



## Legislation Text

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**File #:** 16-0828, **Version:** 1

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### Resolution to Authorize the Transfer of Six Properties and Contract from Washtenaw Community Health Organization to Washtenaw County

In 2000, the Washtenaw Community Health Organization (WCHO) was established as a separate legal entity, from a partnership between Washtenaw County and the University of Michigan. The original purpose of WCHO was to establish an integrated health care delivery system to provide mental health, substance abuse and primary and specialty health care to Medicaid, low income and indigent consumers.

In the summer of 2014, it became apparent that the community was facing a crisis in financing mental health services for publicly-funded consumers in Washtenaw County. After approving a budget for the County's Community Support and Treatment Services (CSTS), WCHO subsequently informed the County that there was a shortfall of several million dollars in funding. CSTS had been the principle provider of direct mental health consumer services in Washtenaw County via a contract with WCHO.

In response to funding shortfalls, and corresponding service delivery concerns, Washtenaw County and University of Michigan Health System established the Behavioral Health Task Force to evaluate issues, options, and implication of either maintaining or eliminating the partnership and the WCHO. Primarily, concerns were analyzed around perceived inefficiencies and ineffectiveness of WCHO, duplication of administration expenses between WCHO and CSTS, and evaluation of other models of service delivery. The Behavioral Health Task Force concluded that the WCHO partnership has not achieved the potential envisioned in its original purpose and goals, and recommended that the legal partnership be discontinued and WCHO dissolved.

To comply with the limited options for organizing such services in the State, the Task Force recommended that a Community Mental Health Agency model be established to provide mental health services for publicly-funded consumers, confirm the financial impact on the County by moving to such a model, and to appoint a Community Mental Health Board that is capable of assuming the role of governing body of a Community Mental Health Authority. The Task Force recommended that within two years, the partners, with the addition of St. Joseph Mercy Health System, determine the impact and feasibility of moving to an Authority. The Washtenaw County Board of Commissioner has implemented the Agency model as of October 1, 2015.

This reorganization of publicly-funded behavioral health consumer care has many implications to the community, including the attached proposed action by the City of Ann Arbor. In several instances, the City has invested in the creation or maintenance of affordable housing owned by WCHO. These investments require authorization by the City for any property transfer, and the attached resolution requests ratification of these transfers. No additional funds will be awarded to WCHO and/or CMH and Washtenaw County, but rather the action authorizes the transfer of the property from one operator to another.

1035 Judd Road

Located in York Township, WCHO received \$91,250 of HUD HOME funds in 2004 from the City of Ann Arbor. It is requested that the City ratify the transfer of the property from WCHO to Washtenaw County.

3800 Glengarry Court

Located in Northfield Township, WCHO received \$53,750 of HUD HOME funds in 2004 from the City of Ann Arbor. It is requested that the City ratify the transfer of the property from WCHO to Washtenaw County.

5623 Thomas Road

Located in Pittsfield Township, WCHO received \$53,750 of HUD HOME funds in 2004 from the City of Ann Arbor. It is requested that the City ratify the transfer of the property from WCHO to Washtenaw County.

12988 Island Lake Road

Located in Dexter Township, WCHO received \$91,250 of HUD HOME funds in 2004 from the City of Ann Arbor. It is requested that the City ratify the transfer of the property from WCHO to Washtenaw County.

1315 South Seventh Street

Located in the City of Ann Arbor, WCHO received \$50,000 of HUD HOME funds in 2008 from the City of Ann Arbor. It is requested that the City ratify the transfer of the property from WCHO to Washtenaw County.

2706 Yost Boulevard

Located in the City of Ann Arbor, HelpSource received \$50,000 of HUD HOME funds in 2004 from the City of Ann Arbor. In 2008, the City authorized the transfer of this property from Helpsource to WCHO. It is requested that the City ratify the transfer of the property from WCHO to Washtenaw County.

Additionally, via resolution R-15-186 in June of 2015, the City approved Coordinated Funding Allocations resulting from the Coordinated Funding process, including WCHO for the Project Outreach Team (PORT) which provides homeless outreach and support in the community. It is requested that Council authorize the transfer of this award to Community Mental Health, who provides support and oversight to the PORT team as of October 1, 2015.

Prepared by: Brett Lenart, Interim Director, Office of Community and Economic Development

Reviewed by: Derek Delacourt, Community Services Area Administrator

Whereas, The University of Michigan Health System and Washtenaw County have terminated a legal partnership and dissolved the Washtenaw Community Health Organization (WCHO) in order to improve behavioral health services to publicly-funded consumers;

Whereas, From 2004-2015 the City has made numerous investments in affordable housing and human services through contracts with WCHO;

Whereas, As of October 1, 2015, the WCHO has been dissolved and the Washtenaw County Community Mental Health Department (CMH) has been established;

Whereas, CMH has taken ownership of numerous assets of the WCHO, including 6 properties of which previous affordable housing investments were made by the City of Ann Arbor that require City approval of property transfer; and

Whereas, CMH has assumed leadership and responsibility for the Project Outreach Team, an important community service, from WCHO as supported by Resolution R-15-186 of the City of Ann Arbor;

RESOLVED, That the Mayor and City Council authorize the transfer of 1035 Judd Road, 3800 Glengarry Court, 5623 Thomas Road, 12988 Island Lake Road, 1315 South Seventh Street, and 2706 Yost Boulevard from the Washtenaw Community Health Organization, to Washtenaw County, contingent on Washtenaw County assuming all City HUD HOME fund debt for each property;

RESOLVED, That the Mayor and City Clerk be hereby authorized and directed to sign any applicable documents to implement transfer with Washtenaw County, including the Assignment and Assumption of Washtenaw County Health Organization Obligations, consistent with this resolution, subject to approval as to substance by the City Administrator and approval as to form by the City Attorney;

RESOLVED, That the Mayor and City Council authorize the transfer of Human Services Funding from the Washtenaw Community Health Organization to the Washtenaw County Department of Community Mental Health for services rendered during the period of October 1, 2015 to June 30, 2016; and

RESOLVED, That the City Administrator, or his designee, be authorized to take necessary administrative actions and to prepare and execute any documents necessary to complete this transaction and to implement this resolution, including award of funds, establishing the budget, and authorizing payment.