



EXECUTIVE SUMMARY

MEETING DATE: July 18, 2025

HCR25-046

SUBJECT: Approval of the Contract Amendment between the San Diego Housing Commission and People Assisting the Homeless (PATH) to Operate the Connections Housing Interim Shelter Program at 1250 Sixth Ave., San Diego, CA 92101

COUNCIL DISTRICT: 3

ORIGINATING DEPARTMENT: Homelessness Housing Innovations

CONTACT/PHONE NUMBER: Casey Snell (619) 578-7691

REQUESTED ACTION:

Approve the amendment to operating agreement HHI-23-35.2 between the San Diego Housing Commission and People Assisting the Homeless (PATH) to increase Fiscal Year 2026 funding for the Connections Housing Interim Shelter Program's operating budget by \$710,036 for a revised total annual budget of \$1,840,878.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The Connections Housing Interim Shelter Program (Program) supports the Community Action Plan on Homelessness for the City of San Diego (Action Plan).
- Through May 2025 in Fiscal Year 2025, the Program has served 149 individuals, 37 of whom (25 percent) exited to permanent housing.
- SDHC is proposing to increase the funding allocation in Fiscal Year (FY) 2026 by \$710,036 for a total allocation of \$1,840,878.
- FY 2026 funding sources are expected to be City of San Diego General Funds (GF) and federal Emergency Solution Grant (ESG) funds. Future option years are contingent upon funds being made available for this purpose during the City's annual budgeting process.
- The proposed funding increase will result in the Program being funded in an amount more closely aligned with other City of San Diego shelter programs. It will also prevent the potential loss of shelter resources, as the Program operator has faced fiscal constraints that affect its ability to sustain operating expenses that exceed the funding the Program has received from the City in prior fiscal years.
- The Program will provide shelter year-round, in alignment with Housing First principles, for up to 70 single adults experiencing homelessness in the City of San Diego.
- Services to be provided include, but are not limited to: a safe, secure and supportive environment; access to housing-focused case management and supportive services; basic needs support such as two meals per day, laundry, telephone, restrooms and showers; referrals to partner agencies for additional services; and assistance in obtaining permanent or longer-term housing interventions.
- In addition to operating the Program since its inception in 2013, PATH has more than 30 years of operational and programmatic experience serving individuals experiencing homelessness. PATH serves approximately 1,100 people in the County of San Diego annually, helping clients develop stable, independent lives through access to permanent housing and wraparound supportive services.



REPORT

DATE ISSUED: July 10, 2025

REPORT NO: HCR25-046

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of July 18, 2025

SUBJECT: Approval of the Contract Amendment between the San Diego Housing Commission and People Assisting the Homeless (PATH) to Operate the Connections Housing Interim Shelter Program at 1250 Sixth Ave., San Diego, CA 92101

COUNCIL DISTRICT : 3

Advance notice of San Diego Housing Commission (Housing Commission) hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(A)-(B).

REQUESTED ACTION:

Approve the amendment to operating agreement HHI-23-35.2 between the San Diego Housing Commission and People Assisting the Homeless (PATH) to increase Fiscal Year 2026 funding for the Connections Housing Interim Shelter Program's operating budget by \$710,036 for a revised total annual budget of \$1,840,878.

STAFF RECOMMENDATION

That the San Diego Housing Commission (SDHC) Board of Commissioners (Board) take the following actions:

- 1) Authorize the amendment to operating agreement HHI-23-35.2 between SDHC and People Assisting the Homeless (PATH) to increase funding for the Connections Housing Interim Shelter Program at 1250 Sixth Ave., San Diego, CA 92101 in Fiscal Year (FY) 2026 by \$710,036 for a revised total of \$1,840,878. FY 2026 Funding sources are expected to be City of San Diego (City) General Funds and federal Emergency Solution Grant (ESG) funds.
- 2) Authorize SDHC's President and Chief Executive Officer (President and CEO), or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form and format 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 SDHC's President and CEO, or designee, to substitute funding sources and/or increase compensation by not more than 20 percent of the total agreement amount for the proposed agreement, if necessary, without further action by the SDHC Board or the Housing Authority of the City of San Diego, but only if and to the extent that funds are determined to be available for such purposes.

SUMMARY

SDHC has administered homelessness services contracts on behalf of the City based on a Memorandum

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of Understanding (Homelessness Shelters and Services MOU) that first took effect on July 1, 2010. As of July 1, 2023, several individual MOUs between SDHC and the City for the operation and administration of homelessness services programs have been replaced with a Master Memorandum of Understanding (Master MOU), which consolidates the separate MOUs into one comprehensive document and streamlines the associated administrative processes. The Master MOU describes the responsibilities of both the City and SDHC related to the operation of the various homelessness shelters, services and programs and serves as an overarching agreement between the City and SDHC to enter into program-specific agreements and administrative agreements. Execution of the Master MOU between SDHC and the City for the oversight and administration of the City's homelessness services programs for an initial term of July 1, 2023, through June 30, 2024, with three one-year options to renew, was approved by the SDHC Board on June 15, 2023, and the Housing Authority and City Council on June 26, 2023 (Housing Authority Resolution No. HA-1987; City Council Resolution No. R-315018).

The Connections Housing Interim Shelter Program (Program) 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.

Through May 2025 in FY 2025, the Program has served 149 individuals, 37 of whom (25 percent) exited to permanent housing.

The proposed actions referenced in this report will allow SDHC to increase the Program's operating budget in the amounts referenced within this report to provide for the ongoing operation of the Program at 1250 Sixth Ave., San Diego, CA 92101. The proposed funding increase will result in the Program being funded in an amount more closely aligned with other City of San Diego shelter programs. It will also prevent the potential loss of shelter resources, as the Program operator has faced fiscal constraints that affect its ability to sustain operating expenses that exceed the funding the Program has received from the City in prior fiscal years.

PROGRAM OVERVIEW

The Program will provide shelter year-round, in alignment with Housing First principles, for up to 70 single adults experiencing homelessness in the City of San Diego. The Program will provide safe, low-barrier, congregate shelter, as well as stabilization and supportive services to prepare individuals experiencing homelessness for the most appropriate longer-term or permanent housing interventions, contributing to the regional goals of ensuring instances of homelessness are rare, brief, and non-recurring.

Services to be provided include, but are not limited to: a safe, secure and supportive environment; access to housing-focused case management and supportive services; basic needs support such as two meals per day, laundry, telephone, restrooms and showers; referrals to partner agencies for additional services; and assistance in obtaining permanent or longer-term housing interventions.

Program Services

- a. A housing-focused program that aims to resolve Program clients' homelessness as quickly as possible. Related services include, but are not limited to:
 - i. Determining diversion opportunities;
 - ii. Self-sufficiency needs assessment;
 - iii. Development of housing plan, including stabilization strategies and housing goals and objectives;

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- iv. Coordination with and referrals to County of San Diego, State of California and federal programs, as well as nonprofits and social service agencies, as appropriate;
- v. Assistance in locating safe and affordable permanent or other longer-term housing, including determining housing interventions and opportunities outside of the Coordinated Entry System (CES);
- vi. Completion of intakes, screenings, assessments and case conferencing or other integral components of CES pursuant to the San Diego Continuum of Care community standards and policies;
- vii. Assistance with housing applications and supportive and subsidized housing paperwork;
- viii. Advocacy for clients with prospective landlords;
- ix. Showers, wash stations, restrooms, laundry facilities and storage for client's personal belongings;
- x. Routine operating and client supplies, including but not limited to hygiene products, basic first aid supplies, and cleaning supplies;
- xi. Telephone access and message services;
- xii. Mail services

Operator Experience

In addition to operating the Program since its inception in 2013, PATH has more than 30 years of operational and programmatic experience serving individuals experiencing homelessness. PATH serves approximately 1,100 people in the County of San Diego annually, helping clients develop stable, independent lives through access to permanent housing and wraparound supportive services.

Connections Housing functions as a one-stop, supportive service and residential community that provides space for several agencies in a single location to meet the varying needs of the clients they serve. It includes 73 permanent supportive housing units, for which SDHC provides federal rental assistance through rental housing vouchers; 70 interim shelter beds through a contract SDHC administers on behalf of the City, which is the subject of this report; 40 interim shelter beds through a grant per diem program with the U.S. Department of Veterans Affairs; 14 respite care beds through contracts with two different health insurance providers; a federally qualified health center; a food service program; case management services; and the PATH Depot, a robust hub of homelessness services and resources. PATH also operates three additional interim shelter programs throughout the state of California, totaling more than 500 beds for households experiencing homelessness.

FISCAL CONSIDERATIONS

SDHC is proposing to increase the funding allocation in FY 2026 by \$710,036 for a total allocation of \$1,840,878. FY 2026 funding sources are expected to be City of San Diego General Funds (GF) and federal Emergency Solution Grant (ESG) funds. Future option years are contingent upon funds being made available for this purpose during the City's annual budgeting process.

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FUNDING SOURCE	FUNDING BY USE	FY2026	FY2027
City GF	Operator Agreement	\$1,226,702	\$1,226,702
ESG		\$614,176	\$614,176
City GF / ESG	SDHC Administrative Costs	\$151,688	\$151,688
TOTAL		\$1,992,566	\$1,992,566

SDHC STRATEGIC PLAN

This item relates to Strategic Priority Area No. 4 in SDHC's Strategic Plan for FY 2022 – 2024: Advancing Homelessness Solutions – Supporting the City of San Diego Community Action Plan on Homelessness. SDHC is in the process of developing a new Strategic Plan.

AFFORDABLE HOUSING IMPACT

As San Diegans continue to live in a city-declared housing emergency “shelter crisis,” the need for immediate housing assistance is critical to the well-being of community members. The program serves this purpose by providing shelter services and a pathway to housing to persons experiencing homelessness. Individuals participating in this Program represent some of San Diego's most vulnerable citizens, as 100 percent of participants are experiencing homelessness, with low-to-moderate incomes.

NONDISCRIMINATION ASSURANCE

At SDHC, we're about people. We are committed to ensuring a compassionate, person-centered approach to SDHC's programs, policies, projects and activities and to serving our community impartially, fairly and without bias. We are also committed to ensuring compliance with all applicable federal, state and local laws and protections to the extent that they affect this action relative to nondiscrimination.

PATH is a nonprofit organization. Their non-discrimination statement affirms their commitment to providing programs to all in need without unlawful discrimination or harassment. SDHC staff has requested a workforce report for record-keeping purposes.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

SDHC and the City consolidated and replaced five existing Memoranda of Understanding (MOUs) into a Master MOU for the administration of homelessness services programs, which the Housing Authority and City Council approved on June 26, 2023 (Housing Authority Resolution HA-1987 and City Council Resolution R-315018). The Master MOU will end on June 30, 2027, if all three option years are exercised.

On September 8, 2017, the SDHC Board approved an operating agreement with PATH for the City of San Diego Connections Housing Interim Shelter Program (Report No. HCR17-069). The agreement included four options for renewals, which expired on June 30, 2022.

On May 5, 2022, the SDHC Board approved an operating agreement with PATH for the operation of the City of San Diego Connections Housing Interim Shelter Program (Report No. HCR22-059). The agreement included four one-year options for renewals and will expire on June 30, 2027.

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KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders for this project include San Diegans experiencing homelessness, current program participants, and PATH as the subrecipient administering the program. The program is expected to have a positive impact on the community as it will provide shelter and services for approximately 70 individuals experiencing unsheltered homelessness at any given time.

ENVIRONMENTAL REVIEW

California Environmental Quality Act

The proposed activities to approve an amendment to the operating agreement for the operation of the Connections Interim Shelter Program are not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b)(5), as an administrative activity of government that will not result in direct or indirect physical changes in the environment. Additionally, CEQA would not apply under the City of San Diego shelter crisis. On August 1, 2024, the Council of the City of San Diego voted to renew a shelter crisis declaration and to suspend applicable provisions of state and local law pursuant to the California Government Code related to providing public facilities to mitigate the effects of the shelter crisis (Resolution Number R-315738). The California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) shall not apply to any of the following actions taken by a state agency or a city, county, or city and county: to lease, convey, or encumber land owned by a city, county, or city and county, or to facilitate the lease, conveyance, or encumbrance of land owned by the local government for a homeless shelter constructed pursuant to, or authorized by, this section; to provide financial assistance to a homeless shelter constructed pursuant to, or authorized by, this section; and to approve a contract to provide services for people experiencing homelessness to a homeless shelter constructed pursuant to, or authorized by, this section. These services may include, but are not limited to, case management, resource navigation, security services, residential services, and counseling services.

National Environmental Policy Act

Federal funds constitute a portion of this project's funding. NEPA approval was received from the City of San Diego Planning Department on June 9, 2025.

Respectfully submitted,



Casey Snell
Senior Vice President of Homelessness Housing Innovations
San Diego Housing Commission

Approved by,



Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission

A printed copy is available for review during business hours at the information desk in the main lobby of SDHC's offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the "Governance & Legislative Affairs" section of SDHC's website at www.sdhc.org.