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DATE: June 15, 2021

TO: Members of the Board of Supervisors

FROM: Sheryl Bratton, County Administrator

SUBJECT: Mental Health, Addiction and Homeless Services Measure Transactions and Use Tax Ordinance (Measure O)

The purpose of this memo is to update the Board of Supervisors and the public on the activities and progress being made on implementation of the Mental Health, Addiction and Homeless Services Measure Transactions and Use Tax Ordinance, commonly referred to as Measure O.

Background

On August 4, 2020, the Board of Supervisors adopted a resolution calling an election to submit to the voters of Sonoma County a proposed one-quarter cent sales tax measure titled the "Mental Health, Addiction and Homeless Services Measure Transactions and Use Tax Ordinance," and ordering that the election be consolidated with the November statewide general election. On November 3, 2020 Measure O was approved by 68 percent of the voters. Pursuant to Revenue and Taxation Code 7285.5, the new quarter cent sales tax became operative as of April 1, 2021.

The Measure O Ad Hoc Committee was formed to guide staff work on the implementation of Measure O, and to prepare recommendations for the full board on use of funds. Supervisor Gore and Supervisor Coursey were selected to serve on the committee and they are supported by staff from the Department of Health Services and County Administrator's Office.

Expenditure Plan

The Measure O Sales Tax Ordinance identified five categories of services to be funded with the revenue: (1) Behavioral Health Facilities, (2) Emergency Psychiatric and Crisis Services; (3) Mental Health and Substance Use Disorder Outpatient Services; (4) Behavioral Health Homeless and Care Coordination; and (5) Transitional and Permanent Supportive Housing. The expenditures plan designates a set percentage of funding received to each of the categories, as outlined in Table 1 below. The Board may adjust these allocations with a 4/5 vote. No changes are recommended at this time.

Recommendations for Allocation of Funds

In 2019, the Sonoma County Board of Supervisors directed county staff to develop recommendations to address the gap between the need for homeless and behavioral health services and existing available resources. To address the gap between the need for services and available revenue, over the past several years the Board of Supervisors and the Department of Health Services have invested significant one-time funding in the amount of \$24.5 million to maintain access to critical behavioral health services in the County. However, even with the allocation of these resources, there was a significant revenue gap between the community’s need for services and the amount of appropriated funding the Department of Health Services receives from local, state, and federal sources. With the passage of the Measure O Sales Tax, an ongoing source was in place to address the increasing demand for mental health and homeless services.

There is no specific distinction in the Expenditure Plan between supporting ongoing services that have previously been backfilled with one-time funding in order to prevent cuts and developing new or enhanced services. The Ad Hoc committee reviewed the programs that historically have been faced with a funding gap for an understanding of the cause of the gap, previously instituted mitigation measures, and how the Measure O revenue could be utilized to stabilize program delivery. Through these discussions, the committee is recommending \$13,196,730 of Measure O Sales Tax revenue be allocated towards existing programs to continue to provide the critical services to the community. This allocation was discussed during the April Budget Workshops, and is included in the FY 2021-22 Recommended Budget. The programs and funding amounts are detailed in Table 1.

Table1 Expenditure Plan Categories and Recommended Uses

Expenditure Plan Category / Programs	Category % of Total Funding	Recommended Program Funding	Remaining Funding
Behavioral Health Facilities	22%	\$3,076,250	\$2,423,750
Residential Care Facility (RCF)		\$3,076,250	
Emergency Psychiatric / Crisis Services	44%	\$7,425,480	\$3,574,520
Crisis Stabilization Unit (CSU)		\$4,529,629	
Residential Crisis Services		\$1,395,851	
Inpatient Hospital Services – Adult		\$1,500,000	
Mental Health & Substance Use Disorder Outpatient Services	18%	\$2,695,000	\$1,805,000
Mental Health Services at Children’s Shelters		\$551,000	

Expenditure Plan Category / Programs	Category % of Total Funding	Recommended Program Funding	Remaining Funding
Services to support Residential Care Facilities, Permanent Supportive Housing, and other Housing		\$2,144,000	
Behavioral Health Homeless / Care Coordination	14%	-	\$3,500,000
Transitional & Permanent Supportive Housing	2%	-	\$500,000
Total	100%	\$13,196,730	\$11,803,270

The items included within the Recommend Budget are:

- Residential Care Facilities (\$3,076,250) provide housing and services to individuals with Severe Mental Illness (SMI) who need additional social and behavioral health support to live in the community.
- The Crisis Stabilization Unit (\$4,529,629) provides services to individuals in psychiatric crisis, to assist them to stabilize and return to the community or transfer to a psychiatric facility for ongoing treatment.
- Residential Crisis Services (\$1,395,851) or Crisis Residential Treatment facilities provide housing & mental health services to individuals who require longer-term services to stabilize & do not require a locked setting.
- The Inpatient Hospital Services – Adult (\$1,500,000) allocation is to provide inpatient psychiatric care to Medi-Cal beneficiaries on involuntary holds or otherwise in need of intensive psychiatric services as required of the County Department of Health Services, as the Mental Health Plan.
- Mental Health Services at Children’s Shelters (\$551,000) provides on-site mental health services to children who have experienced trauma living in the County Children’s Shelter.
- Services to support Residential Care Facilities, Permanent Supportive Housing, and other Housing (\$2,144,000) allocation is to help individuals with mental health and/or Substance Use Disorder (SUD) needs who require in-home and community-based services to live successfully in the community. These services will support individuals provided with permanent supportive housing, which interrupts the cycle of homelessness.

Remaining Funding and Outreach

The Ad Hoc Committee is reviewing other programs for possible funding with the remaining Measure O allocation of \$11,803,270, in line with the Expenditure Plan. As part of the process to develop final recommendations, the Ad Hoc Committee and County Staff will be conducting significant outreach to stakeholders in the community to engage on potential recommendations and discussions about programs to provide Health and Homeless Services.

Recommendations on the remaining funding will be presented to the Board later in calendar 2021 once the Ad Hoc committee concludes its work. (Staff is tentatively targeting the August 31, 2021 Board meeting for this discussion.) Programs that have been discussed for potential expansion or addition in the plan are Project Homekey, Interdepartmental Multi-Disciplinary Homeless Teams, Mobile Support Team, and Crisis Assessment, Prevention & Education (CAPE) program