



Administrative Report

H.14., File # 25-0472

Meeting Date: 4/1/2025

To: MAYOR AND CITY COUNCIL

From: MICHAEL W. WEBB, CITY ATTORNEY
JOY A. FORD, CITY ATTORNEY-ELECT

TITLE

APPROVE AMENDMENT TO THE AGREEMENT WITH HEALTH NET FOR USE OF FUNDS FOR THE PALLET SHELTER EXPANSION AND IMPLEMENTATION OF THE ALTERNATIVE CRISIS RESPONSE PILOT PROGRAM TO EXTEND THE TERM TO DECEMBER 31, 2025

EXECUTIVE SUMMARY

On April 9, 2024, the Mayor and City Council approved a grant agreement with Health Net for \$1,338,753 for the expansion of the pallet shelter and an alternative crisis response pilot program. Staff recommends that the City Council approve the amendment to the agreement to extend the term to December 31, 2025.

BACKGROUND

Alternative Crisis Response

An Alternative Crisis Response (ACR) is designed to approach non-violent, mental and behavioral health service calls by offering trauma-informed care, crisis de-escalation, in person intervention and transport to immediate behavioral health services. Physical health, behavioral health, and substance use professionals can provide intensive whole-person healthcare services in episodes of crisis, with goals of reducing the amount of hospital and emergency room visits as well as fire and police department involvement.

On July 20, 2023 Councilmember Paige Kaluderovic attended the Alternative Crisis Response (ACR) Summit hosted by the Los Angeles Department of Mental Health with several staff members of various City Departments, Beach Cities Health District and Redondo Beach Unified School District. Councilmember Kaluderovic started a working group with those same staff members to develop an ACR Pilot Program in Redondo Beach.

Ronson Chu, Senior Project Manager for Homeless Services at the South Bay Cities Council of Governments (SBCCOG), connected Councilmember Kaluderovic and the City Attorney's Office with Health Net. The City Attorney's Office worked with the SBCCOG on a proposal and budget for an ACR Pilot Program. Based on that proposal and budget, Health Net is awarding the City \$570,003 to implement a Redondo Beach ACR Pilot Program for one year with the hope of finding additional funding for the future to continue the program.

On April 9, 2024 the Mayor and City Council approved an agreement with Health Net to accept the award. The City has taken many steps towards developing our ACR program and have been met with several obstacles. The City had a number of meetings with the Department of Mental Health to contract for a dedicated mental health clinician for the City of Redondo Beach. DMH ultimately informed us that they did not have the personnel to fill this position. The City considered contracting with a third party service provider such as LACADA. However, such service providers are also having difficulty hiring mental health clinicians. The City Attorney's Office has come to the conclusion that hiring a mental health clinician as a city employee to develop the ACR program will be the best option. The position of Mental Health Clinician was created as part of the FY 2023-2024 budget adoption process for the City Attorney's Office. The City Attorney's Office has been evaluating the feasibility of retaining a clinician with the assistance of outside legal counsel with expertise in this field. That included reviewing factors such as potential police accompaniment, adequate insurance coverage, potential healthcare regulatory oversight, and situational awareness training. We want to ensure the City abides by applicable guidelines and best practices prior to implementing this program. The City is also looking into potentially partnering with Hermosa Beach to potentially be added to their medical malpractice insurance plan. The extension of this grant term will allow the City more time to develop an ACR program given the obstacles listed.

Pallet Shelter Expansion

During the Fiscal Year 2023-2024 Budget Adoption Process, the City Council approved the expansion of the Pallet Shelter estimated to cost \$1,568,750 on the condition of identifying grant funding. On December 19, 2023, City Council approved the purchase of twenty-five (25) additional pallet shelter units because the City received a letter of support from Los Angeles County Supervisor Holly J. Mitchell for \$800,000 of District Two Homelessness funding as well as a letter of support from Health Net awarding the City the remaining \$768,750 for the expansion of the Redondo Beach Pallet Shelter.

This was necessary for the City to purchase the pallet shelter units before they doubled in price. The Health Net award reimbursed the City for this expenditure. The additional twenty-five (25) units have been delivered by Pallet and are being stored on the empty lot North of the current Pallet Shelter where they will be assembled and placed after the completion of capital improvements of the lot.

Design plans have been completed, including electrical plans. Plans are being submitted to the building department for review. The extension of this grant is necessary for the completion of the expansion of the pallet shelter.

COORDINATION

The City Attorney's Office coordinated with the Engineering Department and Public Works Department in connection with the preparation of this report.

FISCAL IMPACT

All program costs will be funded through this grant funding.

ATTACHMENTS

- Agreement
- Amendment