



## EXECUTIVE SUMMARY

MEETING DATE: May 9, 2025

HCR25-029

SUBJECT: Approval of a Non-Competitive, Sole Source Agreement between the San Diego Housing Commission and The Center to operate the Safe STAY Wellness Center at 1045 11<sup>th</sup> Ave., San Diego, CA 92101

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 The Center in the amount of \$1,950,000 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 Safe STAY Wellness Center at 1045 11<sup>th</sup> Ave, San Diego, CA 92101. Funding sources will not include federal funds.

### EXECUTIVE SUMMARY OF KEY FACTORS:

- In Fiscal Year 2024, the Safe Shelter for Transition-Age Youth (Safe STAY) Program served a total of 42 individuals, nine of whom exited to permanent housing, and 11 individuals exited to other longer-term housing. In Fiscal Year 2025, through the month of March, the Program has served 29 individuals, six of whom have exited to permanent 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.
- The Center has been operating the Program since its inception in March 2023, and a Request for Proposals process for this project would not be viable, as the Program recently relocated to underutilized office space on the first floor at SDHC's headquarters building, which was converted into a residential space. Continuity of care throughout the transition is also in the best interests of the clients.
- The Program will provide shelter year-round, in alignment with Housing First principles, for up to 43 transition-age youth ages 18 -24 who are experiencing homelessness in the City of San Diego.
- The Program moved into 1045 11<sup>th</sup> Ave. on April 22, 2025. The program previously had operated at two interim sites in partnership with the YMCA and San Diego Youth Services.
- 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, life skills support and assistance with applying for public benefits.
- Referrals into the Program will be facilitated through the Coordinated Shelter Intake Program, and The Center will receive funding to provide street outreach to specifically engage youth ages 18 to 24 who are experiencing unsheltered homelessness in the City of San Diego.
- SDHC is proposing to allocate \$1,950,000 for program operations in Fiscal Year 2026. The Fiscal Year 2026 funding source is currently intended to be the Homeless Housing, Assistance and Prevention (HHAP) Grant Program, a California State program administered by the California Department of Housing & Community Development. Future option years are contingent upon funds being made available for this purpose during the City's annual budgeting process.



## REPORT

**DATE ISSUED:** May 01, 2025

**REPORT NO:** HCR25-029

**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 The Center to operate the Safe STAY Wellness Center at  
1045 11<sup>th</sup> Ave., San Diego, CA 92101

**COUNCIL DISTRICT:** 3

***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 The Center in the amount of \$1,950,000 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 Safe STAY Wellness Center at 1045 11<sup>th</sup> Ave, San Diego, CA 92101. 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 The Center to operate the 43-bed, semi-congregate, shelter program at 1045 11<sup>th</sup> Ave., San Diego, CA, 92101, in the amount of \$1,950,000 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.

## **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 42 individuals, nine of whom exited to permanent housing, and 11 individuals exited to other longer-term housing. In Fiscal Year 2025, through the month of March, the Program has served 29 individuals, six of whom have exited to permanent housing.

A non-competitive procurement process under Procurement Policy Section 9.3 was utilized to procure the operator for the Program. The Center has been operating the Program since its inception in March 2023, and a Request for Proposals process for this project would not be viable, as the Program recently relocated to underutilized office space g, which was converted into a residential space. Continuity of care throughout the transition is also in the best interests of the clients.

The proposed actions referenced in this report will allow SDHC to enter into an agreement with The Center in the amounts referenced within this report to provide for the ongoing operations of the Safe STAY Wellness at 1045 11<sup>th</sup> Ave, San Diego, CA 92101 for a period of one year, with a one-year option to renew, contingent on funding be made available for this purpose.

## **Program Overview**

The Program will provide shelter year-round, in alignment with Housing First principles, for up to 43 transition age youth ages 18 -24 who are experiencing homelessness in the City of San Diego. 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.

This innovative project received \$1.5 million in Congressional funding through U.S. Representative Scott Peters to convert underutilized office space into a shelter for transition-age youth. The design and development of this shelter was an intradepartmental collaboration with SDHC's Real Estate Division, including Property Management and Maintenance, Homelessness Housing Innovations Division, Financial Services Department, and SDHC leadership over the span of several years.

Homelessness Housing Innovations staff worked closely with the youth and program operators on the design, layout, and service model for the shelter program. Staff facilitated listening sessions and toured the program site with youth to hear their feedback on what the youth wanted and needed in the space. Some recommendations elevated by the youth were building individual cubicles in the congregate dorms to give the youth privacy, no bunk beds, individual showers to allow for safety and personal comfort, and including an outlet in each cubicle.

The Program moved into the Safe STAY Wellness Center at 1045 11<sup>th</sup> Ave. on April 22, 2025. The program previously had operated at two interim sites in partnership with the YMCA and San Diego Youth Services. The Program will serve as a holistic, affirming, person-centered program that utilizes space where youth will receive support, shelter, housing, services and resource navigation. Youth will be met with a dignified, relationally based environment intentionally designed to mitigate stressors and provide support. The service model incorporates the principles of the region's Coordinated Community Plan to end youth homelessness and the evidence-based Housing Our Youth Initiative to ensure instances of homelessness among transition-age youth are rare, brief, and non-recurring.

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, life skills support and assistance with applying for public benefits. Referrals into the Program will be facilitated through the Coordinated Shelter Intake Program, and The Center will receive funding to provide street outreach to specifically engage youth ages 18 to 24 who are experiencing unsheltered homelessness in the City of San Diego. 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;

### Operator Experience

The Center has focused on serving those most in need and among the most vulnerable in the San Diego community. The organization has served the San Diego region since 1972, providing clients an array of services that promote health, wellness, advocacy and community empowerment. Over the organization's 30 years, its portfolio of services has grown to include case management, housing navigation, food distribution, benefits enrollment, health plan enrollment, transportation assistance, mental health services, housing services and aftercare to individuals.

The Center is the program operator and is partnering with San Diego Youth Services and the YMCA of San Diego County. This partnership will leverage existing resources and expertise along with specialized supportive services to provide safe and person-centered, supportive emergency housing that will improve the economic, physical and emotional well-being of unhoused youth.

The three organizations that comprise the care collaborative and are responsible for the provision of services have extensive experience and training in conflict resolution techniques that are trauma informed and developmentally appropriate. Staff aim to manage conflict in a manner that achieves everyone's needs for security, validation, and respect. Training in problem-solving techniques, communication skills, and de-escalation are frequently provided to youth and modeled by staff. All three organizations have demonstrated the ability and capacity to provide affirming services to youth with cultural humility and competency as well as expertise in the provision of mental and behavioral health services. Each organization is also a participant in the San Diego Youth Homeless Consortium, whose mission is to prevent and end youth homelessness in San Diego County by creating a multidisciplinary, communitywide system, in alignment with San Diego's Coordinated Community Plan to serve youth ages 24 and under.

### FISCAL CONSIDERATIONS

SDHC is proposing to allocate \$1,950,000 for program operations in Fiscal Year 2026. The Fiscal Year 2026 funding source is currently intended to be the Homeless Housing, Assistance and Prevention (HHAP) Grant Program, a California State program administered by California Department of Housing & Community Development. 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	FY 2026	FY 2027
HHAP	Operator Agreement	\$1,950,000	\$1,950,000
HHAP	SDHC Administrative Costs	\$97,500	\$97,500
<b>TOTAL</b>		<b>\$2,047,500</b>	<b>\$2,047,500</b>

### 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 youth ages 18-24 experiencing homelessness. Participants in this program represent some of San Diego’s most vulnerable community members, as 100 percent of participants are experiencing homelessness.

### **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.

The Center is a local nonprofit organization 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. Staff has requested a workforce report 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 June 13, 2022, the City Council allocated \$1,500,00 to SDHC as part of the Fiscal Year 2023 Budget for the creation of a Youth Services and Shelter Program that included services to support the needs of all youth, including LGBTQ youth (Resolution R-314153).

On April 6, 2023, the SDHC Board of Commissioners approved an initial contract between SDHC and The Center for the operation of the shelter and outreach program for transition-age youth for an initial term of April 7, 2023, through June 30, 2024, with one-year option for renewal (Report No. HCR23-040).

### **KEY STAKEHOLDERS and PROJECTED IMPACTS**

Stakeholders for this project include San Diegans experiencing homelessness, current program participants, and The Center 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 43 transition-age youth 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

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Approval of the Contract with The Center to Operate the Safe STAY Wellness Center Program

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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.

Respectfully submitted,

*Casey Snell*

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

Approved by,

*Lisa Jones*

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](http://www.sdhc.org).