



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

DATE: April 27, 2017

HCR17-038

COUNCIL DISTRICT(S): Citywide

ORIGINATING DEPARTMENT: Homeless Housing Innovations Department

CONTACT/PHONE NUMBER: Melissa Peterman, 619-578-7529

REQUESTED ACTION: Recommend the Housing Authority of the City of San Diego and the San Diego City Council approve use of funds from the sale of the Hotel Metro and the grant from the City of San Diego resulting from the ground lease on San Diego Square Apartments to serve all homeless subpopulations, including Veterans, through the San Diego Housing Commission's expanded HOUSING FIRST – SAN DIEGO landlord engagement program.

#### EXECUTIVE SUMMARY OF KEY FACTORS:

- As part of the San Diego Housing Commission's (SDHC) HOUSING FIRST – SAN DIEGO Homelessness Action Plan, SDHC proposes to expand the Housing our Heroes Landlord Engagement Program to all subpopulations experiencing homelessness, including Veterans.
- Over the three year plan (Fiscal Years 2018-20), the program will invest approximately \$6.6 million in City of San Diego (City) and SDHC resources to provide housing in the City (ZIP code 92037 and ZIP codes that begin with 921, excluding 92118) for anyone who is living on the streets or in shelters.
- Benefits offered to landlords through Housing our Heroes will be extended and include elements such as incentive payments for units leased, security and utility deposit assistance, contingency funds for expenses above and beyond security deposits, and staff support through landlord liaisons and housing specialists.
- Funding source and uses previously approved by the SDHC Board of Commissioners, City Housing Authority, and City Council were limited to assisting Veterans experiencing homelessness.
- Amending Resolutions R-310284 and HAR-1681 authorizes the expanded use of funds from the sale of the Hotel Metro and the ground lease of San Diego Square to assist all homeless subpopulations, including, without limitation any funds within Low Income Lease Revenue Fund 200398 and 10540 and specifically granting such authority pursuant to the provisions of City Council Resolutions R-224179 and R-218880, to the extent such actions are necessary.





## REPORT

**DATE ISSUED:** April 27, 2017

**REPORT NO:** HCR17-038

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of May 5, 2017

**SUBJECT:** Expanded Use of Low Income Lease Revenue Funds for HOUSING FIRST –  
SAN DIEGO, the San Diego Housing Commission’s Homelessness Action Plan

**COUNCIL DISTRICT:** Citywide

### **REQUESTED ACTION**

Recommend that the Housing Authority of the City of San Diego and the San Diego City Council approve the use of funds from the sale of the Hotel Metro and the grant from the City of San Diego resulting from the ground lease on San Diego Square Apartments to serve all homeless subpopulations, including Veterans, through the San Diego Housing Commission’s expanded HOUSING FIRST – SAN DIEGO landlord engagement program.

### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) and the San Diego City Council (City Council) take the following actions and amend Resolutions R-310284 and HA-1681 to authorize the expanded use of Low Income Lease Revenue Funds, including but not limited those within Funds 200398 and 10540, for each of the purposes referenced within this report:

#### **City Council:**

Amend Resolution R-310284 to authorize the expanded use of funds from the sale of the Hotel Metro and the ground lease of San Diego Square Senior Apartments for the purposes referenced in this report, including, without limitation, any funds within Low Income Lease Revenue Fund 200398 and 10540 and specifically granting such authority pursuant to the provisions of City Council Resolutions R-224179 and R-218880, to the extent such actions are necessary.

#### **Housing Authority:**

- 1) Amend Resolution HA-1681 to authorize the expanded use of funds from the sale of the Hotel Metro and the ground lease of San Diego Square Senior Apartments for the purposes referenced within this report, including, without limitation any funds within Low Income Lease Revenue Fund 200398 and 10540 and specifically granting such authority pursuant to the provisions of City Council Resolutions R-224179 and R-218880, to the extent such actions are necessary;
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to expend funds approved by this action to participating landlords as part of the collaborative landlord-

outreach component of HOUSING FIRST – SAN DIEGO, the Housing Commission’s Homelessness Action Plan; and

- 3) Authorize the President & CEO, or designee, to execute all necessary documents and instruments necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals.

### **SUMMARY**

With a long-standing commitment to assisting individuals and families experiencing homelessness, the San Diego Housing Commission (Housing Commission) is proposing to expand the success experienced through the landlord outreach program of the Housing Our Heroes initiative (previously known as The 1,000 Homeless Veterans Initiative) beyond homeless Veterans to all subpopulations experiencing homelessness. This expansion is part of the Housing Commission’s continuation of HOUSING FIRST – SAN DIEGO, the Housing Commission’s landmark Homelessness Action Plan. Through this change, the Housing Commission will provide permanent housing opportunities for up to 3,000 homeless individuals and families over a three-year period (Fiscal Years 2018 to 2020).

Over the three-year plan, the landlord engagement program will invest approximately \$6.6 million in City of San Diego and Housing Commission resources to provide housing in the city of San Diego (ZIP code 92037 and ZIP codes that begin with 921, excluding 92118) for anyone who is living on the streets or living in shelters. Of this total dollar amount, approximately \$4.4 million will be funded by the proceeds from the sale of the Hotel Metro and the ground lease of San Diego Square Senior Apartments.

Landlords who rent their units to homeless individuals and families are important partners in HOUSING FIRST – SAN DIEGO. A historically low rental vacancy rate and tight competition for affordable and market-rate apartments make it difficult for this population to obtain rental housing. This expanded program will provide the same incentives as Housing Our Heroes for landlords who rent to anyone experiencing homelessness in the City. These include:

- **Incentive Payments for Landlords** – Landlords will receive \$500 for the first apartment they rent to a homeless family or individual and \$250 for each additional unit.
  - **Budget:** Up to \$1,125,000 total
- **Security Deposit & Utility Assistance** – An average of \$1,500 in security deposits and \$100 in utility assistance per household.
  - **Budget:** Up to \$2,250,000 total
- **Landlord Contingency Fund** – Funds will be set aside to help landlords cover expenses, such as repairs that exceed security deposits upon move-out or rent due to unforeseen vacancies.
  - **Budget:** Up to \$1,500,000 total
- **Landlord Liaison** – The Housing Commission will provide dedicated housing specialists to answer landlords’ questions, as well as to provide credit report and application assistance for homeless individuals and families. The Housing Commission will also coordinate recruitment fairs and training sessions for landlords, service providers and tenants and pre-inspect units.
  - **Budget:** Up to \$1,396,798 total

All homeless participants of the landlord engagement program must be referred by Housing Commission partner agencies or organizations that provide supportive services to homeless San Diegans. A list of service providers is available on the “Housing Our Heroes” page on the Housing Commission’s website, www.sdhc.org

To be included, homeless individuals and families can add their names to the Coordinated Entry System database, which will assess their housing needs and vulnerability to help identify those households who are most in need.

Funding approvals are required by the City Council, Housing Authority, and Housing Commission Board of Commissioners.

**FISCAL CONSIDERATIONS**

The proposed FY 2018 funding approved by this action is included in the Housing Commission’s proposed FY 2018 Housing Authority-approved budget.

Funding sources and Housing Commission uses approved by this action include:

Table 1: Funding Sources and Housing Commission Uses Approved by this Action		Funding Uses
		Landlord Engagement
Funding Sources	San Diego Square	\$2,439,554
	Hotel Metro	\$1,967,608
FY18 TOTAL		\$4,407,162

**PREVIOUS COUNCIL and/or COMMITTEE ACTION**

On March 1, 2016, the Housing Authority and City Council approved Resolutions HA-1681 and R-310284, respectively, which authorized the use of funds from the sale of Hotel Metro and the ground lease of San Diego Square Senior Apartments for the purposes referenced within Housing Authority Report HAR16-006.

**KEY STAKEHOLDERS and PROJECTED IMPACTS**

Because the proposed services are located throughout the city of San Diego and projected to impact thousands of its homeless neighbors in need, the Housing Commission will solicit feedback from community groups (examples listed) to ensure the perspectives of interested stakeholders are adequately addressed (this is not an exhaustive list):

- San Diego Regional Chamber of Commerce
- Regional Task Force on the Homeless
- San Diego County Apartment Association
- California Apartment Association

**ENVIRONMENTAL REVIEW**

The actions described in this report are not a project as defined by the California Environmental Quality Act (CEQA) Section 21065 and State CEQA Guidelines Section 15378(b)(4) and (b)(5), as they are fiscal and administrative activities of government which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The

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determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. Processing under the National Environmental Policy Act (NEPA) is not required as federal funds are not involved in the actions being approved; nevertheless, these actions and any actions related to the “1000 Homeless Veterans Initiative” are exempt pursuant to Part 58.34(a)(3) and (4) and categorically excluded pursuant to Part 58.35(b)(1) and (2) of Title 24 of the Code of Federal Regulations. Furthermore, the use of any federal vouchers or subsidies in connection with implementation of the Homeless Veterans Initiative will be reviewed on a case-by-case basis in compliance with the limited-scope review requirements of NEPA, as applicable.

Respectfully submitted,

*Melissa Peterman*

Melissa Peterman  
Vice President  
Homeless Housing Innovations Department

Approved by,

*Jeff Davis*

Jeff Davis  
Executive Vice President & Chief of Staff  
San Diego Housing Commission

Hard copies are available for review during business hours in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials on the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).