



EXECUTIVE SUMMARY

MEETING DATE: September 15, 2023

HCR23-104

SUBJECT: Authorization to Accept the Distribution of State Budget Allocation of Grant Funds –
University Avenue Densification Pilot and Multidisciplinary Outreach Program

COUNCIL DISTRICT: 9

ORIGINATING DEPARTMENT: Compliance and Equity Assurance

CONTACT/PHONE NUMBER: Debra Fischle-Faulk (619) 578-7411

REQUESTED ACTION:

Authorize and direct the San Diego Housing Commission (Housing Commission) staff to accept and expend \$2,750,000 in Grant Funds that were allocated in the California State Budget through the California Department of Housing and Community Development (Department) in accordance with the state Budget Act of 2023 (Assembly Bill 102) and to amend the Housing Commission's Fiscal Year (FY) 2024 budget in the amount of \$2,750,000 in accordance with the authority delegated to the Housing Commission in Housing Authority of the City of San Diego Resolution HA-1569. The allocated state funding will support the Housing Commission's University Avenue Densification Pilot Project and the Multidisciplinary Outreach Team.

EXECUTIVE SUMMARY OF KEY FACTORS:

- On July 10, 2023, California Governor Gavin Newsom signed into law Assembly Bill 102. The approved state budget included allocations directly to the Housing Commission for two programs.
- The state budget allocated \$2,000,000 to the Housing Commission to support completing predevelopment to increase density at Casa Colina, an existing Housing Commission-owned, 75-unit affordable rental housing development for seniors in the historically underserved City Heights community of the City of San Diego.
- This is part of the Housing Commission's broader preliminary efforts to explore increasing density throughout its real estate portfolio to produce additional affordable housing in the City of San Diego.
- The state budget allocated \$750,000 to address existing gaps in the homelessness response system by expanding a currently deployed Multidisciplinary Outreach Team that works directly with individuals living on the street.
- Utilizing a street-based case management and supportive service model, the program's objective is to serve individuals and families who are among the most vulnerable and are experiencing unsheltered homelessness.
- The state budget allocation funds are anticipated to be distributed in early Calendar Year 2024.
- The funds were not included in the Housing Commission's proposed Fiscal Year (FY) 2024 budget, which the Housing Authority of the City of San Diego approved on June 12, 2023. If the Housing Commission is authorized to accept and expend the funds, it will increase the FY 2024 funding sources and uses available by \$2,750,000 to support the proposed projects.



REPORT

DATE ISSUED: September 7, 2023

REPORT NO: HCR23-104

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of September 15, 2023

SUBJECT: Authorization to Accept the Distribution of State Budget Allocation of Grant Funds –
University Avenue Densification Pilot and Multidisciplinary Outreach Program

COUNCIL DISTRICT: 9

REQUESTED ACTION

Authorize and direct the San Diego Housing Commission (Housing Commission) staff to accept and expend \$2,750,000 in Grant Funds that were allocated in the California State Budget through the California Department of Housing and Community Development (Department) in accordance with the state Budget Act of 2023 (Assembly Bill 102) and to amend the Housing Commission's Fiscal Year (FY) 2024 budget in the amount of \$2,750,000 in accordance with the authority delegated to the Housing Commission in Housing Authority of the City of San Diego Resolution HA-1569. The allocated state funding will support the Housing Commission's University Avenue Densification Pilot Project and the Multidisciplinary Outreach Team.

STAFF RECOMMENDATION

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

- 1) Find and determine that pursuant to Housing Authority of the City of San Diego (Housing Authority) Resolution HA-1569, the California State Budget funds allocated to the Housing Commission in the amount of \$2,000,000 for the University Avenue (Casa Colina Phase I) Densification Pilot Project and \$750,000 for the Multidisciplinary Outreach Team in the state Budget Act of 2023 (Assembly Bill 102) are consistent with the Housing Commission's mission and goals previously approved by the Housing Authority of San Diego, and therefore, these grants are subject to the provisions of Resolution HA-1569, which authorizes the Housing Commission's receipt and expenditure of the grant funds and to make any required revisions to the Housing Commission's budget.
- 2) Authorize the Housing Commission to accept and expend \$2,000,000 in grant funds that were allocated in the California State Budget through the California Department of Housing and Community Development (Department) in accordance with Assembly Bill 102 toward the University Avenue (Casa Colina Phase I) Densification Pilot Program, contingent upon receipt of the funds from the Department.
- 3) Authorize the Housing Commission to accept and expend \$750,000 in grant funds that were allocated in the California State Budget through the Department in accordance with Assembly

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Bill 102 toward the Multidisciplinary Outreach Program, contingent upon receipt of the funds from the Department.

- 4) Increase the Housing Commission's budgets for the University Avenue Densification Pilot Project by \$2,000,000 and the Multidisciplinary Outreach Program by \$750,000.
- 5) Authorize the Housing Commission's President and Chief Executive Officer (President & CEO), or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals provided that a copy of the documents, signed as to form by General Counsel, are submitted to each Housing Commissioner.

SUMMARY

On July 10, 2023, California Governor Gavin Newsom signed into law Assembly Bill 102. The approved state budget included allocations directly to the Housing Commission for two programs:

- University Avenue (Casa Colina Phase I) Densification Pilot Project
The state budget allocated \$2,000,000 to the Housing Commission to support completing predevelopment to increase density at Casa Colina, an existing Housing Commission-owned, 75-unit affordable rental housing development for seniors in the historically underserved City Heights community of the City of San Diego.

This is part of the Housing Commission's broader preliminary efforts to explore increasing density throughout its real estate portfolio to produce additional affordable housing in the City of San Diego.

This pilot project will highlight the importance of collaboration with other jurisdictions. Increasing density of affordable housing sites in the Housing Commission's portfolio utilizes Mayor Todd Gloria's Housing Action Package 2.0 proposal, written in partnership with the Housing Commission, which allows for increased density on public agency-owned parcels.

Combining the existing site with land owned by the County of San Diego would provide a successful example of regional partnerships and use of public land for additional affordable housing development. Together, these sites consist of 2.34 acres. Housing Commission staff continues to work with the County of San Diego regarding establishing terms for an agreement on the process to acquire and allow for the densification of the County-owned parcel.

Across the Housing Commission's real estate portfolio, increasing density will achieve state policy priorities, such as climate action and adaptation policies, including electrification, and provide opportunities for both preservation of existing units and creation of middle-income housing.

On October 3, 2022, at the first joint meeting of the County of San Diego Board of Supervisors (County Board) and the San Diego City Council (City Council) in more than 20 years, the County Board and City Council each adopted a joint resolution supporting the densification of Housing Commission properties as a way to increase the availability of affordable homes (City Council Resolution R-314357).

- **Multidisciplinary Outreach Program**

The state budget allocated \$750,000 to address existing gaps in the homelessness response system by expanding a currently deployed Multidisciplinary Outreach Team that works directly with individuals living on the street. Utilizing a street-based case management and supportive service model, the program’s objective is to serve individuals and families who are among the most vulnerable and are experiencing unsheltered homelessness.

The Multidisciplinary Outreach Program’s (Program) emphasis is on diverting individuals from the crisis response system and fostering connections to permanent and other longer-term housing, while meeting basic needs and providing connections to shelter and specialized supportive services, such as behavioral health and primary care resources to support physical and mental health stabilization.

People Assisting the Homeless (PATH) operates the Program. PATH collaborates and subcontracts with Father Joe’s Villages (FJV) for the healthcare component. The Program utilizes an integrated multidisciplinary team that includes a nurse practitioner, four clinical outreach specialists, a medical assistant/outreach worker, two peer support specialists, and a part-time substance abuse counselor.

AFFORDABLE HOUSING IMPACT

University Avenue (Casa Colina Phase I) Densification Pilot Project

The City of San Diego has been working to increase density on publicly owned parcels to increase affordable housing development, especially close to transit. This pilot project will preserve existing affordable rental housing and increase the supply of new affordable rental housing units.

Multidisciplinary Outreach Program

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 connecting unsheltered individuals and families with shelter resources and supportive services. Individuals participating in this program represent some of San Diego’s most vulnerable citizens, as 100 percent of participants are homeless, with low-to-moderate income.

FISCAL CONSIDERATIONS

The state budget allocation funds are anticipated to be distributed in early Calendar Year 2024. The funds were not included in the Housing Commission’s proposed Fiscal Year (FY) 2024 budget, which the Housing Authority of the City of San Diego approved on June 12, 2023. If the Housing Commission is authorized to accept and expend the funds, it will increase the FY 2024 funding sources and uses available by \$2,750,0000 to support the proposed projects.

San Diego Housing Commission – Casa Colina Phase I Densification Pilot	
Source	Amount
FY 2024 State Budget Allocation	Up to \$2,000,000
Uses	Amount
Increase density of public agency land	Up to \$2,000,000
San Diego Housing Commission – Multidisciplinary Outreach Program Team	
Source	Amount
FY 2024 State Budget Allocation	Up to \$750,000
Uses	Amount

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Expand currently deployed Multidisciplinary Outreach Team	Up to \$750,000
TOTAL SOURCES	Up to \$2,750,000
TOTAL USES	Up to \$2,750,000

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

The allocations of state funding were included in state Budget Act of 2023 (Assembly Bill 102). State Assemblymember Brian Maienschein advocated inclusion of \$750,000 for the Multidisciplinary Outreach Program, and State Senate President pro Tempore Toni Atkins advocated inclusion of \$2,000,000 for the University Avenue (Casa Colina Phase I) Densification Pilot Project in the state budget.

HOUSING COMMISSION STRATEGIC PLAN

This item relates to Strategic Priority Areas No. 1 and No.4 in the Housing Commission Strategic Plan for Fiscal Year (FY) 2022-2024:

- No.1: Increasing and Preserving Housing Solutions.
- No.4: Advancing Homelessness Solutions – Supporting the City of San Diego Community Action Plan on Homelessness.

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

The Housing Commission’s Strategic Plan for Fiscal Year (FY) 2022-2024 includes the following statement regarding the Housing Commission’s commitment to equity and inclusivity: “At SDHC, we are about people.

SDHC embraces diverse approaches and points of view to improve our programs, projects and policies.

- We believe in delivering programs and services in innovative and inclusive ways.
- We are committed to advancing equity and inclusion both internally and externally.”

KEY STAKEHOLDERS and PROJECTED IMPACTS

University Avenue (Casa Colina Phase I) Densification Pilot Project

The stakeholders include the existing residents of Casa Colina, community stakeholders, the County of San Diego, and the Housing Commission’s nonprofit affiliate, Housing Development Partners. The project is anticipated to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and create new transit-oriented rental homes.

Multidisciplinary Outreach Program

Stakeholders for this project include community stakeholders, PATH as the sub-recipient administering the program, and individuals experiencing homelessness. The program is expected to have a positive impact on the community as it will provide services for individuals experiencing unsheltered homelessness.

ENVIRONMENTAL REVIEW

California Environmental Quality Act

Accepting and expending state funds is not a project as defined by the California Environmental Quality Act (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. Predevelopment activities for the University Avenue Densification Pilot Project are categorically exempt from the requirements of CEQA

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pursuant to CEQA Guidelines Section 15061 (b)(3) (Common Sense). The Common Sense Exemption is applicable where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. Predevelopment activities would not, on their own accord, cause a significant effect on the environment. Predevelopment activities for the University Avenue Densification Pilot Project are also categorically exempt from the requirements of the CEQA pursuant to Guidelines Section 15304 (Minor Alterations to Land), which consists of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes. The Multidisciplinary Outreach Program is categorically exempt from the requirements of the CEQA pursuant to Guidelines Section 15301 (Existing Facilities), which allows the operation, repair, maintenance permitting, leasing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. The program aims to provide healthcare and place individuals and families experiencing unsheltered homelessness in existing housing.

National Environmental Policy Act

Processing under the National Environmental Policy Act is not required as no federal funds are involved in the proposed activities.

Respectfully submitted,

Debra Fischle-Faulk

Debra Fischle-Faulk
Senior Vice President
Compliance & Equity Assurance

Approved by,

Jeff Davis

Jeff Davis
Interim President & Chief Executive Officer
San Diego Housing Commission

Hard copies are available for review during business hours at the information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at www.sdhc.org.