



# CITY COUNCIL STAFF REPORT



July 16, 2024

## ITEM TITLE

Agreement: Approve an Agreement with McAlister Institute for Treatment and Education, Inc. for Opioid Remediation Services

**Report Number:** 24-0185

**Location:** No specific geographic location

**Department:** Housing and Homeless Services & Police

**G.C. § 84308:** Yes

**Environmental Notice:** The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

## Recommended Action

Adopt a resolution approving an agreement with McAlister Institute for Treatment and Education, Inc. for the opioid remediation services through continuation of the Work for Hope Program.

## SUMMARY

Since 2020, the City has contracted with McAlister Institute for Treatment and Education, Inc. (“McAlister Institute”) to provide wrap-around services including but not limited to, substance abuse counseling and transitional employment training for unsheltered individuals through the Work for Hope program. This item approves a contract with McAlister Institute for the continuation of the program through July 15, 2026.

## ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

## BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

## DISCUSSION

### Opioid Settlement Funds

During the opioid epidemic, state, local, and tribal governments participated in a multidistrict national lawsuit against pharmaceutical and drug distribution companies that fueled the crisis. The lawsuit alleges that these companies fueled the opioid crisis by marketing opioids in misleading ways, downplaying risks, exaggerating benefits, and engaging in reckless distribution practices. The lawsuit seeks to recover costs associated with the opioid epidemic and remediation of the effects on communities nationwide.

The City of Chula Vista joined a statewide and national coalition in litigation against manufacturers, distributors, and other entities responsible for aiding the opioid epidemic. In late 2022, participating subdivisions in California received the first round of funding from the settlement with the “big three” distributors, McKesson, AmerisourceBergen, and Cardinal Health, and manufacturer Janssen Pharmaceutical (“Opioid Settlement Funds”). It is estimated that California will receive approximately \$2.05 billion from the settlements over 18 years, which are allocated to participating agencies throughout the state. The terms of the settlement agreements prescribe how the funds paid to each participating agency are to be used. The majority of funds allocated to participating subdivisions must be used for opioid abatement activities.

Cities and counties may use the abatement portion of Opioid Settlement Funds for opioid remediation activities and to reimburse past opioid-related expenses. For the purposes of this funding, opioid remediation is defined as the care, treatment, and other expenditures targeted specifically to serve persons with a history of opioid use disorder (“OUD”), substance use disorder (“SUD”), and mental health conditions (“MHC”), specifically to:

- 1) Address the misuse and abuse of opioid products;
- 2) Treat or mitigate opioid use or related disorders through client services; and/or
- 3) Mitigate other alleged effects of, including on those injured as a result of the opioid epidemic.

The City of Chula Vista has received \$140,802.67 from the first year of Opioid Settlement Funds and \$160,405.42 for Year 2, resulting in an overall amount of \$301,208.09 to date.

Eligible uses for the settlement funds include the planning and coordination of services to support people in treatment and recovery and address the needs of vulnerable population such as the unsheltered and criminal justice-involved persons who are disproportionately impacted by opioid and substance abuse disorders. Described below are the specific eligible activities and how the City plans to meet these intended goals.

<b>Eligible Activity</b>	<b>City Action</b>
Support People in Treatment and Recovery	As part of the City-funded Work for Hope job readiness program, McAlister Institute provides comprehensive wrap-around services to participating clients with a history of opioid use disorder, substance use disorder and mental health conditions. Services range from substance abuse counseling, mental health assessment and counseling, housing, transportation, education, job placement, and/or job training.
Connect people who need help to meet their needs (Connections to Care)	The City and McAlister form part of a network with a myriad of partners including health care providers (Family Health Center and County Public Health Nurses) who screen for

Eligible Activity	City Action
	OUD and other risk factors and know how to appropriately counsel and treat.
Address the Needs of Criminal Justice-Involved Persons	The Chula Vista Police Department Homeless Outreach Team serves as a direct referral to the County District Attorney's Homeless Court, which provides clients with case assessment, legal counseling and warrant clearance in order to eliminate barriers to obtaining housing and employment and reduce and/or eliminate recidivism.
Leadership, Planning and Coordination	The Homeless Outreach Team is a multi-faceted network of City departments, public agencies and social service agencies. This cross-agency coordination and collaboration was designed to address the needs of clients in treatment and/or recovery. Working closely with the McAlister institute, clients are connected to tailored services aimed at preventing or abating opioid abuse and associated effects of the opioid epidemic.

Work for Hope Program

In 2020, the City received an allocation of Coronavirus Aid Relief and Economic Security Act (CARES) funds for communities to implement a variety of programs to address issues related to the onset of the COVID-19 pandemic. The intent of the funding stream was to provide fast and direct economic assistance for workers, families, small businesses, and industries. In May of 2020, the City adopted the CARES Action Plan, a comprehensive strategic plan that identified and provided funding for the highest needs in the community including access to housing programs and projects, food banks, health services, job training/reentry programs, and other services to the unsheltered population.

One of the most evident effects from the pandemic was the substantial increase in the number of unsheltered resulting from a myriad of contributing factors including: loss of employment, income, family instability, increased mental health issues, substance abuse, and addiction. With the increased funding opportunity to focus on programs addressing these specific needs, the City seized the opportunity to capitalize on an existing City initiative - Operation Pride.

With limited resources, the Operation Pride initiative was initially created in 2015 to provide job opportunities to those previously homeless individuals overcoming dependency issues. With the added 2020 CARES funding, the program expanded, under the program name *Work for Hope*, to provide enhanced services such as vocational rehabilitation training, life skills instructions, transportation, job readiness, and links to stable housing resources in coordination with the McAlister Institute for Treatment and Education, Inc.

Since its initial funding, the program continues to serve as a catalyst for our unsheltered who are able to work, providing them with immediate transitional employment and training, while providing the community with vital services through the removal of over one million pounds in trash and debris throughout Chula Vista's public spaces and beautification of a dozen community parks. The significant, positive impact on the participating unsheltered clients, as well as for the City, resulted in staff's determination that an increase in funding is necessary to continue the success of this program. In addition, opportunities for job training have

been expanded beyond our public rights-of-way and into the City's Animal Care Facility where unsheltered are assisting with daily maintenance of the facility and upkeep of animals as they await adoption, providing a higher level of job training and readiness.

Due to the McAlister Institute's unique ability to provide job training and wrap around services to unsheltered individuals disproportionately impacted by opioid and other substance use disorders, the Purchasing Agent, after consultation with City staff, has determined that the two year contract with the McAlister Institute in the amount of \$301,208 is exempt from the standard competitive bidding requirements pursuant to Chula Vista Municipal Code Section 2.56.070(B)(4). The contract costs will be fully paid through the use of Opioid Settlement Funds.

This program is in alignment with the high-impact abatement activity settlement requirement of the Opioid Settlement Funds as every client who is part of the program was unsheltered and disproportionately impacted by a substance use disorder. Each client is encountered on the street or as referral from McAlister Institute and vetted by way of an intake process that encompasses questions associated with substance use disorder, mental health needs, physical health needs and ability to work. The client is vetted through the City's Homeless Outreach Team, which is comprised of the Police Department, Psychiatric Emergency Response Team (PERT) clinician, Housing, and County Public Health Nurses.

#### **DECISION-MAKER CONFLICT**

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware and has not been informed by any City Council member of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

#### **CURRENT-YEAR FISCAL IMPACT**

Approval of this item approves an agreement totaling \$301,208 to continue the Work for Hope Program with McAlister Institute for Treatment and Education, Inc. All costs associated with the Work for Hope Program during the term of the agreement are funded by previously appropriated Opioid Settlement Funds. There is no additional current-year fiscal impact as a result of this action.

#### **ONGOING FISCAL IMPACT**

There is no ongoing fiscal impact to the City's General Fund during the term of the contract ending July 15, 2026. Staff will review the budget annually to determine if funding has been secured to continue the program.

#### **ATTACHMENTS**

1. Agreement with McAlister Institute for Treatment and Education, Inc. for the Continuation of the Work for Hope Program

*Staff Contact: Chief Roxana Kennedy, Police Department  
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