



EXECUTIVE SUMMARY

MEETING DATE: July 19, 2024

HCR24-062

SUBJECT: Approval of the Contract Amendment between the San Diego Housing Commission and The Salvation Army to Operate the Haven Interim Shelter Program at 2799 Health Center Drive, San Diego, CA, 92123

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-23-32.2 to increase funding for the Fiscal Year 2025 program budget with The Salvation Army for the operation of the Haven Interim Shelter Program to increase the operating budget by \$441,600 for a revised total annual budget of \$721,913.00 to accommodate the expansion of program operations from 32 beds across nine units to 71 beds across 25 units.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The San Diego Housing Commission (Housing Commission) executed a contract with The Salvation Army to operate the Haven Interim Shelter with an initial operating term of November 18, 2022, through June 30, 2023, with two one-year options to renew. The Housing Commission exercised the first option to renew the agreement in Fiscal Year (FY) 2024 with an operating term of July 1, 2023, through June 30, 2024.
- The proposed action will allow the Housing Commission to increase the FY 2025 operating budget by \$441,600 for a revised annual budget of \$721,913 to support the expansion of program operations.
- Nine units (32 beds) will be reserved for single-parent households headed by women, and seven units (seven beds) will be reserved for single adult women. The remaining nine units (32 beds) will continue to serve families with either a male or female head of household.
- With the expansion of family beds, the program can support more referrals and assist families experiencing homelessness in finding permanent and other long-term housing programs.
- The program provides stabilization and supportive services to connect families with 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 provided include, but are not limited to, basic shelter services, such as 24-hour residential services and staffing; fully furnished units with access to laundry, mail, telephone, and message services; access to housing-focused case management and supportive services; referrals to partner agencies for additional services; and assistance in obtaining permanent or longer term-housing interventions and other critical benefits.
- The City of San Diego has committed \$450,450 in City General Funds, which were not part of the FY 2024 program budget, of which \$429,000 is for operations and \$21,450 is for Housing Commission administration expenses. The Housing Commission has allocated \$292,913 in federal Moving to Work (MTW) funds, an increase of \$12,600 from the FY 2024 program budget, for operations in FY 2025. Combined, the City General Funds and the increase in Housing Commission MTW funds represent a total increase of \$441,600 for program operations compared to FY 2024 funding.



REPORT

DATE ISSUED: July 11, 2024

REPORT NO: HCR24-062

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of July 19, 2024

SUBJECT: Approval of the Contract Amendment between the San Diego Housing Commission
and The Salvation Army to Operate the Haven Interim Shelter Program at 2799
Health Center Drive, San Diego, CA 92123

COUNCIL DISTRICT: 7

Advance notice of San Diego 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)(B).

REQUESTED ACTION:

Approve the amendment to operating agreement HHI-23-32.2 to increase funding for the Fiscal Year 2025 program budget with The Salvation Army for the operation of the Haven Interim Shelter Program to increase the operating budget by \$441,600 for a revised total annual budget of \$721,913.00 to accommodate the expansion of program operations from 32 beds across nine units to 71 beds across 25 units.

STAFF RECOMMENDATION

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

- 1) Authorize the amendment to operating agreement HHI-23-32.2 between the Housing Commission and The Salvation Army to increase funding for the Fiscal Year (FY) 2025 program operating budget for the Haven Interim Shelter Program at 2799 Health Center Drive, San Diego, CA 92123, increasing the operating budget by \$441,600 for a revised total FY 2025 operating budget of \$721,913 to accommodate the expansion of program operations from 32 beds across nine units to 71 beds across 25 units. Funding sources in FY 2025 are expected to be City of San Diego (City) General Funds and federal Moving to Work (MTW) funds.
- 2) Authorize the Housing Commission'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.

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- 3) Authorize the Housing Commission'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 Housing Commission 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

The Housing Commission 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.

In June 2022, the Housing Commission issued a competitive Request for Qualification (RFQ), seeking to increase the capacity of the existing shelter system within the City of San Diego, in particular to expand its ability to serve special populations such as LGBTQIA+, transition-age youth, veterans, single women, elderly, those in need of respite care and those with substance use disorders or other sub-populations. The RFQ resulted in the execution of an agreement with The Salvation Army to operate the Haven Interim Shelter with an initial operating term of November 18, 2022, through June 30, 2023, with two one-year options to renew. The Housing Commission exercised the first option to renew the agreement in FY 2024 with an operating term of July 1, 2023, through June 30, 2024.

The proposed action will allow the Housing Commission to increase the FY 2025 operating budget by \$441,600 for a revised annual budget of \$721,913 to support the expansion of program operations from 32 beds across nine units to 71 beds across 25 units. As part of the program expansion, nine units (32 beds) will be reserved for single-parent households headed by women, and seven units (seven beds) will be reserved for single adult women. The remaining nine units (32 beds) will continue to serve families with either a male or female head of household.

According to the 2024 Point-in-Time Count, 810 families were identified as experiencing homelessness in the City of San Diego, representing a 16 percent increase from the prior year. In FY 2024 (July 1, 2023 – June 30, 2024), the Coordinated Shelter Intake Program (CSIP) administered by the Housing Commission has received 557 referrals for shelter for family households, of which 89 percent (497 households) could not be accommodated due to lack of shelter resources.

In addition, the Point-in-Time Count indicated that 1,632 women were identified as experiencing homelessness in the City. In FY 2024, CSIP has received 6,889 referrals for shelter for single women, of which 73 percent (5,080 single-female households) could not be accommodated.

The Haven Interim Shelter program and the proposed expansion support the Community Action Plan on Homelessness for the City of San Diego (Action Plan). This comprehensive, 10-year plan builds on recent progress and lays out short-term achievable goals while serving as a guide for long-term success in addressing homelessness. According to the updated Action Plan released in fall 2023, the crisis response

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system estimates a need of 410-820 beds for unsheltered individuals and 55-110 beds for unsheltered families. The Housing Commission currently administers two emergency shelters for families with children, which provide 51 units (137 beds), and two shelters for single adult women, which provide 68 beds. The expansion of The Haven Interim Shelter program will increase shelter capacity for these two subpopulations by 18 percent and 10 percent, respectively.

PROGRAM OVERVIEW

The Salvation Army's Interim shelter provides safe, low-barrier, non-congregate shelter units for families with children experiencing unsheltered homelessness in the City. The program provides stabilization and supportive services to connect families with 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. The expansion of this program will include seven beds for single women and 32 additional beds for families.

The program serves the most vulnerable families living in the City, including families who may live in places not intended for human habitation (e.g., vehicles, parks, abandoned buildings, sidewalks, streets, etc.). Services provided include, but are not limited to, basic shelter services, such as 24-hour residential services and staffing; fully furnished units with access to laundry, mail, telephone, and message services; access to housing-focused case management and supportive services; referrals to partner agencies for additional services; and assistance in obtaining permanent or longer term-housing interventions and other critical benefits.

The program currently operates nine fully furnished one-, two-, or three-bedroom apartment units totaling 32 beds. Depending on the household composition, each bedroom may contain more than one bed, and when appropriate, a shared housing model is used for smaller families to maximize utilization. With the expansion of family beds, the program can support more referrals and assist families experiencing homelessness in finding permanent and other long-term housing programs. If the program's expansion is approved, the single women and family shelter capacity will increase from 32 beds to 71 beds, significantly increasing the bed capacity at the program. The expansion will create the following breakdown in units at the shelter: nine units/32 beds of semi-congregate family households (male or female head of household), nine units/32 beds of semi-congregate family households (female only head of household), seven units/seven beds of semi-congregate, single female-identified (no male-identified or children in these units).

FISCAL CONSIDERATIONS

The City of San Diego has committed \$450,450 in City General Funds, which were not part of the FY 2024 program budget, of which \$429,000 is for operations and \$21,450 is for Housing Commission administration expenses. The Housing Commission has allocated \$292,913 in federal Moving to Work (MTW) funds, an increase of \$12,600 from the FY 2024 program budget, for operations in FY 2025. Combined, the City General Funds and the increase in Housing Commission MTW funds represent a total increase of \$441,600 for program operations compared to FY 2024 funding. Execution of the remaining option year is contingent upon the City making funding available for this purpose.

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Fiscal Year 2025

FUNDING SOURCE(S)	FUNDING BY USE	FY2024	FY 2025 (Amended Budget)
Housing Commission MTW	Operator Agreement	\$280,313	\$292,913
General Fund	Operator Agreement	N/A	\$429,000
	SDHC Administrative Costs	N/A	\$21,450
TOTAL		\$280,313	\$743,363

HOUSING COMMISSION STRATEGIC PLAN

This item relates to Strategic Priority Area No. 4 in the Housing Commission’s Strategic Plan for Fiscal Year (FY) 2022 – 2024: Advancing Homelessness Solutions – Supporting the City of San Diego Community Action Plan on Homelessness.

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 for families and single adult women experiencing homelessness. Families and single adult women 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.

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

The Salvation Army is a local nonprofit organization. As a nonprofit, they are exempt from the requirement to submit a Workforce Report. The Housing Commission included a requirement in the RFQ issued on June 30, 2022, for prospective firms to include a description of how they would address racial equity and inequities for the target population(s), including any local disproportionate impact of COVID-19 and homelessness by race and other protected classes. The requirement was a part of the scored evaluation criteria. The Salvation Army San Diego Metropolitan Advisory Board (Salvation Army Board) has adopted a written policy that addresses the Salvation Army Board’s diversity, equity and inclusion (DEI) approach and commitment. This policy states the Salvation Army Board is committed to pursuing greater diversity within their board, committees, and leadership positions so they reflect the diversity of the community at-large and the people they serve. The Salvation Army is committed to advocating for strong leadership that addresses systematic inequities that impact its work and impact the lives of those The Salvation Army serves and creating learning opportunities and transparent policies toward cultural competency throughout the organization.

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AD HOC COMMITTEE ON HOMELESSNESS AMONG BLACK SAN DIEGANS ACTION PLAN

The Housing Commission supports and is committed to applying the action items identified in the regional Ad Hoc Committee on Homelessness Among Black San Diegans' (Ad Hoc Committee) Action Plan. The staff-recommended actions proposed for Housing Commission Board consideration in this report relate to Ad Hoc Committee Action Item No. 2, Inclusive Procurement.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

The Housing Commission and the City consolidated and replaced five existing MOUs, including the Haven Family Shelter Program, 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).

On November 17, 2022, the Housing Commission Board approved the execution of a competitively awarded contract with The Salvation Army for an initial term from November 18, 2022, through June 30, 2023, with three one-year options to renew (Report No. HCR22-119).

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders for this project include women and families with children experiencing homelessness and The Salvation Army 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 up to 25 households experiencing unsheltered homelessness at any given time.

ENVIRONMENTAL REVIEW

California Environmental Quality Act

Pursuant to Government Code Section 8698.4 - Declaration of Shelter Crisis, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) shall not apply to 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, or to provide financial assistance to, a homeless shelter constructed or allowed by this section. Additionally, these activities are categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to title 14 of the California Code of Regulations (CCR) 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, and no exception to the exemption in Title 14 CCR section 15300.2 applies.

National Environmental Policy Act

Federal funds constitute a portion of the funding for these activities. National Environmental Policy Act (NEPA) approval was obtained from the City of San Diego on May 16, 2024.

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Respectfully submitted,



Casey Snell

Interim Senior Vice President

Homelessness Housing Innovations

Approved by,



Jeff Davis

Deputy 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.