



Good Neighbors

San Diego Housing Commission

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REPORT

DATE ISSUED: October 20, 2006 **REPORT NO:** HAR06-023

ATTENTION: Chair and Members of the Housing Authority **ITEM:** 1
For The Agenda of October 23, 2006

SUBJECT: Funding for the 2007 Homeless Emergency Shelter Programs (Citywide)

REQUESTED ACTION:

Provide up to \$445,000 from the Housing Commission's FY07 Reserves to the City of San Diego for use in the City's FY07 Homeless Emergency Shelter Programs.

STAFF RECOMMENDATION:

1. Authorize the President & Chief Executive Officer (CEO) of the San Diego Housing Commission to execute a Memorandum of Understanding (MOU) with the City of San Diego to provide up to \$445,000 for the City's FY07 Homeless Emergency Shelter Programs.
2. Amend the Housing Commission's FY07 Budget to transfer \$445,000 from Local Reserves to Special Purpose Housing/Loans & Grants.

BACKGROUND:

For approximately 16 years, the City has managed some form of seasonal shelter program. Over time, the program evolved into the current model, which includes a winter shelter program with two components (200 beds for single adults and 150 beds for male veterans) plus a year-round family shelter serving 50 families. In conjunction with the shelters, non-profits provide a range of services to the shelter participants.

In a companion item, the City Council is being asked to authorize the Mayor to enter into a Memorandum of Understanding with the Housing Commission pursuant to which the Commission would provide the City with \$445,000 to enable the City to operate the Emergency Shelter Program.

DISCUSSION:

The Housing Commission has provided the bulk of the funding for the City's homeless shelter programs since at least 1996, primarily with surplus Section 8 administrative fees. These fees have declined in recent years. There is no longer a surplus and the law now prohibits use of surplus fees, were there to be any, for any purpose other than Section 8. Emergency shelters are not an eligible use for the Commission's programmatic funding sources.



The Housing Authority approved the Commission's FY07 budget without, for the first time in over a decade, an allocation of funds for the winter shelter. Authority members discussed this at some length. Since the budget hearing, no alternative shelter revenues have materialized for the City or Commission.

In order to open the City shelter on time, funding must be identified by November. The only apparent funding source to meet this obligation in the City "family" is the Housing Commission's reserve of Local Funds. This action would transfer \$445,000 from the Local Reserve fund to the Special Needs Housing activity. In so doing, the Commission's reserve would be reduced to \$3.54 million or 1.29% of the FY07 Budget. Despite Housing Authority direction to work toward augmenting this reserve fund, no other options seem available to the City to fund the shelter in a timely manner.

As part of the request to the Housing Commission for shelter funding for FY07, City representatives have committed to work with the Commission to seek replenishment of Commission funds. Dialogue continues with CCDC to replace Commission funds with redevelopment funds in certain transactions which, if consummated, would have the effect of making the Commission whole. Further, it is agreed that there needs to be an overall City strategy for funding the emergency shelter program in future years.

FISCAL CONSIDERATIONS:

Approval of the recommendations will decrease the Housing Commission's FY07 Local Reserves by \$445,000. Reserves will then represent 1.29% of the Budget.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

The Housing Commission has voted to support the City's Shelter Program annually since 1996 and contributed approximately \$4.2 million. The Commission approved the FY07 Budget without provision for the shelter program. Due to time constraints, this item has not been presented to the Housing Commission board.

ENVIRONMENTAL REVIEW:

This activity is statutorily exempt from CEQA pursuant to State CEQA Guidelines, Section 15269(c), which provides an exemption for "specific actions necessary to prevent or mitigate an emergency."

Respectfully submitted,

Approved by,

Cissy Fisher
Director, Housing Finance & Development

Elizabeth C. Morris
President & Chief Executive Officer

Attachment:

1. Proposed Memorandum of Understanding
Information: Kathi Houck (619) 578-7473