



EXECUTIVE SUMMARY

MEETING DATE: June 20, 2025

HCR25-027

SUBJECT: Approval of a Non-Competitive, Sole Source Agreement Between the San Diego Housing Commission and The Salvation Army to Operate the Haven Interim Shelter Program at 2799 Health Center Drive, San Diego, CA, 92123

COUNCIL DISTRICT: 7

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 9.1 with The Salvation Army in the amount of \$678,266 for a 12-month term from July 1, 2025, through June 30, 2026, with four one-year options to renew, contingent on the City of San Diego making funds available through its annual fiscal year budgeting process for the operation of the Haven Interim Shelter Program at 2799 Health Center Drive, San Diego, CA 92123. Funding sources will not include federal funds.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The San Diego Housing Commission (SDHC) has administered homelessness services contracts on behalf of the City based on a Memorandum of Understanding (Homelessness 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 Haven Interim Shelter Program (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 and lays out short-term achievable goals while serving as a guide for long-term success in addressing homelessness.
- In Fiscal Year 2024, while the program operated with a capacity of 32 beds, the Program served a total of 17 households. Six households composed of 26 individuals exited the shelter to permanent housing. In Fiscal Year 2025, with an expanded capacity of 93 beds, the program has served 61 households through the month of March. Seventeen households composed of 47 individuals have exited to permanent housing.
- A non-competitive procurement process under Procurement Policy Section 9.1 was utilized as a Request for Proposals process for this project would not be viable given that The Salvation Army owns and operates the Program site and maintains exclusive site control.
- The Salvation Army has been operating the Program since 2015, with SDHC assuming contract administration in November 2022.
- The Program will provide shelter year-round, in alignment with Housing First principles, for up to 93 single women and families with children who are experiencing homelessness in the City of San Diego.
- SDHC is proposing to allocate \$678,266 in City General Funds for program operations in Fiscal Year 2026.



REPORT

DATE ISSUED: June 12, 2025

REPORT NO: HCR25-027

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of June 20, 2025

SUBJECT: Approval of a Non-Competitive, Sole Source Agreement Between the San Diego
Housing Commission and The Salvation Army to Operate the Haven Interim
Shelter Program at 2799 Health Center Drive, San Diego, CA, 92123

COUNCIL DISTRICT: 7

REQUESTED ACTION:

Approve a non-competitive, sole source agreement under Procurement Policy Section 9.1 with The Salvation Army in the amount of \$678,266 for a 12-month term from July 1, 2025, through June 30, 2026, with four one-year options to renew, contingent on the City of San Diego making funds available through its annual fiscal year budgeting process for the operation of the Haven Interim Shelter Program at 2799 Health Center Drive, San Diego, CA 92123. 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 9.1 with The Salvation Army to operate the 93-bed Haven Interim Shelter Program at 2799 Health Center Drive, San Diego, CA 92123, in the amount of \$678,266 for an initial 12-month term from July 1, 2025, through June 30, 2026, with four one-year options 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 (Homelessness 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 of June 15, 2023, and the Housing Authority and City Council on June 26, 2023 (Housing Authority Resolution No. HA-1987; City Council Resolution No. R-315018).

The Haven Interim Shelter Program (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 and lays out short-term achievable goals while serving as a guide for long-term success in addressing homelessness.

In Fiscal Year 2024, while the program operated with a capacity of 32 beds, the Program served a total of 17 households. Six households composed of 26 individuals exited the shelter to permanent housing. In Fiscal Year 2025, with an expanded capacity of 93 beds, the program has served 61 households through the month of March. Seventeen households composed of 47 individuals have exited to permanent housing. A non-competitive procurement process under Procurement Policy Section 9.1 was utilized as a Request for Proposals process for this project would not be viable given that The Salvation Army owns and operates the Program site and maintains exclusive site control. The Salvation Army has been operating the Program since 2015, with SDHC assuming contract administration in November 2022.

The proposed actions referenced in this report will allow SDHC to enter into an agreement with The Salvation Army in the amounts referenced within this report to provide for the ongoing operations of the Program at 2799 Health Center Drive, San Diego, CA 92123 for a period of one year, with four one-year options to renew, contingent on funding being made available for this purpose.

PROGRAM OVERVIEW

The Program will provide shelter year-round, in alignment with Housing First principles, for up to 93 single women and families with children who are experiencing homelessness in the City of San Diego. The Program will provide safe, low-barrier, non-congregate apartment-style shelter accommodations as well as stabilization and supportive services to prepare individuals and families 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 households living in the City, including those 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 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 assessment;
 - iii. Development of housing plan, including stabilization strategies and 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. Showers, wash stations, restrooms, laundry facilities and storage for client's personal belongings;
 - x. Routine operating and client supplies, including but not limited to hygiene products, basic first aid supplies, and cleaning supplies;
 - xi. Telephone access and message services;
 - xii. Mail services

Operator Experience

The Salvation Army has been serving San Diego since 1887, with an emphasis on people experiencing homelessness. The Salvation Army currently operates interim housing, transitional housing, prevention and diversion, outreach, rapid rehousing, a Continuum of Care joint transitional and rapid rehousing program, and permanent supportive housing for those at risk of or experiencing homelessness.

The Salvation Army owns and operates the seven-acre Door of Hope Rady Campus in San Diego. Currently, the Door of Hope Rady Campus houses families and single women through multiple programs that span the continuum of homelessness services, including transitional housing, rapid rehousing, permanent supportive housing, and the Haven Interim Shelter Program. The Salvation Army has been operating the Haven Interim Shelter Program at the Door of Hope Rady Campus since 2015.

FISCAL CONSIDERATIONS

SDHC is proposing to allocate \$678,266 for program operations in Fiscal Year 2026. The Fiscal Year 2026 funding source(s) will be determined through the City's budgeting process. Future option years are contingent upon the City making funding available for this purpose.

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FUNDING SOURCE	FUNDING BY USE	FY 2026	FY 2027-2030
City General Fund	Operator Agreement	\$678,266	\$678,266
	SDHC Administrative Costs	\$35,698	\$35,698
TOTAL		\$713,964	\$713,964

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 for families and single adult women 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 Salvation Army is a nonprofit organization. Their non-discrimination statement affirms their commitment to providing programs to all those in need without unlawful discrimination or harassment. 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 MOUs, including the Haven Interim Shelter Program, 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 November 17, 2022, the SDHC Board approved the execution of a competitively awarded contract with The Salvation Army for an initial term from November 18, 2022, through June 30, 2023, with two one-year options to renew (Report No. HCR22-119).

On July 19, 2024, the SDHC Board approved a contract amendment to increase the program budget to accommodate the expansion of the Haven Interim Shelter Program (Report No. HCR24-062).

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders for this project include women and families with children experiencing homelessness, current participants, and The Salvation Army as the subrecipient administering the program. The program is

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expected to have a positive impact on the community as it will provide shelter and supportive services for a minimum of 25 households experiencing unsheltered homelessness at any given time.

ENVIRONMENTAL REVIEW

On August 1, 2024, the Council of the City of San Diego voted to renew a shelter crisis declaration and to suspend applicable provisions of state and local law pursuant to the California Government Code related to providing public facilities to mitigate the effects of the shelter crisis (Resolution Number R-315738). The California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) shall not apply to any of the following actions taken by a state agency or a city, county, or city and county: to lease, convey, or encumber land owned by a city, county, or city and county, or to facilitate the lease, conveyance, or encumbrance of land owned by the local government for a homeless shelter constructed pursuant to, or authorized by, this section; to provide financial assistance to a homeless 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
Senior Vice President, 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.