



Good Neighbors

San Diego
Housing Commission

REPORT

DATE ISSUED: May 28, 2004

ITEM 104

REPORT NO.: HCR04-45
For the Agenda of June 4, 2004

SUBJECT: Mental Health Systems Serial Inebriate Program Transitional
Housing Grant (Council District 3)

SUMMARY

Issue: Should the Housing Commission approve an \$80,000 grant to Mental Health Systems, Inc. to operate transitional housing under the successful Serial Inebriate Program (SIP)?

Recommendation: That the Housing Commission approve an \$80,000 grant to Mental Health Systems (or the successive SIP Provider) to provide one year of transitional housing operating support, and authorize the Chief Executive Officer to enter into a Memorandum of Agreement with the County of San Diego for administration of this grant, in a form acceptable to General Counsel.

Fiscal Impact: Approval of the recommendation will result in the expenditure of \$80,000 of FY04 HTF Linkage Fees.

Certificate of Funding Availability:

Certificate No.: FY04-145
Amount: \$80,000
Revenue Source: HTF Linkage
Division: HF&D
Line Item: Grants

Affordable Housing Impact: Funds will provide 12 beds of transitional housing and assist approximately 75 extremely low-income persons [defined as a maximum of thirty percent of area median income (\$14,400 for an individual)] with shelter and supportive services over a one-year period.

Environmental Review: Grants funding operations are exempt from environmental review.

BACKGROUND

For several years the City of San Diego has contracted with social service providers to operate shelters for homeless adults and families. The Housing Commission also contracts with social service providers to operate transitional housing for homeless adults and families through the Housing Trust Fund (HTF) Transitional Housing program. San Diego Municipal Code Section 98.0504 requires that at least 10 percent of HTF program funds be allocated to Transitional Housing activities annually.

A Request for Proposals from Nonprofit Corporations Seeking to Provide Transitional Housing for the Homeless was issued on January 20, 2004. Fifteen proposals were received before the deadline requesting a total of \$1,420,293. Thirteen of the applications are recommended for funding in Housing Commission Report HCR04-44.

DISCUSSION

Summary

This report recommends funding for Mental Health Systems' Serial Inebriate Program (SIP) to provide transitional housing operating support for the program (See Attachment 1 for program summary and budget). This program is being recommended for funding separately because SIP is somewhat different from transitional housing programs provided by local social service agencies. SIP is a joint City/County endeavor that produces significant cost savings to the City and County of San Diego by reducing demand for public safety and public health services.

SIP Program Description

The SIP Program is cited in the U.S. Department of Housing and Urban Development's *Strategies for Reducing Chronic Street Homelessness, January 2004*, as an innovative police-based program to reduce chronic homelessness. It has been operational since 2000. SIP began as an interagency problem-solving effort to reduce the "revolving door" wherein chronic, homeless alcoholics revolve in and out of Detoxification Centers, County Jail, and local Emergency Rooms. The Intervention process focuses on moving "chronics" off the street, out of shelters, and into transitional and ultimately permanent housing.

As described in detail in Attachment 1, the program depends on the cooperation of the San Diego City Council, San Diego Police Department, San Diego County Sheriffs Department, San Diego Superior Court, San Diego City Attorney, and San Diego County Health and Human Services Agency.

The Need for SIP

A study conducted by the University of California, San Diego showed that between January 1999 and June 2001 a total of 227 chronic public inebriates accumulated 2,358 hospital visits, 275 admissions, 1,300 in-patient days, 1,300 emergency department visits, 461 clinic visits, 302 ancillary contacts, and 1,745 paramedic transports. These services cost far more than the cost for housing and outpatient treatment. This small population generated in excess of \$6.1 million in hospital charges, but only \$1 million in payments, resulting in a net cost to area hospitals and clinics of more than \$5 million in uncompensated care. The costs for six months of treatment for one individual are estimated to be less than \$5,500.

A more recent study by UCSD Hospital conducted in 2003 showed that prior to SIP treatment, eighteen SIP clients had amassed 379 Emergency Medical Services (EMS) transports and 192 UCSD emergency department visits. Post treatment, those same clients used EMS 47 times (an 80 percent reduction) and had 15 UCSD emergency department visits (a 92 percent reduction). The uncompensated hospital costs went from approximately \$468,000 to just \$82,000 (an 82 percent reduction).

In addition, the San Diego Police Department reported a 30 percent decrease in total arrests of chronic inebriates in 2002/2003 (from 448 to just over 300) and a 9 percent decrease in individuals arrested (from 239 to 218 people). The Department also reported that of the arrests made in the prior year, 73 percent had less than 2 arrests in 2002/2003, a significant decrease.

Recommendation

The original funding for this program was from one-time tobacco settlement funds which have expired. The County of San Diego has approved a \$120,000 grant to provide nonresidential treatment and case management services and will issue a Request for Proposals (RFP) for program renewal effective January 1, 2005. This could result in the selection of a different service provider. Since the County of San Diego has prior experience administering this grant and because of the possibility that the Service Provider could change mid-fiscal year as part of the County's RFP process, staff recommends granting \$80,000 for a one-year period and entering into a Memorandum of Agreement with the County of San Diego for their administration of the grant.

ALTERNATIVE

The Board could deny this funding request or fund a reduced amount. Denial or reduction of this funding request would result in partial funding of this program and result in fewer persons assisted as well as result in increased public service costs.

Submitted by,

Approved by,

**Signature on File
With Original Document**

Cissy Fisher
Housing Finance & Development Manager

Elizabeth C. Morris
Chief Executive Officer

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Attachments:

1. Program Summary and FY2005 Budget

Information: Ann Kern, (619) 578-7582

ATTACHMENT 1 MHS SIP PROGRAM SUMMARY

Mental Health Systems Inc.

Mental Health Systems, Inc. (MHS) is a nonprofit organization founded in 1978 to provide mental health, case management, and drug and alcohol recovery services. MHS is a California organization with over 850 employees and 90 programs in 70 locations throughout eleven California counties.

MHS' mission is to facilitate recovery from addiction and mental health problems. The goal of their programs is to enable clients to obtain health, well-being and self-sufficiency. Three of MHS' current programs serve homeless adults exclusively, and another ten serve the homeless in conjunction with other populations.

Client Group and Resident Selection

The SIP Program serves chronic public inebriates. All SIP clients have a history of at least five prior treatment interventions, generally a 3-day detoxification program. Persons arrested for public intoxication are taken to the Inebriate Reception Center (IRC) by the San Diego Police Department. Those clients who have five or more visits within the month are labeled "chronic" by the IRC and refused treatment. The result is an arrest for public intoxication, a misdemeanor punishable by up to 180 days in custody. Upon arraignment, chronic inebriates are offered treatment in lieu of custody.

Program Design, Location, and Operations

The SIP Program contracts with One Day At A Time Sober Living Homes to provide housing and sober living services at a two-story apartment building located at 4110 36th Street. There are three two-bedroom apartments for a total of twelve transitional housing beds in an independent living environment. The site is near public transportation, a grocery store, and neighborhood businesses.

Participants receive case management and a treatment program at the Mid-Coast Regional Recovery Center located at 3340 Kemper Street. Other services include medical treatment, employment and education services, and referrals. Participants can stay in the program up to nine months although the average stay is six months.

Once residents have an income, they pay one-third of their income for program expenses, and put one-third of their income into a savings account to be used for emergencies and obtaining permanent housing.

Staffing

SIP is served by a Program Manager (oversees the management, evaluation and data reporting), and two Case Managers (provide case management, counseling, advocacy, and crisis intervention).

Funding Request/Leverage

MHS has requested \$80,000 which represents 39 percent of the program's total cost of \$206,640 for FY05.

MHS will receive \$126,640 through funding from the County of San Diego (\$120,000), fundraising (\$3,000), and client fees (\$3,640).

Innovation and Community Involvement

The program began in January 2000 as a problem-solving effort to reduce the burden on public services by chronic inebriates. SIP is a collaborative community effort involving City and County of San Diego agencies and departments as well as local social service providers. The following provides a brief overview of the various public efforts under the SIP program.

The San Diego City Council agreed to enforce penal code 647f (public intoxication - previously unimposed). This was a necessary step in diverting chronics off the streets, out of hospitals and Detox centers and into the criminal justice system.

The San Diego Police Department (SDPD) provides outreach to chronically homeless individuals through the SDPD Homeless Outreach Team (HOT) and SDPD-SIP. The SDPD-SIP Team is a collaboration of four city and five county agencies, including law enforcement, the City Attorney's office, the public defender, the Superior Court, health care, and homeless agencies working as a team in a court context. The SDPD HOT combines a police officer, a mental health worker and a benefits eligibility technician operating during the day and evening hours to engage mentally ill people and connect them to services.

The San Diego County Sheriff's Department allows for pre-trial custody and in-custody physical and mental health services. Clients are stabilized on medications and often detoxed while in custody.

San Diego Superior Court conducts arraignments, trials, and sentencing. For those clients who fail at treatment or walk away from the program prior to completion, the courts issue a warrant.

The San Diego City Attorney prosecutes misdemeanor cases for 647f and the Office of the Public Defender defends misdemeanor cases for 647f.

San Diego County Health and Human Services Agency provides funding for case management and treatment services through Mid-Coast Regional Recovery Center.

Outcome Measures

One of the program's desired outcomes is to reduce the chronic inebriates' drain on public services (e.g. hospital visits, paramedic services, jail time).

MHS has reported, and the San Diego Police Department has confirmed, that for participants in the program, 32 percent of the participants were successful in treatment; ambulance contacts were reduced by 88 percent, emergency room visits were down 92 percent, and arrests were down 58 percent.