



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: June 10, 2022

HRC22-083

SUBJECT: Contract Award to Mental Health Systems for Operation of the Serial Inebriate Program

COUNCIL DISTRICT: Citywide

ORIGINATING DEPARTMENT: Homeless Housing Innovations Division

CONTACT/PHONE NUMBER: Lisa Jones (619) 578-7696

REQUESTED ACTION:

Authorize the award of \$268,250 in City of San Diego (City) General Funds and \$151,500 in City Affordable Housing Funds to support one transitional housing program for a one-year time of performance, using a Non-Competitive agreement under Procurement Policy 9.4; and authorize the execution of an agreement with Mental Health Systems (MHS) in the amount of \$419,750 to operate the Serial Inebriate Program from July 1, 2022, through June 30, 2023, with three one-year options to renew.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The current Memorandum of Understanding (MOU) between the City of San Diego and the Housing Commission for the provision of Homeless Shelters and Services Programs, including the Serial Inebriate Program (SIP), became effective July 1, 2019, and extends through June 30, 2024, (including options).
- The proposed actions would allow the Housing Commission to enter into a non-competitive, sole source agreement under Procurement Policy 9.4 with Mental Health Systems (MHS) to operate SIP at 4357-4363 48th Street, San Diego, 92115, for the initial operating term of July 1, 2022, through June 30, 2023, with three one-year options for renewal, contingent on funding availability.
- MHS has been the program operator since the inception of the program and was instrumental in designing and implementing the program in partnership with local law enforcement.
- Established in January 2000, SIP is a collaborative effort to reduce the number of people experiencing homelessness with chronic inebriation challenges who cycle in and out of detoxification centers, county jails and emergency rooms.
- This transitional housing program offers participation in SIP in lieu of incarceration as a result of a guilty verdict or plea for public intoxication. Clients receive intensive wraparound services and rental assistance for up to 24 months to support ongoing housing stability.
- SIP provides 56 beds to house a minimum of 125 individuals experiencing homelessness in the City who also meet the program's referral criteria.
- As the sole service program operator since January 2000, and as the agency that holds the master lease for the program site, entering into an agreement with MHS will ensure ongoing housing stability and continuity of care.



REPORT

DATE ISSUED: June 2, 2022

REPORT NO: HRC22-083

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of June 10, 2022

SUBJECT: Contract Award to Mental Health Systems for Operation of the
Serial Inebriate Program

COUNCIL DISTRICT: Citywide

REQUESTED ACTION:

Authorize the award of \$268,250 in City of San Diego (City) General Funds and \$151,500 in City Affordable Housing Funds to support one transitional housing program for a one-year time of performance, using a Non-Competitive agreement under Procurement Policy 9.4; and authorize the execution of an agreement with Mental Health Systems (MHS) in the amount of \$419,750 to operate the Serial Inebriate Program from July 1, 2022, through June 30, 2023, with three one-year options to renew.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) take the following actions:

- 1) Authorize the Housing Commission to enter into a one-year contract, using a Non-Competitive agreement under Procurement Policy 9.4, with Mental Health Systems (MHS) in the amount of \$419,750 to operate a transitional housing program for the term of July 1, 2022, to June 30, 2023, with three one-year options to renew, funded by City of San Diego (City) General Funds and City Affordable Housing Funds, contingent on the continuance or extension of any related Memorandum of Understanding (MOU) with the City of San Diego; the current term of the MOU extends through June 30, 2022, with two remaining one-year options to renew .
- 2) Authorize the President & CEO, or designee, to execute all necessary documents and instruments that are necessary and/or appropriate to implement these approvals, upon the advice of and in a form approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.
- 3) Authorize the President & CEO, or designee, to increase the amount of funding for the operator agreement by no more than 20 percent of the approved budget and to substitute funding sources, if necessary, without further action by the Housing Commission Board, but only if and to the extent that funds are determined to be available for such purposes.

SUMMARY

The Housing Commission administers the contracts for the City's Homeless Shelters and Services Programs based on an MOU between the Housing Commission and the City that took effect on July 1, 2010. The current MOU between the City and the Housing Commission for the provision of Homeless Shelters and Services Programs, including the Serial Inebriate Program (SIP), became effective July 1, 2019, and extends through June 30, 2024, (including options). The proposed actions referenced in this report will allow the Housing Commission to enter into a non-competitive, sole source agreement under Procurement Policy 9.4 with MHS in amounts referenced within this report to operate SIP at 4357-4363 48th Street, San Diego, 92115, for the initial operating term of July 1, 2022, through June 30, 2023, with three one-year options for renewal, contingent on funding availability.

SIP supports the Community Action Plan on Homelessness for the City of San Diego (Action Plan), a comprehensive, 10-year plan that builds on recent progress, lays out short-term achievable goals and serves as a guide for long-term success in addressing homelessness. The Action Plan identifies transitional housing for specific population types as an appropriate resource to meet needs of unique sub-populations and further identifies access to behavioral health resources (which include substance use disorder services) as critical to address the needs of people experiencing homelessness. SIP is an important component to the vision, principles and strategies identified in the Action Plan.

Established in January 2000, SIP is a collaborative effort to reduce the number of people experiencing homelessness with chronic inebriation challenges who cycle in and out of detoxification centers, county jails and emergency rooms. Partner agencies include the City of San Diego, the County of San Diego, San Diego Police Department, San Diego County Sheriff's Department, San Diego County Superior Court, San Diego County Health and Human Services, MHS and the Housing Commission. This transitional housing program offers participation in SIP in lieu of incarceration as a result of a guilty verdict or plea for public intoxication. As a program participant, each client receives intensive wraparound services that assist in their recovery to improve their well-being and work toward self-sufficiency. Additionally, program participants receive rental assistance for up to 24 months to support ongoing housing stability. SIP provides 56 beds to house a minimum of 125 individuals experiencing homelessness in the City who also meet the program's referral criteria.

MHS has been the program operator since the inception of the program and was instrumental in designing and implementing the program in partnership with local law enforcement. MHS is a nonprofit organization with extensive experience serving individuals experiencing homelessness and delivers case management and supportive services in alignment with both local and national established best practices. As the sole service program operator since January 2000, and as the agency that holds the master lease for the program site, entering into an agreement with MHS will ensure ongoing housing stability and continuity of care for current program participants and continued programming in future contract years.

AFFORDABLE HOUSING IMPACT

As San Diegans continue to live in a City-declared housing emergency "shelter crisis," the social services and rental assistance the transitional housing program provides are critical to ensure that program participants remain stably housed, especially amid the COVID-19 pandemic, which has negatively impacted household income levels, making it more challenging to remain stably housed in San Diego.

FISCAL CONSIDERATIONS

Approving this action will authorize the Housing Commission to expend \$441,500 in Fiscal Year 2023, of which \$419,750 funds MHS for program operations and \$21,750 funds Housing Commission administrative expenses. These funds are included in the Housing Commission’s Fiscal Year 2023 proposed budget, which will be presented to the Housing Authority of the City of San Diego in June 2022 for consideration.

Program	City General Funds	Affordable Housing Fund	Housing Commission Administrative Fees (City GF)	Total FY2023
Serial Inebriate Program	\$268,250	\$151,500	\$21,750	\$441,500

HOUSING COMMISSION STRATEGIC PLAN

This item relates to Strategic Priority Areas No. 1 and No. 4 in the Housing Commission Strategic Plan for Fiscal Years 2022 – 2024. No. 1: Increasing and Preserving Housing Solutions. No. 4: Advancing Homelessness Solutions – Supporting the City of San Diego Community Action Plan on Homelessness.

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

MHS is a local nonprofit organization. As a nonprofit, the organization is not recognized as Diverse Businesses and is exempt from the requirement to submit Workforce Reports. MHS is committed to equity and inclusion and promotes cultural sensitivity, diversity, and competency as part of their core philosophies. Their mission is to reduce disparities in behavioral health care delivery experienced by marginalized populations. MHS continues to create a workforce that is culturally competent and promotes wellness, recovery, and resiliency to improve the lives of individuals, families and communities impacted by behavioral health challenges.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

On June 6, 2019, the Housing Commission approved the execution of an agreement with MHS totaling \$418,411 for Transitional Housing services during the term of July 1, 2019, to June 30, 2020 with two one-year options to renew.

On September 8, 2017, the Housing Commission approved the execution of an agreement with MHS totaling \$268,250 for Transitional Housing Services during the term of July 1, 2017, to June 30, 2018.

On November 21, 2014, the Housing Commission approved the expenditure of additional Fiscal Year 2015 City of San Diego General Funds for the Fiscal Year 2015 agreement with MHS for operation of SIP.

On September 24, 2014, at the request of City Administration, the City transferred administration of the SIP expansion funds from the San Diego Police Department to the Housing Commission.

On June 17, 2014, the City Council and Housing Authority approved the renewal of the MOU between the Housing Commission and City for administration of the City’s Homeless Shelters and Services Programs.

On June 9, 2014, the City Council adopted the City’s Fiscal Year 2015 budget, which included funds to operate the City’s Homeless Shelters and Services Programs. On June 9, 2014, the Housing Authority passed resolution HA-1621, authorizing the Housing Commission to add Housing Impact Fee revenues to the Transitional Housing for the Homeless budget for grants to nonprofit organizations operating transitional housing programs, including MHS’s SIP.

On May 9, 2014, the Housing Commission approved adding Housing Impact Fee revenues to the Transitional Housing for the Homeless budget for grants to nonprofit organizations operating transitional housing programs, including MHS’s SIP.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders for this project include: SIP clients and MHS as the program operator. The program is expected to have a positive impact on the community because it will provide rental assistance and social services support to approximately 125 individuals experiencing homelessness.

ENVIRONMENTAL REVIEW

California Environmental Quality Act

The activities described in the report are categorically exempt pursuant to State CEQA Guidelines Section(s) Chapter 19 Section 15301 Existing Facilities: Class 1 consists of operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical, equipment, or topographical features, involving negligible or no expansion of existing or former use.

National Environmental Policy Act

Processing under the National Environmental Policy Act is not required because no federal funds are involved in these activities.

Respectfully submitted,

Lisa Jones
Lisa Jones
Executive Vice President, Strategic Initiatives
San Diego Housing Commission

Approved by,

Jeff Davis
Jeff Davis
Interim President & Chief Executive Officer
San Diego Housing Commission

Docket materials are available in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at www.sdhc.org