Community Action Plan on Homelessness for the City of San Diego: 2023 Need and Financial Projections Update

Introduction

In 2019, the City of San Diego and its partners, with support from the Corporation for Supportive Housing (CSH), developed the Community Action Plan on Homelessness that created numerical targets for crisis response, diversion, and permanent housing solutions. In 2023, CSH has updated the need and financial modeling for the Plan based on new data, trends, and resources available.

Needs and financial assessments help communities understand the amount and types of additional investments needed to solve homelessness, allowing for more efficient use of resources. Local and state governments that have reduced homelessness began with clear numeric goals, typically based on data on need. Instead of asking, "what do we have," needs assessments begin by asking, "what would it take." A needs assessment primarily analyzes the need for housing and housing support services as solutions, with estimates of ideal crisis response interventions needed as well.

This assessment gives policymakers tools to understand the total need as a foundation for future resource allocations. This Assessment quantifies the need but does not make policy proposals to address inequities that have marginalized Californians based on race or disability, or that keep housing costs too high for many Californians to afford. This Assessment also does not address systems failures that discharge people into homelessness from our prisons, foster care systems, hospitals, and other institutional settings. Finally, the Assessment does not address the total need for affordable housing in California, and it does not estimate costs for enhancing the cities/regions homeless response systems, building the capacity of our services workforce, or many other valuable policy reforms. It is intended simply to quantify solutions—the need for housing, services, and interim/shelter interventions—and to model their costs for policymakers to set realistic goals.

Needs and Financial Modeling Report

This report outlines the updated need and financial modeling for crisis response and housing interventions for the Community Action Plan on Homelessness for the City of San Diego. This report does not provide a comprehensive view on progress against Plan goals but includes a review of progress toward meeting the inventory goals outlined in the Community Action Plan. Overall progress to date on the plan can be found on the San Diego Housing Commission (SDHC) website.

This report includes:

- Progress to Date on Crisis Response and Housing Inventory Goals
- Current Data Landscape
- Intervention Pathways
- Estimates to Meet the Crisis Response and Housing Needs

All need and financial model numbers are modeled for the remaining 6 years of the plan. An ongoing review of the landscape is recommended to ensure the estimates and assumptions hold true. Modeling is a combination of statistical methods and on the ground feedback. In all cases, modeling and data analysis requires an understanding of both what data tells us, the context in which that data was produced, and the systems in which it operates.

The final results of modeling described in this report represent a mix of art and science, combining intensive data analysis with qualitative work to situate that data and understand what it most clearly tells us about homelessness in the City of San Diego.

CSH collaborated with the local partners including the San Diego Housing Commission (SDHC), the Regional Task Force on Homelessness (RTFH), staff at the City of San Diego, and the Community Action Plan Implementation Team to create the projections outlined in this report. Without their support, deep knowledge, assistance, and continued partnership and work to gather and analyze high quality data, this report would not have been possible.

Progress to Date

The City has taken significant steps since 2019 to create new interventions, provide shelter, and connect people who are experiencing homelessness to housing. With this progress, there has been unprecedented increases in people accessing the homeless system.

In reviewing the data for this project, several key trends emerged.

- **The number of available crisis response and housing options has almost doubled, resulting in more people accessing the services and housing they need to end their homelessness.** There has been a significant increase in available housing and shelter options in the City, with almost double the number of crisis response and housing beds now available. Since 2019, within the City of San Diego, 900 shelter beds, 650 rapid rehousing options, and over 3800 supportive housing beds have been added to the system (RTFH Housing Inventory Chart, 2023).

  All are in line with the recommendations laid out in the Community Action Plan and of note is the significant increase in supportive housing beds, which target highly vulnerable populations with housing and services. This investment has been critical in providing the necessary services to people who have entered homelessness.

- **Approximately 15,000 people a year have received assistance through City of San Diego and SDHC funded programs since 2019.** 11,893 have moved to permanent housing destinations. Continuum of Care data shows that since the creation of the plan, over 74,260 people have received support through City, County, and CoC funded services in shelter or housing.

- **There are more people experiencing homelessness in the City.** There is an increasing number of persons experiencing homelessness overall since 2019. This includes increases in people living unsheltered and sheltered, more persons considered chronically homeless[1] or long-term homeless, and people having longer lengths of stay in shelter and crisis response options. While a significant number of beds have been added to the system inventory, more people are falling into homelessness than in 2019.

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[1] HUD's chronic homeless definition states that a person must have a disability and have 1) been living in a place not meant for human habitation, in an emergency shelter, or a safe haven for the last 12 months continuously *or 2)* on at least four occasions in the last three years *where those occasions cumulatively total at least 12 months.*

- **There is an increasing need for prevention resources.** New data, not previously available in 2019, shows that more people are accessing the homeless system as newly homeless or homeless for the first time[2]. Targeted prevention and diversion options are needed for the system, particularly resources that quickly get someone rehoused or stabilized in their current housing.

The modeling results show a continued and increased need for housing and crisis response options and new prevention resources. In year 1, approximately $280M a year in additional funding is needed to end the homelessness of approximately 13,000 people who access the homeless system in a given year.

These projections outline how to provide access to housing and services for those who have entered the homeless system. Continued community conversations on housing production, zoning, affordability, availability, working with hospitals and jails, as well as access to mental health and substance use treatment services are critical to ensuring the prevention of homelessness in the community and permanent solutions that solve homelessness in the long-term.

Within the City of San Diego, there are a variety of permanent housing and crisis response interventions designed to meet the various needs of persons experiencing extended homelessness, coming into homelessness, or at risk of becoming homeless. Figures 1-A and Figure 1-B highlight those included in this analysis.

CRISIS RESPONSE INTERVENTIONS

- Prevention and Diversion: strategies to either keep households in their current housing situations or identify immediate alternate housing and connect clients to financial assistance and services so that they can return to permanent housing.
- Safe Camping and Safe Parking: interventions established to provide safe, legal camping or parking space for persons who are homeless with access to services and housing navigation.
- Emergency and Bridge Shelter: short-term beds without a prescribed length of stay (in most cases) that provide safety, security, housing navigation and supportive services.
- Transitional Housing: longer-term temporary housing with intensive services, ideally suited for persons experiencing domestic violence, substance use, and youth.

Figure 1-A: Types of Available Homeless System Interventions, City of San Diego

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[2] HUD defines a person as being homeless for the first time if they have not received any housing or services documented in HMIS in the prior 24 months, while RTFH defines first time homeless as a client having their first ever entry into the community's HMIS.

PERMANENT HOUSING INTERVENTIONS

- Rapid Rehousing: short or medium term rental assistance (12-24 months) and services designed to quickly rehouse and stabilize individuals and families.

- Permanent Supportive Housing: evidence-based housing intervention that provides longer-term rental assistance and intensive supportive services to targeted populations, including persons who are chronically homeless and/or disabled.

- Other Permanent Housing Options: low-income housing available in the community with or without rental assistance. This may include long-term care facilities.

Figure 1-B: Types of Available Homeless System Interventions, City of San Diego

Since 2019, the inventory of available housing or shelter bed options in the City has nearly doubled, according to the RTFH Housing Inventory Chart (HIC). The chart below provides details on the point in time bed count (not units) in 2019 and 2023. Most significantly, the City of San Diego has invested in rapid rehousing, permanent housing, and permanent supportive housing options that offer a permanent housing option for persons experiencing homelessness, which supports system flow through.

San Diego City Bed Count	2019	Percent of total beds	2023	Percent of total beds	Change from 2019 to 2023
Safe Camping	--	N/A	136	N/A[3]	+136
Safe Parking	120	N/A	233	N/A	+113
Emergency Shelter	1,639	24%	2,545	19%	+906
Transitional Housing	1,107	16%	945	7%	-162
Safe Haven	59	<1%	61	<1%	+2
Rapid Rehousing	877	13%	1,524	11%	+647
Permanent Supportive Housing	2,599	38%	6,457	47%	+3,858
Other Permanent Housing	630	8%	2,109	15%	+1,479
	6,911		**13,641**		**6,979**

Figure 2: San Diego City Bed Count 2019 and 2023 (Source: Housing Inventory Chart, RTFH)

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[3] Individuals utilizing Safe Camping and Safe Parking are still counted as Unsheltered in HMIS, and those interventions are not counted as beds in the HIC. As such, the total interventions are listed here, but are not counted towards the percentage of total beds.

Our Approach

To complete a need and financial analysis, CSH conducts research, data analysis, and creates assumptions based on input from people with lived experience and working in the field. To arrive at the conclusions in this report, CSH reviewed dozens of data sources, established a financial model, developed assumptions based on research and trends, and tested the 2019 Plan assumptions with the Implementation Team.

It is important to recognize that this modeling project is an iterative exercise. Starting with local data and a set of assumptions based on past modeling experience and national perspective, the model produced initial results for resource needs of the system. CSH used publicly available data provided by RTFH from the Point-in-time (PIT), Homeless Management Information System (HMIS), and Housing Inventory Chart (HIC) from 2022 and 2023 to understand the overall need and trends, including reviewing inflow data of persons newly entering the homeless system. CSH analyzes homeless system data including demographics, HUD System Performance Measures, pathways through homelessness, and the SDHC Plan dashboards. CSH also reviewed the data with RTFH and SDHC to clarify outliers in utilization in shelter and permanent housing.

We then tested and updated assumptions and methodology created by providers, stakeholders, and persons with lived experience in the 2019 Plan and 2022 RTFH Regional Plan to generate the total need for crisis response, prevention, diversion, and permanent housing options. CSH used current financial costs to update the cost estimates and then reviewed all the data with the Community Action Plan Implementation Team. The need projection includes estimates to provide a crisis response and housing option for those that present in the homeless system over the next six years.

Since the projections were created in 2019, the Regional Taskforce on Homelessness has begun capturing inflow data monthly. This data was instrumental in the initial prevention need assumptions highlighted in this report. Continued review of the data, characteristics of those presenting for assistance, and trends will help refine the need projections in future years.

The basic model inputs start with the number of households experiencing homelessness on any given night and the number of resources that exist in the system. These data come primarily from annual reports submitted by RTFH on behalf of the Continuum of Care (CoC) to the U.S. Department of Housing and Urban Development (HUD) such as the Point-in-Time homeless count results, Housing Inventory Count results, and System Performance Measure (SPM) reports. In addition to these data sources, RTFH provided CSH access to CoC selected, aggregate data from the CoC's Homeless Management Information System (HMIS). Data from HMIS are used to model assumptions about the system and resource allocation.

All needs and financial estimates should be considered a minimum goal that the CoC and City should provide to support those who enter the homeless system. It is important to note that the final numbers show the system at scale, but new resources must come online to get to this scale. Data is constantly evolving, and new solutions impact the trends and needs. It is our recommendation that the Implementation Team continues to update the need and financial model especially as inflow data becomes stronger, each year to ensure the goals are in line with what is happening on the ground.

Current Data Landscape in the City of San Diego

California has the largest number of people experiencing homelessness of any state in America at 25 percent of all Americans who are homeless (HUD Annual Homeless Assessment Report - AHAR, 2022). Dramatic rent increases across California have resulted in rapid increases in homelessness. A Zillow study discovered communities that spend an average of more than 32 percent of their incomes for rent have higher rates of homelessness.

People experiencing homelessness are more likely to face complex health conditions, disabilities, and racial discrimination: In California, 32 percent of people experiencing homelessness are African-American (even though only 6.5 percent of Californians are African-American); almost twice the percentage of Indigenous and Native Alaskan Californians are experiencing homelessness than in the general population; and three times the percentage of Native Hawaiian or Pacific Islanders than the percentages of each of these populations living in California. Homelessness among Latinos has been increasing rapidly. Forty-five percent of people accessing homeless services reported experiencing a disability. People who have experienced racism and/or disabling conditions are more likely to become homeless not just because of susceptibility to rising rents, but due to other factors that make accessing housing that is affordable to them more difficult.

Point in Time Counts of Persons who are Homeless

The City of San Diego is a subset of the larger regional Continuum of Care, which includes 18 jurisdictions within the County of San Diego. While the City of San Diego contains 40 percent of the total population of the County, it includes over 60 percent of the homeless population, as well as many homeless intervention resources. Due to the large share of homeless resources within the sub-region, the City of San Diego plays a major role in driving homeless policy, funding, and outcomes for the region.

In January 2023, the Point-in-Time Count identified 6,500 homeless persons within the City of San Diego. This accounts for over 63 percent of the total regional population of people experiencing homelessness. Of those 6,500 persons, 3,285 were unsheltered, accounting for 50.1 percent of the City's total homeless population and 3,215 were sheltered in either Emergency Shelter, Transitional Housing, or Safe Haven, accounting for the remaining 49.9 percent of the City's homeless population. The unsheltered population within the City of San Diego constitutes 63.5 percent of the regions total unsheltered population, a 6 percent increase from 2022.

System data continues to show racial disparities in the unsheltered homeless population. Black people are overrepresented in every part of the homeless system (RTFH Report Addressing Homelessness Among Black San Diegans).
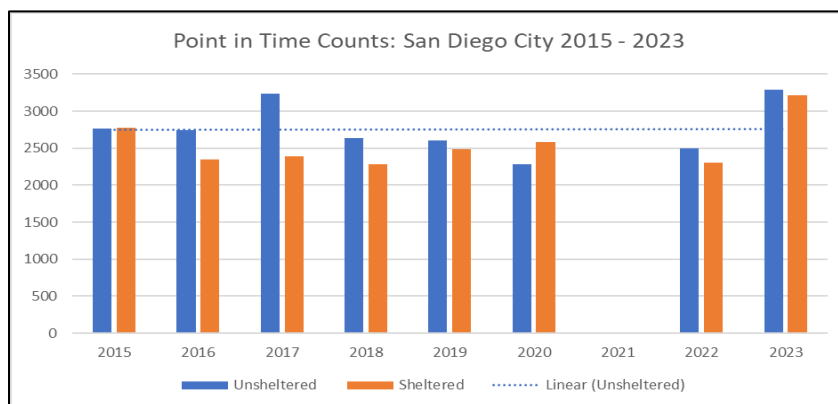

Figure 3: PIT Counts 2015-2023 (Source: RTFH)

Data on the demographics for unsheltered homeless individuals are made available through the RTFH WeAllCount reports and reveal distinct disparities in terms of who is likely to experience unsheltered homelessness compared to the general makeup of the City's population. Notably:

- People identifying as Black, African American, or African make up only 6 percent of the City of San Diego's general population but constitute 27 percent of the unsheltered population.
- American Indian or Alaska Native people make up 0.6 percent of the City's general population, but account for 3 percent of the unsheltered population.
- Native Hawaiian or Other Pacific Islander people account for 0.5 percent of the City's general population but make up 2 percent of its unsheltered population.
- Latino populations represent 35 percent of the total 2022 homeless population in the Continuum of Care (RTFH HUD SPM Report, June 2023).

	Count	Unsheltered Homeless (%)	City General Population (%)
American Indian or Alaska Native	99	3%	0.6%
Asian or Asian American	33	1%	17.2%
Black, African American, or African	887	27%	6.0%
Native Hawaiian or Pacific Islander	66	2%	0.5%
White	1,708	52%	58.2%
Multiple Races	493	15%	10.3%

Figure 4: 2023 PIT Data by Race (Source: RTFH)

Unsheltered Homelessness in the City of San Diego

More than half of those counted in the 2023 Point in Time Count were unsheltered (3,285 people or 50.5 percent of total City PIT count). The share of homeless people that are unsheltered in the City of San Diego was reduced slightly (by 1.4 percent) from 2022 and is in line with the average over the past several years for which there is data. Of the 3,285 persons who are living unsheltered, 1,498 experience chronic homelessness[1], 319 are veterans, and 182 are youth living on its streets. While the City has seen reductions in the share of veterans, families, and youth that make up the unsheltered population, the share of chronically homeless individuals that are unsheltered has doubled.

	2019 Unsheltered Percent	2019 Unsheltered Total	2022 Unsheltered Percent	2022 Unsheltered Total	2023 Unsheltered Percent	2023 Unsheltered Total
Chronically Homeless	22%	572	15%	386	46%	1,498
Veterans	13%	338	11%	265	10%	319
Families	2%	56	2%	55	1%	47
Youth	11%	353	7%	174	6%	182

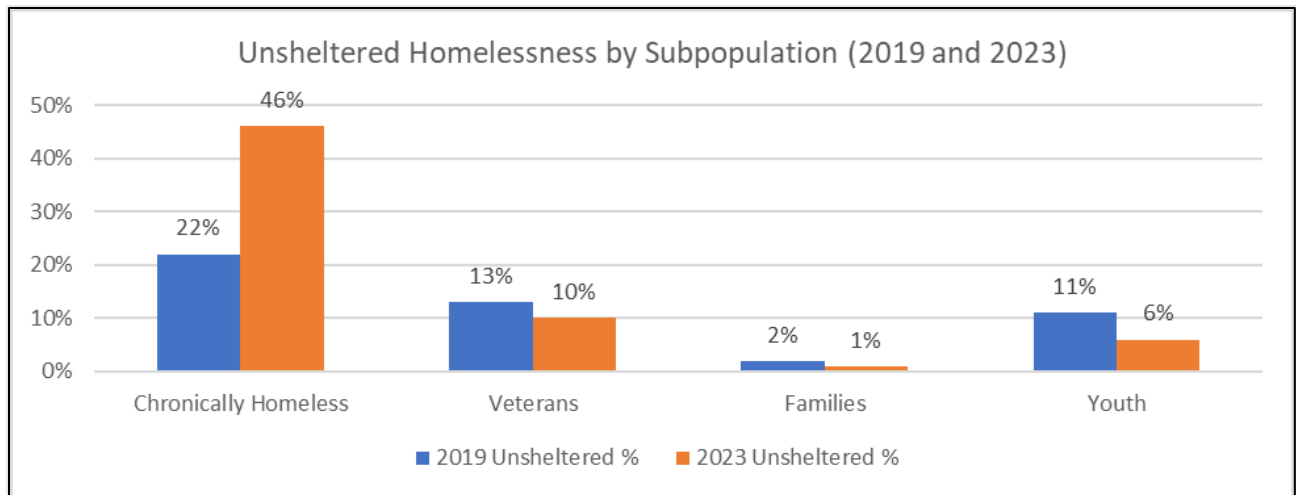**Figure 5: Unsheltered PIT Counts 2022-2023 (Source: RTFH)**

Figure 6: Unsheltered Homelessness by Subpopulation in 2019 and 2023 (Source: RTFH)

Data on Persons Entering the Homeless System

While the City has increased both permanent and crisis response interventions significantly, the rates at which households become homeless has also increased from 2019. Since 2019, impacts on the City that affect housing stability include rising rents, decreasing affordable housing availability, discharges into homelessness from other systems, and increasing service needs in the general population. For example, in 2019, the National Low Income Housing Coalition Out of Reach report estimated to afford a 2-bedroom apartment in San Diego County, the average wage needed was approximately $40/hour or $82,000 per year. In 2023, those estimates for San Diego County are $46/hour or $96,000 per year.

The HUD CoC System Performance Measures define households experiencing homelessness for the first time as those who engaged with homelessness programs for the first time in the past 24 months. While this metric is reported at the CoC level because the City accounts for a majority of the region's homeless population, it stands to reason that the trend below translates to the City scale. Figure 7 highlights the data from 2019-2022.
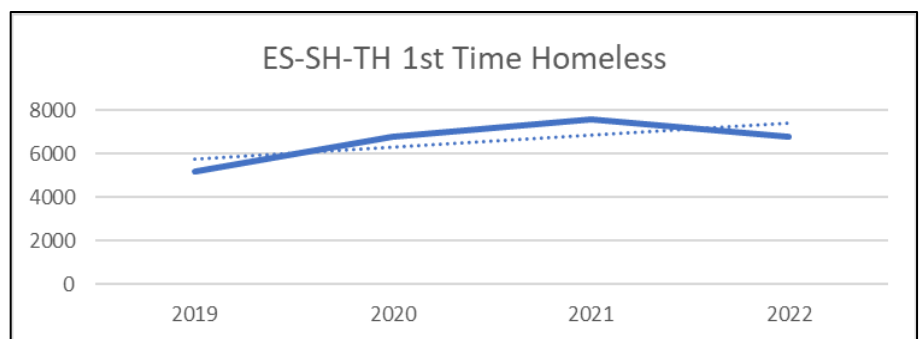
Figure 7: First Time Homeless (ES-SH-TH) 2019 – 2022 (Source: HUD SPM, RTFH)

Data on Length of Stay

New entries into homelessness, however, only account for a share of the increased strain felt by the City's crisis response and permanent housing interventions. Since 2019, the average and median household's experience of homelessness has increased. For households in emergency shelter or safe haven the average length of time homeless has increased from 118 days in 2019, to 144 days in 2022. The median length of time homeless for those same households increased commensurately from 61 days in 2019 to 72 days in 2022. Longer experiences of homelessness effectively reduce the turnover

rate for interventions, allowing the system to serve fewer households with the same inventory. CSH used the CoC wide data available through the HUD System Performance Measures for 2015-2022. The chart below highlights this data and shows that when compared over time, the average and median are rising in all temporary interventions. The discrepancy between average and median lengths of stay is due to households with very long periods of homelessness increasing the average value. The first chart reports shelter and safe haven length of stay and the second chart adds the average and median length of stay for transitional housing. Both charts illustrate that on average, despite permanent housing resources increasing by 6,000 beds in 4 years, people are staying in short term interventions longer.

Year	Shelter and Safe Haven Average Length of Stay	Shelter and Safe Haven Median Length of Stay
2015	61	30
2016	72	35
2017	81	42
2018	96	60
2019	118	61
2020	117	58
2021	121	58
2022	144	72
Change 2019 to 2022	+26 days	+11 days

Year	Shelter, Safe Haven, Transitional Housing Average Length of Stay	Shelter, Safe Haven, Transitional Housing Median Length of Stay
2015	148	74
2016	150	79
2017	146	79
2018	139	79
2019	155	84
2020	151	78
2021	153	82
2022	168	96
Change 2019 to 2022	+13 days	+12 days

Figure 8: Average Length of Time Homeless by Year (Source: HUD Data, RTFH)

National Comparisons

As context for the report, we compared San Diego homeless point in time counts to four other large West Coast CoCs. The data from 2022/2023 shows that overall, unsheltered homeless numbers in San Diego are slightly lower than the four comparison cities:

- Los Angeles City: 73 percent unsheltered adults and youth (2023)
- San Francisco: 56 percent unsheltered (2022)
- Seattle: 57 percent unsheltered (2022)
- Portland, OR: 63 percent unsheltered (2023)
- San Diego, CA: 51 percent unsheltered (2023)

Nationally, chronic homelessness increased between 2020 and 2022, similar to what the San Diego data shows. Major city Continuums of Care (CoC)experienced the largest increase in individuals with chronic patterns of homelessness (19 percent). This increase was experienced by both unsheltered and sheltered individuals with chronic patterns of homelessness (HUD Annual Homeless Assessment Report 2022). When looking at other California county point in time counts, 10 of the 15 largest counties (with at least 750,000 residents), have shown an increase in chronic homelessness between 2017 and 2022. Seven counties have shown an increase in chronic homelessness by more than 10 percent including Orange County, Los Angeles, Sacramento, Kern, Contra Costa, San Joaquin, and San Mateo.

Unsheltered veterans PIT numbers have decreased by 3 percent since the 2019 PIT. The HUD 2022 AHAR compares San Diego, San Jose, and Sacramento as having similar numbers of veterans experiencing homelessness in the Continuums of Care (between 625-686 total). However, San Diego has significantly less veterans who meet the definition of chronic homelessness living unsheltered in 2022 than other major city CoCs.

Current Crisis Response and Housing Inventory

Within the City of San Diego, there are a variety of permanent housing and crisis response interventions designed to meet the various needs of persons experiencing extended homelessness, coming into homelessness, or at risk of becoming homeless.

These interventions include:

- **Crisis Response Interventions** such as prevention and diversion; safe camping and safe parking; emergency and bridge shelter; and transitional housing.
- **Permanent housing interventions** such as rapid rehousing; permanent supportive housing; and other permanent housing options with or without rental assistance.

Since 2019, the inventory of available housing or shelter bed options in the City of San Diego has nearly doubled, according to the RTFH Housing Inventory Chart.

The chart below provides details on the point in time <u>bed</u> count (not units) in 2019 and 2023. Most significantly, San Diego City has invested in rapid rehousing, permanent housing, and permanent supportive housing options that offer a permanent housing option for persons experiencing homelessness, which supports system flow through.

The proportion of housing options has moved in alignment with the goals of the 2019 Community Action Plan. The Plan recommended adding permanent housing options, while also increasing shelter options, to best serve the needs of those who enter and live in the homeless system.

The plan also recommended overall restructuring of transitional housing to be a targeted intervention for specific populations. The intentional decrease in transitional housing beds was outlined in the Community Action Plan based on low utilization rates and high costs for lower housing placement outcomes. In addition, between 2019-2023, transitional housing "grant and per diem beds" serving homeless veterans were decreased based on national funding that emphasized more permanent housing options through HUD VA Supportive Housing (VASH) vouchers.

Figure 9 highlights the bed count in 2019 and 2023, based on the housing inventory chart data. The safe camping and safe parking data is supplied by the City and is current as of August 2023. It is important to note the housing inventory chart does not include diversion. The numbers reflected in the table below have been adjusted to remove projects that fall outside of the criteria for this modeling report. For example, some permanent supportive housing beds are county-wide projects like the County of San Diego VASH vouchers, and some emergency shelter beds are not available year-round.

	2019 Beds	2023 Beds	Change from 2019 to 2023	Percent Change
Emergency Shelter	1,639	2,545	+906	+55%
Transitional Housing	1,107	945	-162	-15%
Safe Haven	59	61	+2	+3%
Rapid Rehousing	877	1,524	+647	+74%
Permanent Supportive Housing	2,599	6,457	+3,858	+148%
Other Permanent Housing	630	2,109	+1,479	+234%
TOTAL	6,911	13,641	6,730	97%

	2019 Beds	2023 Beds	Change from 2019 to 2023	Percent Change
Safe Camping*	--	136	+136	
Safe Parking*	120	233	+113	+94%
TOTAL	120	369	249	+208%

*Individuals utilizing Safe Camping and Safe Parking are still counted as Unsheltered in HMIS, and those interventions are not counted as beds in the HIC. As such, the total interventions are listed here, but are not counted towards the percentage of total beds.

Figure 9: San Diego City Bed Count 2019 and 2023 (Source: Housing Inventory Chart, RTFH)

Inventory: Crisis Response

The City has approximately 3,550 crisis response beds for persons seeking assistance including: emergency shelter, safe haven, and transitional housing. Of these, 2,545 are emergency shelter beds, 945 are transitional housing, and 61 are safe havens. The City has made considerable strides in increasing its supply of crisis response interventions in the past three years.

In addition, San Diego has implemented both a Safe Parking and a Safe Sleeping program, providing additional capacity to serve those experiencing unsheltered homelessness.

	2019	2023	Change from 2019 to 2023	Percent Change
Emergency Shelter	1,639	2,545	+906	+55%
Transitional Housing	1,107	945	-162	-15%
Safe Haven	59	61	+2	+3%
Total Beds	**2,805**	**3,551**	**+746**	**+27%**
Other Crisis Response (Safe Camping/Sleeping)	120	369	+249	+208%

Figure 10: Crisis Response Inventory, 2019 vs 2023

Inventory: Permanent Housing

Currently, the City provides approximately 6,457 supportive housing beds, 1,524 beds in rapid rehousing, and 2,109 beds through other permanent housing. Despite this progress, increases in the rates at which new households are entering into homelessness drive the need for additional permanent housing resources.

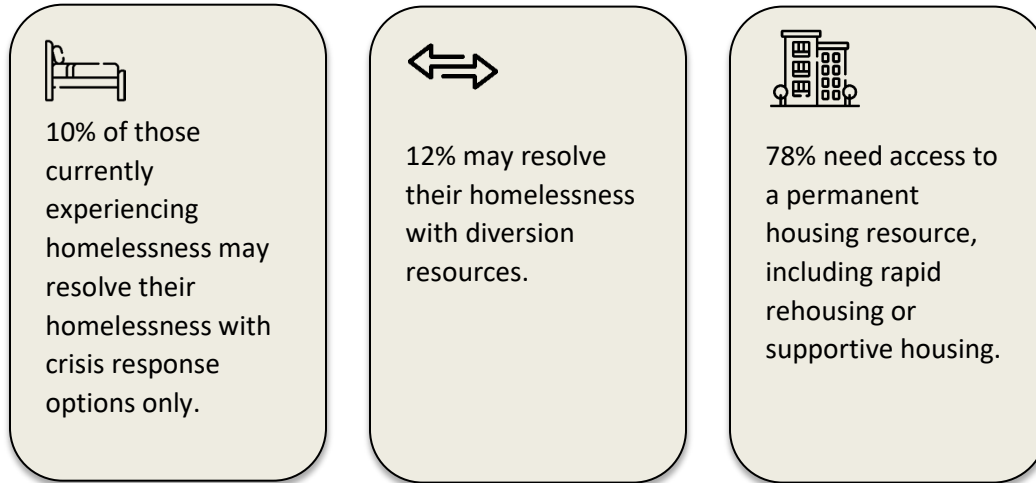|	2019	2023	Change from 2019 to 2023	Percent Change
Supportive Housing Beds	2,599	6,547	+3,858	+148%
Rapid Rehousing Beds	877	1,524	+647	+74%
Other Permanent Housing Beds	630	2,109	+1,479	+234%

Figure 11: Permanent Housing Inventory 2019 v 2023 (RTFH)

Overview of Need: Intervention Pathways

The City of San Diego has a total need for 3,520 of supportive housing units, 340 units in other permanent housing, and the capacity to provide 3,080 households with rapid rehousing resources.

In considering the housing and service needs of persons accessing the homeless system, CSH first considered two main pathways that people access homeless services including those who are currently unsheltered or sheltered in the homeless system; and persons who are new to the homeless system. Using these pathways, we created the following estimates of need.

FOR PERSONS WHO ARE CURRENTLY UNSHELTERED OR SHELTERED IN THE HOMELESS SYSTEM, WE ESTIMATE:

10% of those currently experiencing homelessness may resolve their homelessness with crisis response options only.

12% may resolve their homelessness with diversion resources.

78% need access to a permanent housing resource, including rapid rehousing or supportive housing.

FOR PERSONS WHO ARE NEW TO THE HOMELESS SYSTEM, WE ESTIMATE:

40% may resolve their homelessness with shelter + diversion resource.

33% can avoid homelessness through prevention resources.

27% need more intensive housing resources, such as rapid rehousing or supportive housing.

Interventions Needed

To accomplish the goals of the Plan, additional investment and targeting is necessary. In addition to investment, review of system performance and potential opportunities for improvement is critical ongoing work under the Community Action Plan.

CSH proposes the following initial estimates of interventions needed for people (individuals and families) presenting in the homeless system. The chart below highlights the total projected need for the remaining years in the Plan (2023-2029).

	Individual Households	Family Households
Crisis Response Beds (Shelter)	410 – 820	55 – 100
Diversion	2,600	100
Prevention	1,425	60
Rapid Rehousing Units	2,950	130
Supportive Housing Units	3,500	20
Low Income Housing Units	200	140
Total	11,285*	525*

Figure 12: Total Projected Interventions Needed
*Total uses midpoint of crisis response range.

When compared to 2019, the need has changed, in line with the changing demographics, populations, and needs of persons who are experiencing homelessness in the City of San Diego. The estimates follow the principles included in the 2019 Community Action Plan including emphasis on permanent housing options; the focus on prevention and diversion to create quick pathways out of homelessness; and the need for safe crisis response options for all who need them.

	2019 Individual Need	**2023 Individual Need**	**2019 Family Need**	**2023 Family Need**
Crisis Response (Shelter)	350-500	410-820	40-80	55-110
Diversion	674	2,600	93	100
Rapid Rehousing	533	2,950	269	130
Supportive Housing	3,324	3,500	179	20
Low Income Housing	229	200	1115	140
Prevention		1,425	Not Included in 2019 Modeling	60
Total	**5,185***	**11,285***	**716***	**525***

Figure 13: Total Projected Need by Household Type, 2019 vs 2023
*Total uses midpoint of crisis response range

Need Estimate: Crisis Response

CSH estimates a range of 465 – 930 new crisis response options are needed to meet the needs of individuals and families who are homeless in the system, and to accommodate the estimated annual inflow to emergency shelters. Of these interventions, 410-820 are estimated to be needed for individuals, and 55-110 are estimated to be needed for family households. Crisis response needs were modeled based on a system status of 95 percent utilization for individuals and 97 percent utilization for families, and with an average length of stay estimated at 120 days based on review and determination of available data. This data and methodology assumptions was reviewed with the Community Action Plan Implementation Team. Further, CSH estimates that the system needs the additional capacity to serve 2,600 individuals and 100 families with diversion resources.

The impact of system efficiency improvements and metrics such as length of stay have a substantial impact on the need for crisis response interventions. It is because of these relationships that CSH

recommends a range for additional shelter capacity. Additionally, the need for crisis response interventions can be reduced as new permanent housing interventions come online, and additional preventions resources stem inflow into the system.

Need Estimates: Permanent Housing Options

The City of San Diego has made substantial increases to its inventory of permanent housing interventions for households experiencing homelessness. The need for supportive housing is primarily for individuals or adult-only households. Among individuals and adult-only households, CSH estimates that 90 percent of those experiencing chronic homelessness and 33 percent of those that are not chronically homeless have needs consistent with supportive housing. CSH estimates that 20 percent of homeless family households (households comprised of adults with children) have needs consistent with supportive housing. Many households require a permanent housing intervention to end their homelessness but may not need the same level of services provided in supportive housing. For those households we have estimated rapid rehousing as the primary need for assistance.

Financial Modeling Estimates

CSH estimates that when the system is at scale and all options are available, the City of San Diego needs approximately $1.9 billion dollars in new funding over six years, and $1.4 billion in capital costs for supportive housing. For year 1, the system needs an additional $280 million above what is currently budgeted to meet the need for crisis response, prevention, and housing interventions (this does not include capital costs for supportive housing development).

The $280 million includes the following cost assumptions:

Over a six-year period, with a 5 percent cost escalator, this totals approximately $1.9 billion dollars in additional funding needed to support the increased need.   In addition, the system needs one-time capital financing for the development of supportive housing estimated at $1.4 billion over six years. The annual estimates do not include capital costs for shelter or project startup costs, as well as costs for continued or increased outreach and specialized services. Estimates for those costs can be created as part of the work under the Community Action Plan in the future.

Prevention and Diversion	Shelter	Rapid Rehousing	Supportive Housing
$63M/year for rent assistance packages	14M-$28M/year for new shelter operations	$76M/year for rent assistance and services	$120M/year for rent assistance and services
~4,200 households per year	~2,100 households per year	~1,500 households per year	~3,500 households

Financial Model: Crisis Response Operating and Service Costs

CSH modeled the costs associated with shelter beds at $84 per night, $10,000 per individual shelter stay, or approximately $30,000 per year per bed. Estimates for shelter varied based on shelter size, target population, and services offered. For these estimates, CSH used an average. For implementation, more accurate ranges based on all the factors outlined (size, population, services) should be established.

Based on the range recommended above (410 to 820), this would total $14M - $28M per year for new shelter operations. Diversion and prevention are estimated at an average rental assistance package of $15,000 per household. Based on the recommendations for additional prevention and diversion packages, this would total $63M per year. In total, these added resources would allow the City to serve about 1,415–2,825 more households through its shelter system and about 4,185 households through prevention and diversion per year. Approximately 3,000 new rapid rehousing beds would be available and 3,500 supportive housing beds.

Financial Model: Permanent Housing Operating and Services Costs

Successfully addressing a household's experience of homelessness through supportive housing and rapid rehousing requires commitments for capital, operating, and service expenditures. An additional $34,000 per year is required in rent assistance, operating costs, and services costs per unit. Rapid rehousing was modeled as a 24-month rental assistance and services package, at about $25,000 per year.

Financial Modeling: Capital Costs

CSH did not model shelter or other crisis response capital costs in this report. Continued community conversation on the size and structure is needed to estimate those costs. Crisis response capital costs will range based on the size, acquisition of property or land, rehabilitation or construction needed, security, and other considerations. For supportive housing, CSH modeled the capital costs associated with bringing a unit of supportive housing online at $513,392. This further assumes that 80 percent of the supportive housing need is met through new development rehabilitation, and the other 20 percent is met through rental subsidies for developed and leased units. Additionally, assumptions on potential long-term savings for both crisis response and housing options if using City owned properties can be developed in future modeling.

Assumptions

If costs increase 5 percent year-over-year, the total cost for all crisis response, prevention, and housing interventions over 6 years totals approximately $3.35 billion dollars. This does not include shelter/ other crisis response capital costs, and the total fluctuates depending on whether costs are modeled at the low or high ends of the recommended shelter range. Full details on the methodology are available in the Appendix.

Financial Modeling Summary

	Individual Households	Family Households	Annual cost per household	Total Annual Cost
Shelter	410-820	55-110	$30,000	$14-28M
Diversion and Prevention	4,025	160	$15,000	$63M
Rapid Rehousing	2,950	130	$25,000	$76M
Supportive Housing	3,500	20	$34,000	$120M
Total Estimate Year 1	11,285	525		$280M

Figure 14: Year 1 Cost Estimate for New Interventions at Scale, Capital costs for shelter or housing not included.

Next Steps

This modeling represents the best estimate for the crisis response/housing need and financial resources needed. Future work on the Plan includes refining with the Implementation Team and community the short-term, mid-term, and long-term Community Action Plan goals and continued work to understand the system needs and opportunities for enhanced performance.

Appendix: Detailed Need & Cost Data Assumptions

Crisis Response Need and Cost

Self-Resolve: CSH estimates that 10 percent of people presenting to the homeless system will self-resolve with community-based services or shelter only and will not be included in the total estimated unit need but are included in the shelter need numbers.   This estimate was derived by reviewing HMIS data on those households spending 90 days or less and self-resolving, which is defined as exiting to a permanent destination that did not include a subsidy. Project types reviewed were Emergency Shelter, Day Shelter, Outreach, Services Only, Transitional Housing, and Prevention. The reporting period included any enrollments active during the past 1 year.   Assumptions are also based on data available for person who have engaged in the system and have been entered into HMIS.

Emergency Shelter Need

Based on 2023 PIT data, the HUD System performance measures, and HMIS data, CSH created the estimated emergency shelter need. Below are the charts used as the basis of modeling.

Baseline Data used in Crisis Response Modeling	
Sheltered Homeless Population (ES):	2,643
Unsheltered Homeless Population:	3,285
Share of the ES Sheltered Population that is Chronic:	32%
Share of the Unsheltered Population that is Chronic:	46%
People in families currently in the system:	697
Individuals currently in the system:	5,231
Unsheltered Homeless Individuals:	3,230
Unsheltered Homeless People in Families:	55

Emergency shelter utilization was modeled at 97 percent for families and 95 percent for individuals. This differs from the utilization rates reported in the 2023 HIC and is because the HIC included a number of voucher-based and hotel/motel beds that are either in the process of phasing out, or which are not currently in use. CSH worked closely with SDHC and RTFH to calculate a utilization rate that corresponded with the system's current effective inventory.

Additional measures used in the crisis response modeling include:

- System Performance Measure 3: total number of sheltered and unsheltered homeless persons
- System Performance Measure 1: Average Length of Time homeless for persons in ES and SH

Based on conversations with provider stakeholders, SDHC and the City's Homelessness Strategies and Solutions Department (HSSD), CSH adjusted the modeled length of stay to 120 days. CSH then modeled the total inflow if the system were to provide shelter to all homeless persons, including those that are currently unsheltered. This inflow is calculated in terms of bed nights, which are then used to calculate the total additional beds necessary to meet the unmet need.

For this analysis, CSH reviewed a variety of providers' shelter costs on a per-bed basis. In conversation with SDHC and HSSD, an average cost of $84 per bed per night was used as the basis for crisis response financial modeling. In projecting costs forward for the plan's remaining six years, a 5 percent cost escalator was applied.

Average Per Unit Shelter Costs with 5% Annual Increase					
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
$30,000.00	$31,500.00	$33,075.00	$34,728.75	$36,465.19	$38,288.45

To arrive at the $84 per night estimate, CSH used the data provided by the City and SDHC on current shelter costs. Costs varied based on intensity of services provided, number of beds, and target populations. Data showed:

- Small Shelter (50 or less beds): $98 per night
- Medium Size Shelter (140+ beds): $78 per night
- Largest Shelter (300+beds): $54 per night

Prevention and Diversion Need and Cost

Prevention and diversion were modeled based on the likely new entrants to homelessness. New entries were calculated based on System Performance Measure data and were refined in conversations with RTFH and SDHC. Based on a combination of factors including housing setting prior to entry, rates of returns to homelessness, and assessed levels of need, CSH assumes that 73 percent of homeless households can be served through either prevention or diversion. Of these, 33 percent are estimated to need prevention and 40 percent are estimated to need diversion.

Costs for prevention and diversion were modeled as a rent assistance package of $15,000 per household. In projecting costs forward for the plan's remaining six years, a 5 percent cost escalator was applied.

Average Prevention and Diversion Costs with 5% Annual Increase					
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
$15,000.00	$15,750.00	$16,537.50	$17,364.38	$18,232.59	$19,144.22

Supportive Housing Need and Cost

CSH's estimates focus heavily on affordable housing with community-based services as the solution to homelessness for clients with the highest need. In determining the total supportive housing need, CSH utilized the 2023 PIT numbers for the City of San Diego. The population of people experiencing homelessness is broken out into 3 categories: 1) chronically homeless individuals, 2) non-chronically homeless individuals, and 3) homeless families.

Among chronically homeless individuals, CSH estimates that 90 percent have needs consistent with supportive housing. This assumption is based on national modeling and was reviewed with local stakeholders.
For non-chronically homeless individuals, CSH estimates that 33 percent have needs consistent with supportive housing. This is influenced by disability rates among those living in shelter, and the number of long-term stayers in the homeless system.

CSH estimates that 20 percent of homeless family households have needs consistent with supportive housing. This is driven by high levels of assessed acuity among households presenting to the homeless system.

Capital costs for financial modeling of new supportive housing development were set at $513,392. This was based on current average costs associated with bringing new units online. However, not all supportive housing units are brought online through new capital development.

For the six-year financial model, it was assumed that 80 percent of the need for supportive housing would be met through capital development, and 20 percent would be met through voucher-based units. In addition, CSH modeled the necessary rent assistance, operating, and service costs associated with those units at $34,000 per unit per year. A 5 percent annual cost increase was factored into the final financial model for supportive housing rent assistance, operating, and service costs.

Average Supportive Housing Rent Assistance, Operating and Service Costs with 5% Annual Increase					
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
$34,000.00	$35,700.00	$37,485.00	$39,359.25	$41,327.21	$43,393.57

Rapid Rehousing Need and Cost

CSH modeled the need for rapid rehousing as the remainder of households requiring a permanent housing intervention but not having needs consistent with the level of services offered in supportive housing. Based on conversations with SDHC and local providers, it was determined that rapid rehousing would be modeled as a 24-month intervention, at $25,000 per year. A 5 percent annual cost increase was factored into the final financial model for rapid rehousing.

Rapid Rehousing Costs with 5% Annual Increase					
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
$25,000.00	$26,250.00	$27,562.50	$28,940.63	$30,387.66	$31,907.04

Six Year Detailed Estimates

Permanent Housing Need and Expenditures	Total Units	Six Year Expenditure
Supportive Housing – Capital Costs (80% of total need)	2,816	$1,445,711,872
Supportive Housing – Operating and Services Costs	3,520	$814,052,925
Rapid Rehousing	3,080	$523,747,287

Crisis Response Need and Expenditures	Total	Six Year Expenditure
Shelter (Low Range/High Range)	465/930	$94,886,684 / $189,773,367
Diversion	2,700	$275,477,469
Prevention	1,485	$151,512,608