or recklessness.
5. Furnishing of defective or dangerous products.
6. Premises liability.
7. Strict Liability.
8. Violation of civil rights.
9. Violation of any federal or state statute, regulation, or ruling resulting in a determination by the Internal Revenue Service, California Franchise Tax Board or any other California public entity responsible for collecting payroll taxes, when the Consultant is not an independent contractor.

It is the intent of the parties to provide the County the fullest indemnification, defense, and "hold harmless" rights allowed under the law. If any word(s) contained herein are deemed by a court to be in contravention of applicable law, said word(s) shall be severed from this contract and the remaining language shall be given full force and effect.

## PROJECT SCOPE

San Luis Obispo County Behavior Health Department is requesting proposals for the Mental Health Services Act (MHSA) Housing Program for the development, acquisition, construction and/or rehabilitation of permanent supportive housing for persons with mental illness and their families, especially including homeless individuals with a mental illness. The MHSA Housing Program was established via Executive Order S-07-06, signed by the Governor on May 12, 2006. The program is jointly administered by the California Department of Mental Health (DMH) and the California Housing Finance Agency (CalHFA). CalHFA will underwrite requests for capital funds and capitalized operating subsidies, while DMH will evaluate each applicant's proposed target population and supportive services plan. Once funds are awarded, Cal HFA will oversee all housing and financial aspects of the project and DMH will oversee provision of services.

A committee of local housing and service providers was assembled in the spring of 2008 to review the Housing Component and through a number of meetings, made recommendations to the Behavioral Health Administrator with the priorities for projects to be funded by the Housing Component. The complete recommendation can be viewed in Appendix B and will be part of the consideration for awarding the RFP by the selection committee. The preference for this RFP is for Rental Housing, single occupancy, for adults or transitional age youth (18-25 years) in the city of San Luis Obispo. Successful applications should also emphasize voluntary, client-centered, family focused and community based services that are culturally and linguistically competent and incorporate specific strategies to assist in promoting respect, acceptance, dignity and social inclusion for those individuals seeking to be tenants.

Supportive housing means housing with no limit on length of stay that is occupied by the target population and is linked to on-site or off-site services meant to help the tenant to retain the housing, support their recovery and resiliency and maximize their ability to live and work in the community.

Funds provided under this program must serve the MHSA Housing Program Target Population as specified in the Executive Order and defined in detail under Project Requirements (see Appendix C). Capital funds may be used for either Rental Housing Developments or Shared Housing Developments. Applicants are required to obtain additional capital funds from a range or available sources such as grants, tax credits or loans from governmental and private sources.

The types of permanent supportive housing that may receive funding under the MHSA Housing Program include apartment buildings, duplexes, triplexes, four-plexes, single family homes and condominiums. The project may be a single population development, meaning all units are dedicated to the MHSA Housing Program target population, or a Mixed Population development wherein the project has a specific number of units within a development dedicated to house the MHSA target population.

Funds may be distributed by the Mental Health Department to a qualified borrower in the form of a loan or as capitalized operating subsidy. Qualified developers include any of the following:

- 1) Developers with a track record of successful housing development and a history of serving the target population,
- 2) Developers with a track record of successful housing development but with no history of serving the target population, but with a strong contract/Memorandum of Understanding with a qualified service provider and property manager, and the assistance of qualified consultants with a history of successfully working with developers to house the target population,
- 3) A qualified supportive services provider with a joint venture developer partner with a history of successful development, who has entered into a contract/Memorandum of Understanding (acceptable to CalHFA) with a qualified property manager, and has the assistance of qualified consultants who have a history of successfully working with similar joint venture partners to house the target population,
- 4) A qualified supportive services provider with a qualified development team that has a history of successful development and that has entered into a contract/Memorandum of Understanding (acceptable to CalHFA) with a qualified property manager, or
- 5) For a Shared Housing Development that consists of a condominium, single family home, duplex triplex and/or four-plex, an appropriate agency of the county.

The ultimate borrower must be one of the following:

- a limited partnership (LP) in which the managing general partner is a 501(c)(3) corporation; or a Limited Liability company (LLC) whose sole member or members are a 501 (c)(3) corporation,
- a 501(c)(3) corporation,
- an affiliate of a local redevelopment agency,
- an affiliate of the county created to hold properties financed with MHSA Housing Program funding,
- an affiliate of a local housing authority created to hold properties, or
- a LLC whose sole member or members are 501(c)(3) corporations.

The MHSA allocation is \$2,583,400.00 with \$895,300.00 of that amount set aside for program operating subsidies. Funding available will be subject to a per-project limit. The State intends to continue funding the program on an ongoing basis as long as the MHSA continues to generate sufficient revenues.

An applicant may apply for up to one-third of the capitol costs of restricted units in a Rental Housing Development to a maximum of \$100,000.00 per targeted unit. The loan term for capitol funds awarded under this program will be 20 years or longer if required by other funding sources.

An application for a Shared Housing Development may apply for \$100,000.00 per targeted bedroom, up to 100% of capitol costs, provided each bedroom is targeted to a tenant who is a member of the MHSA Housing Program target population. The loan term for capitol funds awarded under this program will be 20 years, or longer if required by other funding sources or if tax credits are involved.

Any organization wishing to apply for funding through the MHSA Housing Program must submit a proposal for a specific project that meets the criteria specified in this RFP and the requirements of the MHSA Housing Program. The instructions for the initial application are included in Appendix A. Once a project is selected through the RFP process, the final application to the State Department of Mental Health must include a project summary with the type of housing proposed, certify that the target population will be served and meet the requirement as a qualified developed or qualified supportive services provider. Additionally, the application must delineate the Supportive Services Plan, a property management plan, an asset management plan, an agreement to comply with outcome reporting as required by DMH, and meet Fair Housing and Americans with Disabilities Act (ADA) requirements (see Appendix D and E). Failure to set forth any item in the specifications may be grounds for rejection. The County of San Luis Obispo reserves the right to reject all proposals and to waive any informalities.

Selection as a project developer by County Mental Health is not a guarantee of funding. The application is reviewed by local stakeholders for at least 30 days. CalHFA evaluates the feasibility of the project and requirements for loan processing and DMH reviews and approves the supportive service components.

**The entire Housing Program requirements and application process are accessible on the DMH Website at [www.dmh.ca.gov/prop63/mhsa/housing](http://www.dmh.ca.gov/prop63/mhsa/housing), or the CalHFA website at [www.calhfa.ca.gov](http://www.calhfa.ca.gov).**

## MHSA Housing Program

### Appendix A

#### RFP Application Instructions

Use the following outline to respond to the RFP as this format also addresses the points requested in the RFP Proposal Format requirement.

Please respond to the following items:

1. Complete the MHSA Housing Component Project Summary Form (attached). Complete a separate form for each proposed project.
2. Complete a narrative describing the proposed project, location, number of units, type of housing/development and arrangements for supportive services for each proposed project.
3. Provide a statement to demonstrate the organization's:
  - History of serving the target population or relationship with a strong service provider;
  - Description of all projects that have been serving tenants with a serious mental illness including number or units targeted to tenants with serious mental illness, number of persons served and the period of time in which services were delivered;
  - Legal organization status that meets the Housing Program criteria;
  - Ability to manage the real estate component of the project;
  - Plans for determining how prospective tenants will be selected, fair housing requirements met and the appeals process for those denied tenancy in the project.
4. Complete the Supportive Services Chart (attached) for each project and a narrative described in Appendix "D" that describes the approach to providing supportive services to the MHSA Housing Program target population including:
  - Description of services to be delivered;
  - Understanding of the needs/cultural issues of supporting housing with the target population;
  - How to support tenants in achieving housing stability and independence as well as wellness, recovery and resiliency.
  - Strategies for engaging tenants in supportive services and in community life;
  - Description of service coordination and plan for communication between service provider and property management;
5. Include a plan for design considerations including building type (studios, condo, apartment, etc), physical space for the delivery of supportive services, whether on-site manager accommodations are present or not, and design elements such as unit layout, features, accommodations for physically handicapped residents, etc. to meet the needs of the target population.



## MHSA Housing Program Application

### Appendix B

#### Housing Program Project Summary

A Housing Grant Advisory Committee was formed in the spring of 2008 to provide recommendations to the Behavioral Health Agency, Mental health Services as to the type, location, age group and other important considerations to meet the needs of the residents. The following is a summary of the recommendations. All applications will be reviewed and considered for funding however the applications that address the recommendations of the Advisory Committee may have preference in the final decision to award funds. All housing must provide for the target populations described in Appendix C.

The committee prioritized its recommendations based on the perceived need and broke them into three age categories. The priorities identified are as follows:

#### Priority #1:

Adult, single occupancy permanent housing with on site support, such as a facility manager, and depending on the number of units, on site community space for activities, interviewing, groups, etc. Ideally the units would qualify for Section 8 HUD subsidy and have easy access to public transportation.

#### Priority #2:

Transitional age youth (at the time of placement) in single occupancy units with no requirement for length of stay. On site management would be recommended.

#### Priority #3:

Older Adult housing, either single or shared occupancy with space for socializing and medical screening, handicapped access and access to public transportation. On site management is recommended. May combine with Adult units.

#### Other considerations:

The Committee felt that purchasing current available housing is preferred to new construction due to the complexities of planning, design and construction.

The committee felt strongly that single occupancy units were needed to complete a continuum of housing choices for clients. The preferred location is the city of San Luis Obispo however other locations will be considered.

## MHSA Housing Program Application

### Appendix C

#### Housing Program Target Population Definition (Section 2.2, Project Requirements)

The MHSA Housing Program target population has been defined as low-income adults, older adults, transition-age youth with serious mental illness, and children with severe emotional disorders and their families who, at the time of assessment for housing services, meet the criteria of MHSA services in their county of residence and are homeless or at risk for homelessness, as defined below. The County Mental Health department, or its designee, will certify the target population eligibility of individuals and/or families.

The following are definitions and criteria that apply:

1. Adults or Older Adults means adults with serious mental illness as defined in Welfare and Institutions Code Section 5600.3 (b)(1). "Serious mental disorder" means a mental disorder which is severe in degree and persistent in duration, which may cause behavioral functioning which interferes substantially with the primary activities of daily living and which may result in an inability to maintain stable adjustment and independent functioning without treatment, support, and rehabilitation for a long or indefinite period of time.
2. Children or adolescents with severe emotional disorders as defined in Welfare and Institutions Code 5600.3(a)(1) and their families. "Seriously emotionally disturbed children or adolescents" means minors under the age of 18 years who have a mental disorder as identified in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders (displays psychotic features, or is at risk of suicide or violence due to a mental disorder), other than a primary substance use disorder or development disorder, which results in behavior inappropriate to the child's age according to expected development norms. The child must have a substantial impairment in at least two of the following: self-care, school functioning, family relationships, or ability to function in the community and is at risk of removal from the home and/or the disorder and impairments have been present for more than six months or are likely to continue for more than one year without treatment.
3. "Homeless" means living on the streets, or lacking a fixed, regular and adequate night-time residence. (This includes shelters, motels and living situation in which the individual has no tenant rights.)
4. Individuals who are "at risk of homelessness" include:
  - Transition-age youth (as defined in Welfare and Institutions Code Section 5847(c), and in Title 9, California Code of regulations, Section 3200.80, exiting the child welfare or juvenile justice systems.

- Individuals discharged from institutional settings including:
  - Hospitals, including acute psychiatric hospitals, psychiatric health facilities (PHF), skilled nursing facilities (SNF) with a certified special treatment program for the mentally disordered (STP) and mental health rehabilitation centers (MHRC).
  - Crisis and transitional residential settings
  - Individuals release from local or county jails.
- Individuals temporarily placed in Residential Care Facilities upon discharge from one of the institutional settings cited above.
- Individuals who have been assessed and are receiving services at the County Mental health Department and who have been deemed to be at imminent risk of homelessness, as certified by the County Behavioral Health Administrator or designee.

## MHSA Housing Program Application

### Appendix D

#### Supportive Services Plan

Applicants for MHSA Housing Program funds must provide a clearly articulated supportive services plan and service delivery program. The services to be provided must be appropriate to the MHSA Housing target population and must be designed to support housing stability as well as wellness, recovery and resiliency.

Each application must include a supportive services plan that meets MHSA Housing Program requirements and is approved by the State Department of Mental Health (DMH). CalHFA requires that the borrower have a commitment for service funding from the County Mental Health Department for the full term of the MHSA Housing Program loan before any funds are dispersed. Supportive services may be funded by Medi-Cal, other federal and/or private sources as well as MHSA funds. The following is a summary of the requirements included in the application for funding. For complete details including required forms, the MHSA Housing Program Application should be accessed on either the DMH or CalHFA Websites.

The support services plan must include the following:

1. Consistency with CSS Component

Describe how the proposed supportive housing project is consistent with the county Mental Health Department's CSS planning process and approved CSS three year Plan.

2. Target Population

Describe the target population to be served including the special needs and income level of the population.

3. Tenant Selection Plan

A detailed Tenant Selection Plan must be specific to the project for which funds are being requested. The plan must be in narrative form and describe: the referral and selection process, criteria determining tenant's eligibility, reasonable accommodation policies, how target population requirement will be met and the appeals process for those who are denied.

4. Supportive Services Plan

Provide a narrative that describes your approach to providing supportive services to the target population. The narrative must include: an understanding of the needs/issues of the target population, a description of the services to be delivered, a plan for helping tenants maintain their housing and achieve independence, strategies for engaging tenants in supportive services and in community life, delineate the frequency of contact and a plan for communication between the service provider and property management regarding the status of the tenants in the project. All services are to be delivered in a client centered, culturally competent manner, focusing on wellness and recovery.

5. Property Management Plan

Describe the roles and responsibilities of the property management agent, including services to be provided and a description of how the project's property management rules address the issues and needs of the target population. Describe how the property management function will be staffed and the fee structure to be charged for property management services.



## MHSA Housing Program Application

### Appendix E

#### Other Considerations

Other critical issues that need to be considered by borrowers when planning projects for MHSA Housing Program funding include:

1. Licensing

The MHSA Housing Program makes funding available only for projects that will offer independent housing with supportive services. Funds are not available for developments that require licensure of any kind.

2. Fair Housing

Applicants must comply with both fair housing laws and MHSA Housing Program target population requirements.

3. SSI Considerations

Applicants should be aware that the manner in which they organize their project may impact the Supplemental Security Income (SSI) eligibility of their tenants.

4. Article 34

Applicants should be aware that their projects may be subject to Article 34 of the State Constitution. Applicants are advised to seek legal advice on this issue.

5. Prevailing Wage

Use of MHSA Housing Program funds for construction may trigger State prevailing wage requirements. Applicants are advised to seek legal advice on this issue.

6. Accessibility

Projects must meet Americans with Disabilities Act (ADA) and fair housing accessibility requirements. Projects that utilize federal funding may be required to meet Section 504 requirements. Applicants are advised to seek legal and architectural advice on this issue.

**Completed RFP Application Checklist**

1. Local Vendor Preference.....page 2
2. Project Summary Form.....page 10
3. Project Narrative.....page 9
4. Organizational history, legal status and management ability.....page 9
5. Supportive Services Chart.....page 16
6. Supportive Services Plan.....page 14
7. Design Considerations.....page 9
8. Submit six (6) copies to:

County of San Luis Obispo  
Phill Haley, GSA-Purchasing  
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San Luis Obispo, CA 93408