



EXECUTIVE SUMMARY

MEETING DATE: May 9, 2025

HCR25-026

SUBJECT: Approval of a Non-Competitive, Sole Source Agreement between the San Diego Housing Commission and Alpha Project for the Homeless to operate the City of San Diego Shelter for Single Adults at 1535 Newton Ave., San Diego, CA 92113

COUNCIL DISTRICT: Citywide

ORIGINATING DEPARTMENT: Homelessness Housing Innovations

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

REQUESTED ACTION:

Approve a non-competitive, sole source agreement under Procurement Policy Section 9.3 with Alpha Project for the Homeless in the amount of \$7,147,653 for a 12-month term from July 1, 2025, through June 30, 2026, with a one-year option for renewal, contingent on the City of San Diego making funds available through its annual fiscal year budgeting process for the operation of the City of San Diego Shelter for Single Adults at 1535 Newton Ave., San Diego, CA 92113. Funding sources will not include federal funds.

EXECUTIVE SUMMARY OF KEY FACTORS:

- In Fiscal Year 2024, the shelter program (Program) served a total of 1,285 individuals, 67 of whom exited to permanent housing, and 49 individuals exited to other longer-term housing. In Fiscal Year 2025 through the month of March, the Program has served 971 individuals, 58 of whom have exited to permanent housing, and 61 individuals have exited to other longer-term housing.
- A non-competitive procurement process under Procurement Policy Section 9.3 was utilized to procure the operator for the Program for the term of the proposed agreement.
- Alpha Project has been operating the Program since its inception in July 2017, and a Request for Proposals process for this project would not be viable, as the Program is scheduled to relocate to a site to be determined but anticipated to be sometime during the term of the agreement.
- Continuity of care throughout the transition is also in the best interests of the clients who will relocate. SDHC and City are committed to accommodating all Program residents at the time of relocation and will work closely with Alpha Project to minimize disruption for Program clients.
- The Program will provide shelter year-round, in alignment with Housing First principles, for 326 persons experiencing homelessness in the City at a time.
- 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.
- Alpha Project is a well-established homelessness service provider with more than 39 years of experience meeting the needs of individuals and families experiencing homelessness.
- SDHC is proposing to allocate \$7,147,653 for program operations in Fiscal Year 2026. The Fiscal Year 2026 funding source(s) will be determined during the City's FY 2026 budgeting process. Future option years are contingent upon funds being made available for this purpose during the City's annual budgeting process.



REPORT

DATE ISSUED: May 1, 2025

REPORT NO: HCR25-026

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of May 9, 2025

SUBJECT: Approval of a Non-Competitive, Sole Source Agreement between the San Diego Housing Commission and Alpha Project for the Homeless to operate the City of San Diego Shelter for Single Adults at 1535 Newton Ave., San Diego, CA 92113

COUNCIL DISTRICT: 2

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 a non-competitive, sole source agreement under Procurement Policy Section 9.3 with Alpha Project for the Homeless in the amount of \$7,147,653 for a 12-month term from July 1, 2025, through June 30, 2026, with a one-year option for renewal, contingent on the City of San Diego making funds available through its annual fiscal year budgeting process for the operation of the City of San Diego Shelter for Single Adults at 1535 Newton Ave., San Diego, CA 92113. Funding sources will not include federal funds.

STAFF RECOMMENDATION

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

- 1) Authorize SDHC to enter into a non-competitive, sole source agreement under Procurement Policy Section 9.3 with Alpha Project for the Homeless (Alpha Project) to operate the 326-bed congregate shelter at 1535 Newton Ave., San Diego, CA 92113, in the amount of \$7,147,653 for an initial 12-month term from July 1, 2025, through June 30, 2026, with a one-year option to renew, contingent on the City of San Diego making funds available for this purpose in its annual budgeting process. Funding sources will not include federal 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.

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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 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.

In Fiscal Year 2024, the Program served a total of 1,285 individuals, 67 of whom exited to permanent housing, and 49 individuals exited to other longer-term housing. In Fiscal Year 2025 through the month of March, the Program has served 971 individuals, 58 of whom have exited to permanent housing, and 61 individuals have exited to other longer-term housing.

A non-competitive procurement process under Procurement Policy Section 9.3 was utilized to procure the operator for the Program. Alpha Project has been operating the Program since its inception in July 2017, and a Request for Proposals process for this project would not be viable, as the Program is scheduled to relocate to a site to be determined but anticipated to be sometime during the term of the agreement. Continuity of care throughout the transition is also in the best interests of the clients who will relocate. SDHC and City are committed to accommodating all Program residents at the time of relocation and will work closely with Alpha Project to minimize disruption for Program clients.

The proposed actions referenced in this report will allow SDHC to enter into an agreement with Alpha Project in the amounts referenced within this report to provide for the ongoing operation of the Bridge Shelter Program (Program) at 1535 Newton Ave., San Diego, CA 92113, for a period of one year, with a one-year option for renewal, contingent on funding being made for this purpose.

PROGRAM OVERVIEW

The Program will provide shelter year-round, in alignment with Housing First principles, for 326 persons experiencing homelessness in the City at a time. The Program will provide safe, low-barrier shelter, as well as stabilization and supportive services, to prepare persons 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.

The Program will prioritize the most vulnerable individuals living in the City, including individuals who would be forced to live in places not intended for human habitation (vehicles, parks, abandoned buildings,

sidewalks, streets, etc.) were it not for the shelter and services provided by the program. 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 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;

Operator Experience

Alpha Project is a well-established homelessness service provider with more than 39 years of experience meeting the needs of individuals and families experiencing homelessness. Through its array of housing and supportive services, Alpha Project serves more than 4,000 men, women and children daily. The organization follows a Housing First model, which recognizes the need to provide housing and shelter without preconditions, in conjunction with the provision of supportive services. Alpha Project has been serving families experiencing homelessness since 1995 through permanent supportive housing programs, and in the past several years, through federally funded Rapid Rehousing programs.

Alpha Project successfully operates several shelters, including two of the City's Bridge Shelter Programs, the Harm Reduction Shelter, the Family Shelter and the Rosecrans Shelter. In addition to its portfolio of interim shelters, rapid rehousing and permanent supportive housing programs, Alpha Project coordinates a variety of services for its clients, including substance abuse treatment, employment readiness and placement, transportation assistance and healthcare, and has developed innovative programs that support persons with lived experience to engage with the local community and provide peer-to-peer outreach through their Wheels of Change and Take Back the Streets programs.

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FISCAL CONSIDERATIONS

SDHC is proposing to allocate \$7,147,653 for program operations in Fiscal Year 2026. The Fiscal Year 2026 funding source(s) will be determined during the City's FY 2026 budgeting process. Future option years are contingent upon funds being made available for this purpose during the City's annual budgeting process.

FUNDING SOURCE	FUNDING BY USE	FY2026	FY2027
TBD	Operator Agreement	\$7,147,653	\$7,147,653
TBD	SDHC Administrative Costs	\$359,745	\$359,745
TOTAL		\$7,507,398	\$7,507,398

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 Bridge 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.

Alpha Project is a local nonprofit organization committed to proactively ensuring they do not discriminate in their employment related practices and the provision of services to their clients. An updated workforce report is on file for record keeping purposes only.

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 May 12, 2023, the SDHC Board authorized the execution of an agreement with Alpha Project to operate the Bridge Shelter for the initial one-year term from July 1, 2023, through June 30, 2024, with one one-year option for renewal.

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On June 16, 2020, the City Council approved an MOU with SDHC regarding the administration of Homeless Housing, Assistance, and Prevention (HHAP) program funding (Resolution No. R-313113). A portion of HHAP funds is allocated to fund the operation of the City's Bridge Shelter Program.

On June 16, 2020, the Housing Authority authorized execution of agreements with Alpha Project, Father Joe's Villages, and Veterans Village of San Diego to operate the City's Bridge Shelters during Fiscal Year 2021. (Resolution No. HA-1859).

On June 16, 2020, the City Council approved Resolution No. R-313111, authorizing execution of an MOU with SDHC for a one-year term with two one-year option to renew to operate the City's Bridge Shelter Program. City Council also approved Resolution No. R-313112 to remove references to the provision of Transitional Storage Center Services and bifurcate the MOUs. Housing Authority Resolution HA-1859 also authorized the execution of the MOU for the Bridge Shelter Program.

On June 11, 2019, the Housing Authority approved the execution of operating agreements with Alpha Project, Veterans Village of San Diego, and Father Joe's Villages for the operation of the three City of San Diego Bridge Shelters for a 12-month term, from July 1, 2019, to June 30, 2020 (Resolution No. HA-1817).

On December 5, 2017, the SDHC Board authorized the execution of an agreement with Alpha Project to operate the Bridge Shelter for the initial one-year term from December 1, 2017, through June 30, 2018, with two one-year options to renew.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders for this project include San Diegans experiencing homelessness, current program participants, and Alpha Project 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 326 individuals experiencing unsheltered homelessness at any given time.

ENVIRONMENTAL REVIEW

On August 1, 2024, the Council of the City of San Diego declared a shelter crisis and suspended 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. Processing under the National Environmental Policy Act (NEPA) is not required because no federal funds are involved in the proposed activities.

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Respectfully submitted,



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

Approved by,



Lisa Jones
President and 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.