

DATE ISSUED: November 15, 2000

REPORT NO. 00-254

ATTENTION: Rules Committee
Agenda of November 20, 2000

SUBJECT: UPDATE ON PROGRAM TO ASSIST SPECIAL NEEDS HOMELESS
POPULATION

REFERENCE: Manager's Report No. 99-241 (December 1, 1999)

SUMMARY

Issues - Should the City Council direct staff to continue implementation of the Special Needs Homeless Program through (1) continuing to collaborate with the County of San Diego in locating outside funding to provide programs and housing for the special needs homeless population; (2) continuing to locate sites and work with developers and non-profits to develop facilities for this program; and (3) continuing to work with the County of San Diego, the City Attorney's Office and the Police Department to resolve any funding and/or staffing issues associated with full expansion of the Serial Inebriate Program into downtown, and prepare a report for City Council approval.

Manager's Recommendation - Direct staff to continue working with CCDC, the Housing Commission, the County of San Diego, developers and non-profit service providers to implement the Special Needs Homeless Program; and to docket a report for City Council approval on expansion of the Serial Inebriate Program into downtown.

Other Recommendations - None.

Fiscal Impact - None with this action.

BACKGROUND

The Council established the first inclement weather homeless shelter in 1993, approved a Comprehensive Homeless Policy (000-51) in 1995, and began an emergency winter shelter program in 1996. The winter shelters served 1105 unduplicated persons in 1996. Last year, that number had increased to 4,630, including 226 families with 519 children housed in the leased Harbor View Hospital building; 1,764 single adults in a sprung structure on Newton Street downtown; and 459 veterans in a sprung structure adjacent to the post office in the Midway area.

Funding added in 1999 assisted with case management and transitional housing for up to 12 homeless mentally ill persons. On October 11, 2000, the City Council Land Use and Housing Committee recommended the purchase of the Days Inn motel building in the Cortez Hill area of downtown for use as temporary housing for up to 50 families. This item will be considered by the City Council on November 20.

The city's Homeless Outreach Team was established on October 1, 1998, and has been very effective in reaching the homeless in downtown and the nearby areas over the last year. A second HOT Team was added by the City Council in October 1999. These teams are comprised of two police officers, a County social worker and a psychiatric clinician, and are paid for jointly by the City Police Department, County Health and Human Services Agency, the Downtown Partnership and the Centre City Development Corporation. The teams contact the homeless on the street, assess them, and refer them to appropriate services.

In April 2000, the East Village Redevelopment Homeless Advisory Committee was established, as part of the mitigation identified in the City's Ballpark Environmental Impact Report for "homeless migration" impacts associated with redevelopment activities in East Village. This Committee is charged with looking for solutions to the physical impacts of homelessness in East Village and surrounding communities, and reporting back to the City Council. On October 11, 2000, the Committee presented their initial report to the Land Use and Housing Committee.

Estimates of the homeless population in downtown San Diego and the immediately surrounding communities vary widely, but—based on data developed by the Regional Task Force on the Homeless and the City's Homeless Outreach Team—range from approximately 2,200 to 3,700. Of these, approximately 25% (roughly 550-925) suffer from severe mental illness, and approximately 40% (roughly 880-1,480) are chronic inebriates or are addicted to drugs. Many from these populations are actually "dually-diagnosed," meaning they are mentally ill and have a drug or alcohol addiction. This special needs population is often the most visible and troublesome of the homeless population.

Despite these efforts, a severe shortage of both short-term and long-term beds and permanent housing for the mentally ill, dually-diagnosed, and drug and alcohol addicted homeless persists. The HOT Teams have identified this lack of beds and programs as a major issue in effectively dealing with this population. Adequate enforcement tools were also identified as a major issue. In surveys conducted last year, homeless service providers consistently identified short- and long-term beds, programs and housing for this population as one of the top unmet needs. Although there are approximately 1,900 permanent (not seasonal) beds for the homeless in downtown and surrounding communities, only about 90 of these beds are in housing/treatment programs for the severely mentally ill homeless, and only 440 beds are in programs for drug and alcohol abusers.

On December 6, 1999, the City Council approved a five-part program to assist the special needs homeless population in the downtown area, and then adopted an amendment related to location of facilities on January 31, 2000. This unique collaborative program between the City of San Diego, County of San Diego, Centre City Development Corp. (CCDC), and the San Diego Housing Commission, in partnership with the private and non-profit homeless service providers,

is part of the continuum of care to address the severely mentally ill, chronic inebriate, drug addicted and dually diagnosed homeless. The five elements of the program as approved by the City Council are:

- Centralized Intake and Referral System/Facility
- Transitional Housing for severely mentally ill
- Permanent Supportive Housing for severely mentally ill
- Residential Alcohol and Drug Treatment Program Expansion for chronic inebriates, drug addicted and dually diagnosed
- Chronic Inebriates enforcement

DISCUSSION

This report is a one year update on progress made toward meeting the goals set forth in the Special Needs Homeless Program. The following discussion addresses funding issues, which are central to all aspects of the program, and then addresses progress in each of the five elements of the program.

Funding Summary

Staff has aggressively pursued state and federal funding sources to implement this program, leveraged with significant local funds from CCDC and the Housing Commission:

State

AB 2034 - Mentally Ill Homeless Treatment Program funding requested from State Department of Mental Health via joint application of City, County Health and Human Services Agency, CCDC and Housing Commission submitted in October 2000. *Status: Awarded \$10.1 million for a three-year program on November 2, 2000.*

Budget/Special Legislation requested through Senators Peace and Alpert, and Governor's Office for \$6.25 million in FY 2000-2001. *Status: Not successful this year.*

Assistance provided to developers and service providers in applying for new project-specific state funding for transitional and permanent supportive housing projects.

Federal

Substance Abuse and Mental Health Services Administration (SAMHSA) budget earmark request through Congressmen Bilbray and Cunningham for \$2.5 million for facilities and services for the dually diagnosed homeless. *Status: Pending.*

Funding earmark in HUD/VA Appropriations Bill through Senators Boxer and Feinstein for \$2.5 million for homeless veterans facilities, including special needs. *Status: Not approved this year.*

\$745,000 of local CDBG funding allocated by the Mayor and City Council for the Special Needs Homeless Program. *Status: Being used to purchase facility for 20-bed transitional housing facility for the severely mentally ill by December 2000; secure temporary leased housing for this population; and hire a staff member to assist the Homeless Coordinator.*

Private

The non profit Alliance Health Care Foundation provided \$6,000 in funding for a study to assess current facilities and information systems available for the special needs homeless, and the Vista Hill Foundation provided initial funding for an outside consultant to begin design of a new computer information system.

Special Needs Homeless Program Elements

The following are the program elements adopted by the City Council on December 6, 1999, and the current status of each.

1. Central Intake and Referral System

City Council Direction: Develop and identify outside funding for a centralized system to coordinate intake, evaluation and referrals for this population, and provide central information on available programs, housing, demographic data and clinical outcomes by July 2000, or as soon as practicable, with initial system implementation by December 2000.

Accomplishments:

AB 2034 - Awarded \$10.1 million from the State Department of Mental Health on November 2 for a three-year program to place over 300 mentally ill and dually diagnosed homeless persons in downtown San Diego in housing and intensive case managed treatment. The program will include central intake, assessment, data coordination, rehabilitation, psychiatric services, referral to outside services, and both on-site and off-site medical and case management services. Development of this program involved extensive collaboration between City, CCDC, Housing Commission, County of San Diego Health and Human Services Department and non-profit service providers, and was one of the reasons the grant was awarded.

Central Facility - City staff continues to search for a building to purchase as a permanent location for the AB 2034 central homeless intake/referral facility, potentially in conjunction with relocation of the downtown Volunteers of American (VOA) Detoxification Program. Partial funding to purchase a permanent building could come from the proposed \$2.5 million SAMHSA funding.

Central Data System - A study prepared through a partnership between the City, Vista Hill Foundation, Alliance Health Care Foundation, and United Way assessed the current level of services and facilities— particularly housing—available for the special needs homeless population and the current computer information systems available to track services, facilities and clients. The next step is to design a centralized data information system that ties all existing systems together, using the AB 2034 program as a pilot. A consultant provided by Vista Hill is preparing a preliminary recommendation so that additional grant funding can be pursued in early 2001.

2. Transitional Housing

City Council Direction: Secure funding for and assist in the location of two new or rehabilitated 25-bed transitional housing facilities for the severely mentally ill homeless by December 2000, and two additional 25-bed facilities by December 2001, to be located downtown or in non-residential areas only. The first 25-bed facility is to be located in the downtown area.

Accomplishments:

Purchase of 20-Bed Transitional Housing facility - \$525,000 of the CDBG funds allocated by the Mayor and Council on May 1, 2000 were used to purchase an existing apartment building at 5th Avenue and Olive in Hillcrest, just north of downtown, for rehabilitation as 20-bed Safe Haven-model transitional housing facility for the severely mentally ill homeless. Building will be donated to Episcopal Community Services, which currently leases the building and runs several other Safe Haven programs. CCDC is providing \$100,000 toward the acquisition, and \$400,000 for rehabilitation. The Housing Commission provided inspection services and pre-development funding. The County of San Diego has agreed to provide annual operating and services funding.

Transitional Housing RFQ/P - CCDC issued an RFQ/P in May 2000 to elicit proposals from developers/service providers willing to provide transitional housing for this population or incorporate it into other low and moderate income projects. Several promising proposals were received in June, and are being fleshed out.

Vietnam Veterans of San Diego - Housing Commission staff is working with VVSD and Councilmember Wear on the development of 40 transitional beds at the existing VVSD site on Pacific Hwy, and the future development of permanent supportive housing at an expanded adjacent site. HUD/VA funding will be sought again this year in the amount of \$2.5 million for this project.

3. Permanent Supportive Housing

City Council Direction: Secure funding for and assist in the location of 25 new or rehabilitated permanent supportive housing units for the severely mentally ill homeless in the downtown or surrounding areas by December 2000, and 75 additional units by December 2001. These 100 units are to be located downtown or in non-residential areas only.

Accomplishments:

Low Income/Mentally Ill Seniors - A 220-unit very low income seniors apartment project downtown (Chelsea Market Square) has been approved by the Redevelopment Agency, and will include at least 25 units for mentally ill homeless seniors. Funding includes \$2.2 million from CCDC, as well as potentially state tax credits and a variety of other loans. Construction anticipated to begin in early 2001.

Low Income/Mentally Homeless Apartments - St. Vincent de Paul is proposing a 90 unit low income apartment project in East Village, with approximately 25 units for permanent supportive housing for the mentally ill homeless. The Housing Commission allocated \$2 million from the Housing Trust Fund for this project, and St. Vincent de Paul has applied for tax credits as well as other state funding with the Housing Commission's assistance.

Section 8 Vouchers - The Housing Commission agreed, as part of the AB 2034 proposal, to set aside 50 Section 8 certificates for use as permanent housing for the mentally ill homeless who are graduating from transitional programs. These clients would receive case management services from the County.

Leased SRO units - The City will lease up to 50 SRO units in the Metro Hotel currently run by the Alpha Project to be used as supportive housing for the mentally ill homeless through the AB 2034 program, using approximately \$85,000 in CDBG funds (through an exchange with the Housing Commission).

State Project-Specific Funds - The Housing Commission is working with potential supportive housing developers and the Corporation for Supportive Housing on the receipt of state funding for specific low income multi-family and supportive housing projects.

4. Expansion of Alcohol and Drug Treatment Capacity

City Council Direction: Secure funding for and assist in the location of expanded drug and alcohol detoxification and long-term treatment programs and facilities for chronic inebriates

and dually-diagnosed homeless by December 2000.

Accomplishments:

Expansion of Substance Abuse Programs - As part of the successful Serial Inebriate Program in the Police Western Division area (discussed below), Mid-Coast Counseling received County funding which enabled mandatory treatment of 35 chronic inebriates over the last eight months

Expansion of Substance Abuse Beds - Volunteers of America, which operates the downtown Detoxification Center and long term alcohol treatment programs, applied for a SAMHSA grant for \$150,000 in partnership with the County Health and Human Services Department to operate a new 30 bed dually-diagnosed substance abuse treatment facility. The proposal made the first cut at the federal level, but was ultimately not funded due to lack of sufficient funds. VOA will resubmit in January 2001.

Expansion of Detox and Substance Abuse Beds - City, County and CCDC staff are looking for alternative locations for the leased VOA residential drug and alcohol treatment facility at Island Avenue, in order to do the following: 1) expand the Inebriate Reception Center and 3-5 day detoxification program capacity by 40 beds, with 20 for the dually diagnosed, and; 2) help create 40 additional short and long term treatment beds for the dually diagnosed. The IRC/detox portion could potentially be coupled with the homeless central intake/coordination facility described above in #1. Funds from the \$2.5 million federal SAMSHA request would be used for this purpose.

5. Expansion of Chronic Inebriate Program

City Council Direction: Evaluate the success of the first six months of the Police Department Western Division chronic inebriate arrest/treatment pilot program, and, if feasible, begin implementation in the downtown area by July 2000 or as soon as determined practicable.

Accomplishments:

Evaluation of SIP Pilot Program - City staff has evaluated the Police Department Western Division serial inebriate arrest/treatment pilot program, which targeted 20-40 chronic inebriates in Ocean Beach and Hillcrest beginning in January 2000. Based on Police Department statistics from the first eight months of program operation, the SIP program has successfully diverted a significant number of long-term chronic homeless inebriates from jail, detox and the emergency rooms, and into treatment.

Expansion of SIP Downtown on a Small Scale - The Police Department began implementation with a small number of homeless chronic inebriates in the downtown area in November 2000. However, full scale implementation downtown will require solutions for the following: 1) impacts on staffing in the City Attorney's Office due to significant additional document processing and case coordination; 2) County Sheriff's Department jail medical cost increases, which were \$45,000 during the pilot period; and 3) insufficient number of treatment beds for chronic inebriates. Based on the initial success of the program and recommendations from the Police Department and City

Attorney's Office, staff is proposing that the program be expanded to the downtown area on a larger scale once funding, staff and treatment capacity issues have been resolved.

Description of Serial Inebriate Pilot Program

The goal of the Serial Inebriate Pilot Program is to stop the revolving door syndrome of the chronic inebriate cycling through the VOA Inebriate Reception Center (IRC), hospitals and jail by utilizing court proceedings and providing an opportunity for the homeless chronic alcoholic to enter into treatment programs. Many offenders have lived on the streets for over 10 years. Collaborators on the program include San Diego Police and Sheriff's Departments; San Diego City Attorney's Office; Superior Courts; Public Defenders; County HHS Alcohol and Drug Services; Mid-Coast Counseling; PathFinders; Volunteers of American. The need for the program is evidenced by the following facts:

Average visits to the VOA IRC for chronic offenders is 20-30.

The five worst chronic inebriate offenders in Western Division over a one year period had 71 paramedic runs, 54 hospital admissions, 212 IRC admissions.

Between July 1997 and December 1998, 15 chronic inebriates downtown had 299 visits to Mercy Hospital Emergency Room at a cost of \$967,000, not including paramedic and police costs.

The program process involves the following: Individuals violating State PC Sec 647(f) Drunk in Public are arrested and transported to the IRC. If records show there have been five or more IRC admits in a month, the offender is booked into jail and held for arraignment (otherwise, the offender is admitted for a four-hour IRC stay). The offender's criminal history usually determines the sentence, but typically, three or more convictions in one year for drunk in public can result in a 90-day sentence. In lieu of custody time, the court can offer an option of County-funded rehabilitation, but the offender must agree to assessment by counselors to determine eligibility. If the offender refuses or is ineligible, he or she remains in jail and attends an in-custody alcohol treatment program.

Results:

Of 72 arrested chronic inebriates assessed: 27 self-refused treatment; 10 were rejected by counseling agency; 35 were accepted for treatment.

Of 35 accepted for treatment: 11 completed; 8 still in treatment (54.3%).

Decrease in illegal lodging citations: 67% in Ocean Beach; 29% in Hillcrest.

Decrease in ER use: 111 serial inebriates went to ER in 1999; 51 in 2000.

Decrease of 25% in police contact with serial inebriates.

Cost savings for IRC, area hospitals, medical transport.

ALTERNATIVES

Do not direct staff to continue working on implementing the Special Needs Homeless Program.
Do not direct staff to return with a report addressing issues or costs associated with expansion of the chronic inebriate program into downtown.

Respectfully submitted,

Ann B. Hix, Program Manager
Employee Relations and Special Projects

Approved: Bruce Herring
Deputy City Manager

HERRING/ABH