



EXECUTIVE SUMMARY

MEETING DATE: February 14, 2025

HCR25-011

SUBJECT: Approval of an Operating Agreement Between the San Diego Housing Commission and Catholic Charities, Diocese of San Diego to Operate the Rachel's Promise Center for Women and Children at 733 Eighth Ave., San Diego, CA 92104

COUNCIL DISTRICT: Citywide

ORIGINATING DEPARTMENT: Homelessness Housing Innovations

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

REQUESTED ACTION:

Approve the agreement with Catholic Charities, Diocese of San Diego to operate a 210-bed, non-congregate, congregate and semi-congregate shelter program for women and children for an initial four-month term from March 1, 2025, through June 30, 2025, with four one-year options to renew.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The City of San Diego (City), in collaboration with SDHC, recently developed and executed a short-term action plan on homelessness, informed by stakeholder feedback from persons with lived experience, living experience, frontline staff from shelters and outreach, and shelter operator leadership, to address the projected loss of shelter beds in the system.
- The proposed actions referenced in this report will allow SDHC to enter into an agreement with Catholic Charities, Diocese of San Diego (Catholic Charities) to operate the Rachel's Promise Center for Women and Children for the initial operating term of March 1, 2025, to June 30, 2025, with four one-year options to renew, contingent on funding being allocated for this purpose during the City of San Diego's annual budgeting process.
- The Catholic Charities Rachel's Promise Center for Women and Children (Program) will provide a safe, low-barrier, non-congregate, congregate and semi-congregate shelter for up to 210 single women and women-headed households with children. At the start of the initial four-month term, the Program will be able to accommodate 50 women, and 160 beds will become available during Fiscal Year 2026, which begins July 1, 2025.
- The Program will support the replacement of 40 beds for single women currently at the Rachel's Promise Shelter Program, which is expected to close due to redevelopment by the end of Fiscal Year 2025.
- The Program also provides an opportunity to add much-needed beds for families with children. The full bed capacity would consist of 109 beds for single women and 101 beds for families with children, including congregate, semi-congregate and non-congregate options. The Program will also dedicate a number of beds to senior women ages 55 and older.
- Catholic Charities would operate the shelter program at 733 Eighth Ave., San Diego, CA 92101, for an initial four-month term from March 1, 2025, through June 30, 2025, in the amount of \$1,616,717, which includes start-up expenses in the amount of \$103,940, with four one-year options to renew in the amount of \$5,034,981 per year. In Fiscal Year 2026 only, additional start-up expenses in the amount of \$309,084 will be necessary to reach the full bed capacity. Funding in Fiscal Year 2025 is anticipated to be City General Funds.



REPORT

DATE ISSUED: February 7, 2025

REPORT NO: HCR25-011

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of February 14, 2025

SUBJECT: Approval of an Operating Agreement Between the San Diego Housing Commission and Catholic Charities, Diocese of San Diego to Operate the Rachel's Promise Center for Women and Children at 733 Eighth Ave., San Diego, CA 92104

COUNCIL DISTRICT: Citywide

Advance notice of San Diego Housing Commission Board of Commissioners' 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 agreement with Catholic Charities, Diocese of San Diego to operate a 210-bed, non-congregate, congregate and semi-congregate shelter program for women and children for an initial four-month term from March 1, 2025, through June 30, 2025, with four one-year options to renew.

STAFF RECOMMENDATION:

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

- 1) Authorize SDHC to enter into an agreement with Catholic Charities, Diocese of San Diego to operate a 210-bed, non-congregate, congregate and semi-congregate shelter program at 733 Eighth Ave., San Diego, CA 92101, for an initial four-month term from March 1, 2025, through June 30, 2025, in the amount of \$1,616,717, which includes start-up expenses in the amount of \$103,940, with four one-year options to renew in the amount of \$5,034,981 per year. In Fiscal Year 2026 only, additional start-up expenses in the amount of \$309,084 will be necessary to reach the full bed capacity. Funding in Fiscal Year 2025 is anticipated to be City General 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 of Understanding (Homeless 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 (City Council Resolution No. R-315018; Housing Authority Resolution No. HA-1987).

The City of San Diego (City), in collaboration with SDHC, recently developed and executed a short-term action plan on homelessness, informed by stakeholder feedback from persons with lived experience, living experience, frontline staff from shelters and outreach, and shelter operator leadership, to address the projected loss of shelter beds in the system. A consistent theme in the feedback was the importance of offering options that include programs directed at special populations or persons with special needs and shelter that offered a variety of settings, including non-congregate. It was also noted that smaller programs are preferred across all stakeholder groups, and that co-located services are necessary.

The proposed actions referenced in this report will allow SDHC to enter into an agreement with Catholic Charities, Diocese of San Diego (Catholic Charities) in amounts referenced within this report to operate the Rachel's Promise Center for Women and Children for the initial operating term of March 1, 2025, to June 30, 2025, with four one-year options to renew, contingent on funding being allocated for this purpose during the City of San Diego's annual budgeting process.

The program will 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 system estimates a need of 410-820 beds for unsheltered individuals in addition to any shelter replacement beds brought online to address closing of shelter programs.

PROGRAM OVERVIEW

The Catholic Charities Rachel's Promise Center for Women and Children (Program) will provide a safe, low-barrier, non-congregate, congregate and semi-congregate shelter for up to 210 single women and women-headed households with children. At the start of the initial four-month term, the Program will be able to accommodate 50 women, and 160 beds will become available during Fiscal Year 2026, which begins July 1, 2025. The Program provides stabilization and supportive services to connect households 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 Program location also

has the ability to co-locate additional services on-site as well as a safe place to sleep, provide meals, clothing, access to showers, laundry, and wraparound services. SDHC will host stakeholders' sessions in early spring to determine what services should be prioritized at the site in addition to the housing-focused case management provided through the shelter program.

The Program will also support the replacement of 40 beds for single women currently at the Rachel's Promise Shelter Program, which is expected to close due to redevelopment by the end of Fiscal Year 2025. The Program also provides an opportunity to add much-needed beds for families with children. The full bed capacity would consist of 109 beds for single women and 101 beds for families with children, including congregate, semi-congregate and non-congregate options. The Program will also dedicate a number of beds to senior women ages 55 and older. Referrals into the Program will be facilitated through the Coordinated Shelter Intake Program, which SDHC administers. The Program will provide wraparound services and a diverse portfolio of supportive services, utilizing practices aligned with trauma-informed principles, including but not limited to case management, care coordination, referrals and support for enrollment in health care resources, individual therapy, life skills classes and assistance with applying for public benefits. The Program will adhere to SDHC's Universal Terms of Service, Termination, Suspension & Appeals for Shelter/Residential Programming – Policies & Procedures.

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 assessments;
 - iii. Development of housing plans, including stabilization strategies and client housing goals and objectives;
 - 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. A minimum of two meals per day;
 - x. Showers, wash stations, restrooms, laundry facilities and/or laundry services, and storage for Program Clients' personal belongings;
 - xi. Routine operating and client supplies, including but not limited to hygiene products, basic first aid supplies, and cleaning supplies;
 - xii. Telephone access and message services;
 - xiii. Mail services.

Operator Experience

Catholic Charities has served the community's low-income individuals and families for over 105 years. Operating in both San Diego and Imperial Counties, Catholic Charities provides services under four areas: Community services, homelessness services, and refugee and immigrant services. Catholic Charities operates several emergency shelters, supportive and basic needs services for all persons experiencing

homelessness. Catholic Charities infuses trauma-informed, safety focused, housing first, low-barrier principles into their programming. Catholic Charities recognizes that the people that access their services have a history of trauma, and their goal is to design processes that prevent re-traumatization.

Catholic Charities has provided targeted, specialty services for over 40 years to the City’s women experiencing homelessness. This includes Rachel’s Night Shelter, Rachel’s Day Center and most recently, since 2022, Rachel’s Promise, a shelter serving up to 40 women on behalf of the City. These services offer a continuum of care for women, including social, health, and behavioral services. The Rachel’s Night Shelter and Day Center are next door to the proposed Program site, allowing for easy access for Program residents and increasing the ability to co-locate additional services, such as a recently renewed award from County of San Diego Alcohol and Drug Services to support women in recovery.

Contractor Selection Process

On June 27, 2024, SDHC issued a Request for Qualifications (RFQ), seeking to increase the capacity of the existing shelter system within the City of San Diego. The RFQ was posted and made available for download on the PlanetBids website through SDHC’s portal. More than 370 notifications were sent through the PlanetBids system. Twenty-seven potential bidders downloaded the solicitation. The initial RFQ closed on July 25, 2024, It was reposted on August 2, 2024, and is open indefinitely.

As of the date of this report, qualifications were received from five respondents. A source selection committee evaluated, scored and ranked the responses based on the following criteria: Operator’s Profile, Capacity and Readiness, Service Delivery Model, and Equity & Inclusion. Respondents were determined to be qualified based on their response to the evaluation criteria outlined in the RFQ. Of the respondents deemed qualified, Catholic Charities provided a site location and specific program for consideration. Based on Catholic Charities’ ability to secure and provide an available site location, along with meeting a known need for more shelter beds, this project was prioritized for implementation.

FISCAL CONSIDERATIONS

SDHC is proposing to allocate \$1,617,717 to this program for operations in Fiscal Year 2025, which includes \$103,940 for one-time start-up costs. The Fiscal Year 2025 funding source is anticipated to be City of San Diego General Funds. In Fiscal Year 2026, an additional \$309,084 will be needed for additional start-up expenses related to bringing the balance of the beds online.

FUNDING SOURCE	FUNDING BY USE	FY2025 (Four Month Term)	FY2026*	FY2027-FY2029*
General Funds	Operator Agreement	\$ 1,512,777	\$5,034,981	\$5,034,981
TBD	Start-up Costs	\$103,940	\$309,084	NA
TBD	SDHC Administrative Costs	\$80,836	\$267,203	\$251,749
TOTAL		\$ 1,697,553	\$5,611,268	\$5,286,730

*Contingent upon funds being made available for this purpose during the City’s Annual Budgeting Process

SDHC STRATEGIC PLAN

This item relates to Strategic Priority Area No. 4 in SDHC’s Strategic Plan for Fiscal Year (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. Participants in this program represent some of San Diego’s most vulnerable citizens, as 100 percent of participants are homeless, with low-to-moderate incomes.

NONDISCRIMINATION ASSURANCE

Catholic Charities, Diocese of San Diego is a local nonprofit organization. As a nonprofit, it is exempt from the requirement to submit a Workforce Report. Catholic Charities is committed to proactively ensuring they do not discriminate in their hiring and employee engagement practices as well as the provision of services to their clients. Their RFQ response includes specific examples of their commitment to nondiscrimination.

AD HOC COMMITTEE ON HOMELESSNESS AMONG BLACK SAN DIEGANS ACTION PLAN

SDHC 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 SDHC Board consideration in this report relate to Ad Hoc Committee Action Item No. 2, Inclusive Procurement.

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 March 4, 2022, the SDHC Board of Commissioners approved an initial contract between SDHC and Catholic Charities for the operation of the City of San Diego Women’s Interim Housing Program (aka Rachel’s Promise) for an initial term of April 13, 2022 through June 30, 2022 with three one-year options for renewal (HCR22-035).

On March 9, 2022, the Housing Authority of the City of San Diego authorized SDHC to enter into an agreement with Catholic Charities to operate the City of San Diego Women’s Interim Housing Program for an initial term of April 13, 2022 through June 30, 2022, with three one-year options for renewal (HAR22-005).

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders for this project include San Diegans experiencing homelessness and Catholic Charities, Diocese of San Diego 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 200 women and children persons experiencing unsheltered homelessness at any given time.

ENVIRONMENTAL REVIEW

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

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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

National Environmental Policy Act (NEPA) review is not required because no federal funds are involved in these activities.

Respectfully submitted,

Casey Snell

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

Approved by,

Jeff Davis

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 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.