



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: City Manager

Meeting Date: April 3, 2023

Report #:2303-1179

TITLE

Acceptance of \$2,000,000 from the Consolidated Appropriation Act, 2022, Awarded by the Department of Health and Human Services Substance Abuse and Mental Health Services Administration (SAMHSA) for Assistance Related to North County TRUST (Trusted Response Urgent Support Team), an Alternative Response Pilot Program; Approval of a Contract with Momentum for Health for Assistance Related to North County TRUST with a Total Contract Amount Not to Exceed \$1,931,706; and Approval of the Related Budget Amendment in the General Fund. CEQA status – not a project.

RECOMMENDATION

Staff recommends that Council:

1. Authorize the City Manager or their designee to accept \$2,000,000 from the Consolidated Appropriation Act, 2022, awarded by the Department of Health and Human Services Substance Abuse and Mental Health Services Administration for assistance related to North County TRUST (Trusted Response Urgent Support Team), an alternative mental health response pilot program; and
2. Approve and authorize the City Manager or their designee to execute a contract with Momentum for Health for assistance related to North County TRUST with a total contract amount not to exceed \$1,931,706; and
3. Amend the Fiscal Year 2023 Budget Appropriation for the General Fund (requires 2/3 approval) by:
 - a. Increasing the General Fund Non-Departmental revenue estimate for Revenue from Other Agencies for Consolidated Appropriation Act funding by \$2,000,000; and
 - b. Increasing the Non-Departmental contract services appropriation by \$2,000,000.

BACKGROUND

In the wake of national conversations on policing, the City launched its Race and Equity framework which included many action items related to citywide diversity, equity, and inclusion as well as specific changes within the Police Department. At the time in 2020, the City was waiting to receive a clinician assigned from Santa Clara County to Palo Alto for the Psychiatric Emergency Response Team (PERT) program. While the Police Department continued to actively work with the County to get a PERT clinician assigned to Palo Alto, the City Council expressed a strong desire to see that program up and running as well as to see additional investments in alternative response programs to divert lower acuity calls from law enforcement to mental health professionals or those with lived experience. A program in Oregon, known as CAHOOTS (Crisis Assistance Helping Out on the Streets)¹, was generally seen as the best practice model for this work. Staff researched options related to alternative response programs for Palo Alto.

On July 16, 2021, Representative Anna Eshoo announced she was successful in securing \$5 million for local projects in Palo Alto, including \$2 million for the mental health alternative response pilot program.² The City then applied to the related Notice of Funding Opportunity when it became available and received notice of award in September 2022. The City's original request mirrored the CAHOOTS model of alternative mental health response involving a call center and outreach team in partnership with the cities of Mountain View and Los Altos. At that time there was no mental health alternative response program dedicated to north Santa Clara County. In its application, the City proposed a pilot program that would proactively help individuals in crisis for mental health, homelessness, teen wellness/stress and similar “lower tier” quality of life calls for service. While requesting this Federal funding, the City also advocated to Santa Clara County for inclusion of a north Santa Clara County location for their new CAHOOTS-like program that was being developed and reviewed at that time.

ANALYSIS

In November 2022, Santa Clara County launched that program, an alternative response program called TRUST (Trusted Response Urgent Response Team), serving three locations: San José, Gilroy, and North County. The North County location is operated by Momentum for Health and is based in Palo Alto. The County program is authorized for up to five years³ and consists of a call center team and three location-based, onsite field teams. Each field team includes a mental health worker, a first aid provider, and a specially trained community resident with first-hand experience with mental health challenges. TRUST serves as an alternative to law

¹ <https://www.eugene-or.gov/4508/CAHOOTS>

² July 16, 2021, U.S. Rep. Eshoo, press release. https://eshoo.house.gov/media/press-releases/rep-eshoo-secures-funding-local-projects-expand-education-mitigate-traffic-and?utm_source=Coronavirus+Updates&utm_campaign=bf8b72539a-EMAIL_CAMPAIGN_2021_07_22_11_39&utm_medium=email&utm_term=0_d8eda03e5f-bf8b72539a ; August 8, 2021, Council Info Report. <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2021/id-13474.pdf>

³ The contract duration is four years but is authorized for one annual renewal.

enforcement response. It is focused on responding to individuals in crisis, providing follow-up and referrals, as needed, and de-escalating high stress situations. This program is in addition to the City's PERT and the County's Mobile Crisis Response Teams (MCRT) programs which are intended to handle higher acuity calls for service than TRUST.

The City pilot program will augment North County TRUST. It will provide outreach and engage with the community to inform and educate about the new alternative response services, provide needed ongoing support to individuals in crisis, and train 1,040 individuals in mental health first aid to make referrals to behavioral health services and alternative response program/community mobile response. Ongoing support activities will include necessary follow-up after initial interactions, case management, and assistance in system navigation. There will also be a third-party evaluation of this work and whether it is meeting City, North County, and federal goals. Staff will return to Council after a procurement process for an evaluator.

A team of eight community outreach workers will conduct community outreach and engagement activities in the cities of Palo Alto, Mountain View, and Los Altos. The purpose of the outreach is to inform and educate residents and businesses about North County TRUST. These workers will also engage with local community-based providers to let them know about the new services and how to access these so they can in turn share the information with their constituencies. Additionally, two case managers will support people who have had a field visit from North County TRUST, to provide follow-up and assistance in engaging and linking to needed services. Case managers will act as system navigators and assist clients with various needs (e.g., healthcare, housing, education, etc.). In addition, certified Mental Health First Aid (MHFA) instructors will train individuals in MHFA who will then make referrals to behavioral health services, including TRUST. The trainings will include a variety of modules that address specific populations (e.g., youth, adult, older adult, veteran, fire, emergency medical services) and will be provided to school personnel, social service providers, families, and the community at large.

Procurement Process

Palo Alto Municipal Code (PAMC) section 2.30.360(k) authorizes the City to rely on another public agency's contract terms in lieu of conducting a competitive solicitation if the other agency's process and terms are consistent with the City's. Santa Clara County conducted an extensive procurement process to identify a provider for their alternative response program. The process included a request for proposals, approval by the Local Mental Health Board, a 30-day public comment period, and Board of Supervisors approval. Both the solicitation and contract was reviewed with the City's Procurement Officer. Due to grant award time constraints and the labor market for mental health assistance and support, utilizing the County's contract results in the best overall value compared to the City performing its own solicitation. The County's contract-covered services include: responding to in-person behavioral health-related crisis calls, performing needs assessments, providing behavioral health stabilization and resolution onsite and/or transporting clients to other resources for further assistance, following

up with clients to provide linkage and referrals to prevent future crisis, and community engagement and outreach to raise program trust and awareness in the community.

As mentioned earlier, in addition to the \$1,931,706 contract with Momentum for Health, staff anticipates a separate procurement process and resulting \$68,294 contract for evaluation of the program.

Time Constraints

It took time to develop a program that met federal scope requirements yet was not duplicative of the County program. The resulting contract with Momentum for Health is for 10 months. The federal money must be spent within 12 months of award (i.e., September 2023). There is the possibility of up to a three-month extension. If Council accepts the grant, approves the contract, and approves the budget change request now, this would mean, at best, a ten-month program length. There is difficulty industry-wide hiring and retaining mental health workers. Given this context, staff has structured the contract to set a floor for a minimum level of service but left room for additional service provision should need arise.

In addition, staff is exploring the feasibility of if the earmark scope could be updated to use these funds to fund a clinician for the City's PERT program. With the focus on non-law enforcement alternative response programs through the earmark, using the funds for the PERT clinician directly linked to a law enforcement officer will likely not be approved by the funding agency in addition to the timing impacts that arise through a scope change for this one-year funding.

FISCAL/RESOURCE IMPACT

This net neutral action will increase the General Fund Non-Departmental revenue and expenditure appropriations each by \$2,000,000 in recognition of an awarded grant. The federal award is a new, one-time funding source for one year. Other resource impacts include ten percent of an existing staff person's effort to manage compliance with SAMHSA guidelines and reporting, including successful implementation of the project's goals and objectives. This effort is assigned to an Assistant to the City Manager and represents approximately 0.10 full time equivalent (FTE) level of effort.

STAKEHOLDER ENGAGEMENT

To develop a City program and understand the County program, City staff met regularly with Los Altos, and Mountain View, and County representatives. City staff also have attended monthly TRUST Community Advisory Board meetings consisting of TRUST staff, County staff, community members with lived experience, service providers, and representatives from cities. The monthly meeting is a working meeting to share data, discuss lessons learned, and improve service delivery.

ENVIRONMENTAL REVIEW

Council acceptance of funding, approval of the contract, and amendment of the budget does not constitute a "project" under the California Environmental Protection Act (CEQA).

ATTACHMENTS

Attachment A: Notice of Award

Attachment B: Detailed Budget

Attachment C: Professional Services Agreement & Exhibits

APPROVED BY:

Ed Shikada, City Manager