



EXECUTIVE SUMMARY

MEETING DATE: February 16, 2024

HCR24-030

SUBJECT: Approval of the Contract Amendment between the San Diego Housing Commission and Father Joe's Villages to Operate the City of San Diego Bridge Shelter at Golden Hall located at 202 C Street, San Diego, CA 92101

COUNCIL DISTRICT: Citywide

ORIGINATING DEPARTMENT: Homelessness Innovations

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

REQUESTED ACTION:

Approve an amendment to the operating agreement with Father Joe's Villages for the operation of the City of San Diego's Bridge Shelter at Golden Hall to increase the operating budget by \$1,189,036 for a revised annual budget of \$5,775,220 to accommodate increased operating expenses and the scheduled relocation of the program to the Second Floor of Golden Hall in April 2024.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The proposed amendment to the operating agreement with Father Joe's Villages would increase the operating budget to accommodate increased operating expenses and the scheduled relocation of the program to the Second Floor of Golden Hall in April 2024.
- Based on direction from the City of San Diego (City), the Fiscal Year (FY) 2024 budget was developed with the consideration that the program's capacity was scheduled to decrease from 324 individuals to 262 in anticipation that the program would be relocated to a space that could only accommodate this number of individuals. This change did not come to fruition in July but is scheduled to begin in April 2024, and as a result, program expenses are higher than initially budgeted.
- In August 2023, the Transition-Age Youth and Family Shelter ceased operating from the Second Floor of Golden Hall. Given the difficulty of securing ancillary facilities in a timely fashion, the City opted to maintain the shower trailer rental on the Second Floor. This ongoing expense has been incurred by the program but was not budgeted as part of the FY 2024 operating budget.
- In April 2024, the Single Adults Program is scheduled to relocate from the First Floor to the Second Floor. The requested budget adjustment reflects staffing, security, and operating expense revisions as a result of the relocation.
- As a result of the program's relocation, capacity will decrease from 324 individuals to 272. The decrease in capacity at Golden Hall is offset by increased capacity at the Bridge Shelters at 16th and Newton and 17th and Imperial, pending the restoration of the 16th and Newton site after the recent rainstorms.
- Client intakes into Golden Hall may be suspended for a brief period of time to allow for the program census to naturally attrition to the revised capacity and ensure that no client returns to homelessness as a result of the program relocation.
- The City of San Diego is anticipated to commit additional Homeless Housing, Assistance and Prevention (HHAP) funds for operations to raise the total HHAP commitment in Fiscal Year 2024 to \$6,063,981. The funding includes \$5,775,220 for the operator agreement and \$288,761 for Housing Commission administrative costs.
- Execution of the remaining option year is contingent upon the City making funding available for this purpose.



REPORT

DATE ISSUED: February 8, 2024

REPORT NO: HCR24-030

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of February 16, 2024

SUBJECT: Approval of the Contract Amendment between the San Diego Housing Commission and Father Joe's Villages to Operate the City of San Diego Bridge Shelter at Golden Hall located at 202 C Street, San Diego, CA 92101

COUNCIL DISTRICT: Citywide

Advance notice of San Diego Housing Commission hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(B).

REQUESTED ACTION:

Approve an amendment to the operating agreement with Father Joe's Villages for the operation of the City of San Diego's Bridge Shelter at Golden Hall to increase the operating budget by \$1,189,036 for a revised annual budget of \$5,775,220 to accommodate increased operating expenses and the scheduled relocation of the program to the Second Floor of Golden Hall in April 2024.

STAFF RECOMMENDATION

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

- 1) Authorize an amendment to the operating agreement with Father Joe's Villages for the operation of the City of San Diego's Bridge Shelter for Single Adults, increasing the operating budget by \$1,189,036, for a revised Fiscal Year 2024 operating budget of \$5,775,220. The funding source for the amendment is expected to be Homeless Housing, Assistance and Prevention (HHAP) grant funds.
- 2) Authorize the Housing Commission's President & Chief Executive Officer (President & 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 the Housing Commission's President & CEO, or designee, to substitute funding sources and/or increase compensation by not more than 20 percent of the total agreement amount for the proposed agreement, if necessary, without further action by the Housing Commission Board or the Housing Authority, but only if and to the extent that funds are determined to be available for such purposes.

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SUMMARY

The proposed amendment to the operating agreement with Father Joe's Villages would increase the operating budget to accommodate increased operating expenses and the scheduled relocation of the program to the Second Floor of Golden Hall in April 2024.

- *Operating Expense*

Based on direction from the City of San Diego (City), the Fiscal Year (FY) 2024 budget was developed with the consideration that the program's capacity was scheduled to decrease from 324 individuals to 262 in anticipation that the program would be relocated to a space that could only accommodate this number of individuals.. This change did not come to fruition in July but is scheduled to begin in April 2024, and as a result, program expenses are higher than initially budgeted.

- *Ancillary Facilities*

In August 2023, the Transition-Age Youth and Family Shelter ceased operating from the Second Floor of Golden Hall. Given the difficulty of securing ancillary facilities in a timely fashion, the City opted to maintain the shower trailer rental on the Second Floor. This ongoing expense has been incurred by the program but was not budgeted as part of the FY 2024 operating budget.

- *Program Relocation*

In April 2024, the Single Adults Program is scheduled to relocate from the First Floor to the Second Floor. The requested budget adjustment reflects staffing, security, and operating expense revisions as a result of the relocation.

The Housing Commission is working closely with Father Joe's Villages and the City's Homelessness Strategies and Solutions Department to support a smooth transition of operations. As a result of the program's relocation, capacity will decrease from 324 individuals to 272. The decrease in capacity at Golden Hall is offset by increased capacity at the Bridge Shelters at 16th and Newton and 17th and Imperial, pending the restoration of the 16th and Newton site after the recent rainstorms. Client intakes into Golden Hall may be suspended for a brief period of time to allow for the program census to naturally attrition to the revised capacity and ensure that no client returns to homelessness as a result of the program relocation.

The Housing Commission administers some agreements for the City of San Diego's (City) Homeless Shelters and Services Programs based on a Memorandum of Understanding (MOU) between the Housing Commission and the City that first took effect on July 1, 2010, and has been updated from time to time (Homeless Services MOU).

As of July 1, 2023, the Bridge Shelter MOU and the four other MOUs between the Housing Commission 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 Housing Commission related to the operation of the various homelessness shelters, services and programs and serves as an overarching agreement between the City and the Housing Commission to enter into program-specific agreements and administrative agreements.

PROGRAM OVERVIEW

The Program will continue to 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 serves the most vulnerable individuals/households living in the City, including individuals/households who may 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 a minimum of 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.

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. The Action Plan identifies shelter interventions as critical entry points to the City’s Crisis Response System and necessary to facilitate permanent housing placements. The Program is an important component to the vision, principles and strategies identified in the Action 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 Bridge Shelter at Golden Hall serves this purpose by providing 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 homeless, with low-to-moderate incomes.

FISCAL CONSIDERATIONS

The City of San Diego is anticipated to commit additional HHAP funds for operations to raise the total HHAP commitment in Fiscal Year 2024 to \$6,063,981. The funding includes \$5,775,220 for the operator agreement and \$288,761 for Housing Commission administrative costs. Execution of the remaining option year is contingent upon the City making funding available for this purpose.

Fiscal Year 2024

FUNDING SOURCE	FUNDING BY USE	FY2024	FY 2024 (Amended)
HHAP	Operator Agreement	\$4,586,184	\$5,775,220
HHAP	SDHC Administrative Costs	\$229,309	\$288,761
TOTAL		\$4,815,493	\$6,063,981

Fiscal Year 2025

FUNDING SOURCE	FUNDING BY USE	FY2024 (Amended)	FY 2025
HHAP*	Operator Agreement	\$5,775,220	\$5,625,527

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HHAP*	SDHC Administrative Costs	\$288,761	\$281,276
TOTAL		\$6,063,981	\$5,906,803

*Funding Source(s) for Fiscal Year 2025 will be determined during the City’s Annual Budgeting Process

HOUSING COMMISSION STRATEGIC PLAN

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

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

Father Joe’s Villages is a local nonprofit organization. As a nonprofit, Father Joe’s Villages is exempt from the requirement to submit a Workforce Report. The Housing Commission included a requirement in the Request for Proposals for prospective firms to include a description of how they would address racial equity and inequities for the target population(s), including any local disproportionate impact of COVID-19 and homelessness by race and other protected classes. The requirement was a part of the scored evaluation criteria. Father Joe’s Villages submitted an acceptable plan. Staff is proactively working with Father Joe’s Villages to assist with continuous process improvement in their equity and inclusion efforts.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

Execution of the Master MOU between the Housing Commission 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 Housing Commission Board on June 15, 2023, and the Housing Authority and City Council on June 26, 2023 (Resolution No. R-315018).

On July 12, 2022, the Housing Authority approved Resolution HA-1956, approving the execution of an agreement between the Housing Commission and Father Joe’s Villages to continue operations of the Bridge Shelter at Golden Hall, with two one-year options to renew (Resolution HA-1956).

On October 6, 2020, the Housing Authority approved Resolution HA-1887, approving the execution of an amendment to the contract between the Housing Commission and Father Joe’s Villages to operate the City of San Diego Bridge Shelter for Families, Single Women, and Transition-Age Youth.

On June 16, 2020, the City Council approved an MOU with the Housing Commission regarding the administration of Homeless Housing, Assistance, and Prevention (HHAP) program funding (Resolution 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 the execution of agreements with Alpha Project for the Homeless, 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 R-313111, authorizing execution of an MOU with the Housing Commission 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 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.

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On December 10, 2019, the Housing Authority approved the Sixth Amendment between the Housing Commission and the City to expand services to Transition-Age Youth at Golden Hall at 202 C Street, San Diego, CA (Resolution No. HA-1838).

On June 11, 2019, the Housing Authority approved the execution of operating agreements with Alpha Project for the Homeless, 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).

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders for this project include community stakeholders and Father Joe's Villages as the sub-recipient administering the program. The program is expected to have a positive impact on the community as it will provide shelter and services to more than 272 individuals experiencing homelessness.

ENVIRONMENTAL REVIEW

California Environmental Quality Act

Consistent with the previous environmental determination that was approved by the Housing Commission Board on June 13, 2022, for this related action, the following environmental determination applies to the actions outlined in this report.

Pursuant to Government Code Section 8698.4 - Declaration of Shelter Crisis, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) shall not apply to actions taken by a state agency or a city, county, or city and county, to lease, convey, or encumber land owned by a city, county, or city and county, or to facilitate the lease, conveyance, or encumbrance of land owned by the local government for, or to provide financial assistance to, a homeless shelter constructed or allowed by this section. Additionally, these activities are categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to title 14 of the California Code of Regulations (CCR) section 15301 - Existing Facilities, which allows the operation, repair, maintenance permitting, leasing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use, and no exception to the exemption in title 14 CCR section 15300.2 applies

National Environmental Policy Act

Processing under the National Environmental Policy Act (NEPA) is not required because federal funds are not involved in these activities.

Respectfully submitted,



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

Approved by,



Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission

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Hard copies are available for review during business hours at the information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 Docket materials are also available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org.