



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Leslye Krutko

**SUBJECT:** SEE BELOW

**DATE:** January 4, 2010

Approved

Date

1-11-09

**COUNCIL DISTRICT:** City-wide  
**SNI AREA:** NA

**SUBJECT: AUTHORIZATION FOR THE HOUSING DEPARTMENT TO ACCEPT FUNDS FROM THE FEDERAL DEPARTMENT OF HEALTH AND HUMAN SERVICES AND GRANT THOSE FUNDS TO EHC LIFEBUILDERS FOR THE EXPANSION OF ITS MEDICAL RESPITE CENTER**

## RECOMMENDATION

It is recommended that the City Council adopt a resolution:

- a) Authorizing the Housing Department to accept a grant of \$471,240 from the Federal Department of Health and Human Services for the expansion of the Medical Respite Center located at EHC LifeBuilder's Boccardo Reception Center;
- b) Approving the subgranting of the Federal Department of Health and Human Services funds to EHC LifeBuilders to use for the expansion of its Medical Respite Center; and
- c) Authorizing the Director of Housing to negotiate and execute all necessary documents.

## OUTCOME

Approval of the above recommendations will enable the City to meet the federal guidelines for receiving the Department of Health and Human Services grant and ensure that residents have access to the additional Medical Respite beds and services to be developed via the grant funds.

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## **BACKGROUND**

In 2007, the Blue Ribbon Commission to End Homelessness and Solve the Affordable Housing Crisis (BRC – now known as Destination: Home), co-chaired by San José Mayor Reed and Santa Clara County Supervisor Gage, was created to provide a top-flight community leadership group to provide direction and support for a comprehensive approach to ending chronic homelessness in ten years. In support of the BRC's efforts, throughout 2007, a series of working groups made up of stakeholders from government, nonprofit, and business based organizations met regularly to develop recommendations for policy and programmatic changes to create a more effective homeless delivery system. One of the BRC's specific recommendations was to open a Medical Respite Center.

The BRC found that when homeless patients were ready for discharge from a hospital or emergency room, there was often no place to send them for recovery and recuperation. Leaving the homeless patient in the hospital to recuperate is the most expensive option when they are ready for self-care, and it ties up a bed that could be used for another acute patient. In order to address this problem, the BRC recommended the opening of a Medical Respite Center. This program would not only give the homeless person a safe, clean environment for recuperation, but also provides an ideal situation for linking the individual to all entitled benefits.

In October 2008, the BRC's recommendation became reality when a 15-bed Medical Respite Center was opened at EHC LifeBuilder's Boccardo Reception Center. Fully funded operationally by a consortium of local medical providers, the Respite Center not only provides a safe and clean environment for homeless patients to recover once they are discharged from the hospital, but also provides a venue for them to connect to the services and benefits that will assist them to quickly move into permanent housing. While recuperating, Respite Center clients have access to counselors who help them obtain the government benefits for which they are qualified, mental health and substance abuse services, medical care, and assistance in finding and obtaining housing.

## **ANALYSIS**

Since its opening, the Medical Respite Center has proven to be a successful and much needed resource. In its first year, all 43 of the patients that completed the Medical Respite Center program were discharged to permanent or transitional housing – clear evidence of the program's success. (See Table A) An additional 24 eligible homeless patients were referred but unable to utilize the Medical Respite Center services because there were no available beds.

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Location	# of patients
Subsidized housing	14
Rented room/apartment	6
Board & Care	5
Family/Friends	6
Transitional/therapeutic housing	9
Guaranteed shelter bed	3
Total	43

Based on the tremendous demand in the community for Medical Respite Center beds and services, last year the City submitted a federal appropriation request to help supplement the original program. The appropriation request was adopted and the federal Department of Health and Human Services subsequently approved a grant to the City for \$471,240 for the expansion of the Medical Respite Center. Specifically, the funds were allocated to increase the number of available Respite Center beds from 15 to 20 and double the number of medical exam/case management rooms from two to four.

### **EVALUATION AND FOLLOW-UP**

The Housing Department will update the City Council on the HSP program activities and accomplishments along with its annual homeless update to the Community and Economic Development Committee.

### **POLICY ALTERNATIVES**

In reaching the recommendation spelled out above, the following alternative was also considered:

**Alternative #1:** The City could choose to neither accept the grant nor subgrant to EHC LifeBuilders for the Medical Respite Center expansion.

**Pros:** The City would not be burdened with administering the Health and Human Services grant funds.

**Cons:** The City would lose the Health and Human Services grant and fewer homeless residents would be able to benefit from Medical Respite Center services. Furthermore, the Medical Respite Center currently saves government resources and taxpayer dollars by preventing the hospitalization of homeless patients for longer than medically necessary. Therefore, bypassing on the opportunity to increase the availability of Medical Respite Center beds and services would prevent additional costs savings from being achieved.

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**Reason for not recommending:** Accepting the grant funds and subgranting them to EHC LifeBuilders would ensure both the City's receipt of its allocated Health and Human Services grant funds and the provision of critical services to homeless residents.

### **PUBLIC OUTREACH**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. (Required: Website Posting)
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. (Required: E-mail and Website Posting)
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. (Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)

Although this memorandum's recommendations do not meet any of the above criteria, it will still be posted to the City Council Agenda via the City's website.

### **COORDINATION**

This report has been prepared in coordination with the Office of the City Attorney.

### **FISCAL/POLICY ALIGNMENT**

Funding for this proposal is consistent with the 10-Year Homeless Strategy to End Chronic Homelessness, approved by the City Council on September 9, 2003 and the Final Report of the Blue Ribbon Commission on Homelessness, approved by the City Council on March 11, 2008.

### **COST SUMMARY/IMPLICATIONS**

There are no fiscal impacts to the General Fund arising from this proposal. Funding is from a Federal Health and Human Services grant (Fund 448).

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**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Proposed Appn	Amt. for Contract	Proposed Budget Page	Proposed Budget Action (Date, Ord. No.)
448	3755	Medical Respite Facility	\$471,240	\$471,240	N/A	10/20/09 Ord.# 28653

**CEQA**

Exempt

  
LESLYE KRUTKO  
Director of Housing

For questions please contact Leslye Krutko, Director of Housing, 535-3851.