



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

DATE: May 4, 2018 HCR18-049

SUBJECT: Fiscal Year 2018 City of San Diego Temporary Bridge Shelter Programs First Renewal Option and Corresponding Memorandum of Understanding Between the Housing Commission and the City of San Diego

COUNCIL DISTRICT(S): Citywide

ORIGINATING DEPARTMENT: Homeless Housing Innovations

CONTACT/PHONE NUMBER: Lisa Jones / 619-578-7696

#### REQUESTED ACTION:

Approve exercising the first option to renew 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 Temporary Bridge Shelters.

#### EXECUTIVE SUMMARY OF KEY FACTORS:

- The Housing Commission administers the 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.
- The Housing Commission and City entered into a separate MOU for the Temporary Bridge Shelters, which was approved by the Housing Commission Board of Commissioners on November 3, 2017, (Report No. HCR17-079), as well as the Housing Authority and San Diego City Council (City Council) on November 14, 2017, (Report No. HAR17-029).
- In November 2017, the Housing Commission, City Council and Housing Authority re-allocated up to \$6,530,112 in funding previously allotted to HOUSING FIRST – SAN DIEGO, the Housing Commission's homelessness action plan, to support the City's Temporary Bridge Shelters (Shelters).
- As part of the original contract agreements and board approvals, a third-party evaluation of the Shelters was planned to take place starting in the fourth operating month of the Shelters. To allow time for this evaluation to be completed, staff recommends approval of the requested renewal term for three months, from July through September 2018.
- Approving this action will authorize the Housing Commission to expend \$2,500,000, from Housing Commission Property Reserves.



## REPORT

**DATE ISSUED:** April 26, 2018

**REPORT NO:** HCR18-049

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of May 4, 2018

**SUBJECT:** Fiscal Year 2018 City of San Diego Temporary Bridge Shelter Programs First Renewal Option and Corresponding Memorandum of Understanding Between the Housing Commission and the City of San Diego

**COUNCIL DISTRICT:** Citywide

### **REQUESTED ACTION**

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego approve exercising the first option to renew 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 Temporary Bridge Shelters. The renewal term is for three months, from July through September 2018, in accordance with approvals granted by the Housing Authority and City Council on November 14, 2017, via Housing Authority Resolution Number HA-1755.

That the Housing Commission recommend that the Housing Authority and City Council approve exercising the first option to extend the Memorandum of Understanding between Housing Commission and City for oversight and administration of the Temporary Bridge Shelters. The term is for one year, from July 1, 2018, through June 30, 2019, in accordance with approvals granted by the Housing Authority and City Council on November 14, 2017 via Resolution Number HA-1755 and City Council Resolution Number R-311427.

### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority take the following actions:

#### **Housing Authority:**

- 1) Authorize the execution of the first option to renew agreements with Alpha Project for the Homeless (Alpha Project), for the operation of the Single Adult Shelter, in the amount of \$1,200,000; Veterans Village of San Diego (VVSD), for the operation of the Veterans Shelter, in the amount of \$750,000 and Father Joe's Villages (FJV), for the operation of the Shelter for Single Women and Families, in the amount of \$550,000 in accordance with Housing Authority Resolution Number HA-1755. Total funding for the renewal option is \$2,500,000 and is funded from Housing Commission Property Reserves;
- 2) Authorize the execution of the first option to extend the Memorandum of Understanding (MOU) between the Housing Commission and the City for the Temporary Bridge Shelters for a one-year term, from July 1, 2018, through June 30, 2019, in accordance with Housing Authority Resolution Number HA-1755;

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- 3) Authorize the Housing Commission's President & Chief Executive Officer (President & CEO), or designee, to execute all necessary documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals; and
- 4) Authorize the Housing Commission's President & CEO to substitute funding sources and/or increase compensation by not more than 10 percent of the total agreement amount for the proposed agreement, if necessary, without further action by the Board of Commissioners (Board) of the Housing Commission, but only if and to the extent that funds are determined to be available for such purposes.

**City Council:**

- 1) Approve execution of the first renewal option to the MOU between the City and the Housing Commission for oversight and administration of the Temporary Bridge Shelters for a one-year term, from July 1, 2018, through June 30, 2019, in accordance with City Council Resolution Number R-311427.

**SUMMARY**

The Housing Commission administers the 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. The Housing Commission and City entered into a separate MOU for the Temporary Bridge Shelters, which was approved by the Housing Commission Board of Commissioners on November 3, 2017, (Report No. HCR17-079), as well as the Housing Authority and San Diego City Council (City Council) on November 14, 2017, (Report No. HAR17-029).

In November 2017, the Housing Commission, City Council and Housing Authority re-allocated up to \$6,530,112 in funding previously allotted to HOUSING FIRST – SAN DIEGO, the Housing Commission's homelessness action plan, to support the City's Temporary Bridge Shelters (Shelters). This approval supported the oversight and management of the Shelters, operated at three sites within the City, with the goals of addressing homelessness in the City and combatting the regional Hepatitis A outbreak. The Shelters offer a safe, centralized location for men, women, and children experiencing homelessness to receive temporary housing and appropriate services needed to expedite placement into permanent housing using the principles of Housing First while also contributing to the regional goals of ensuring instances of homelessness are rare, brief, and non-recurring.

As part of the original contract agreements and board approvals, a third-party evaluation of the Shelters was planned to take place starting in the fourth operating month of the Shelters. On March 6, 2018, the Housing Commission contracted with an independent third party to conduct a Housing First Evaluation of the Shelters, which is currently underway. To allow time for this evaluation to be completed, staff recommends approval of the requested renewal term for three months, from July through September 2018. The first phase of the Housing First evaluation will look at the Bridge Model itself: to ensure that the program design, program expectations, and contractual requirements do not in and of themselves create any barriers to successful housing outcomes. The second phase of the evaluation will focus on the individual operations of the three Shelters, to ensure they are following Housing First principles and that operational policies and practices maintain a high fidelity to the Bridge program model. The initial evaluation is due by May 30, 2018, and recommendations for refinement of the program model or

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individual changes to operational practices will be finalized by June 30, 2018. Recommended changes to the program model or program operations will be incorporated into the final Fiscal Year 2019 contracts, which will be brought to the Board as part of the recommendation for approval to exercise the first option year of the Bridge Shelter contracts.

### **AFFORDABLE HOUSING IMPACT**

As San Diegans continue to live in a City-declared “housing emergency,” the need for immediate housing assistance is critical to the well-being of community members. The Shelters serve this purpose by providing overnight shelter with supportive services to men and women experiencing homelessness. Individuals participating in the programs represent some of San Diego’s most vulnerable citizens, as 100 percent of program participants are homeless, with very low-to-moderate incomes.

### **FISCAL CONSIDERATIONS**

The proposed funding approved by this action is included in the Housing Commission’s Fiscal Year 2019 Proposed Budget, which is pending approval. Approving this action will authorize the Housing Commission to expend \$2,500,000 from Housing Commission Property Reserves. To mitigate the loss of these funds, the Housing Commission is working with the City of San Diego to seek funds from other sources, including, potentially, the Successor Agency to help replace the funding that is being directed toward the Bridge Shelters, so that planned Permanent Supportive Housing projects can continue to proceed in a timely manner. Additionally, approving this action will result in the provision of approximately 324 beds provided to single adults experiencing homelessness at the Single Adult Shelter, 150 beds for single women and families experiencing homelessness at the Single Women and Families Shelter, and 200 beds for single adult veterans at the Veterans Shelter at an average cost of \$40.32 per bed night.

Funding sources and uses approved by this action are outlined in the table below.

**Table 1: Funding Sources and Uses**

<b>FUNDING SOURCE</b>	<b>FUNDING USE</b>				
	<i>Alpha</i>	<i>FJV</i>	<i>VVSD</i>	<i>Housing Commission</i>	<i>TOTAL</i>
Housing Commission Property Reserves	\$1,200,000	\$550,000	\$750,000	\$29,652	\$2,529,652

### **EQUAL OPPORTUNITY/CONTRACTING**

Alpha, VVSD, and FJV are local nonprofit organizations. As nonprofits, they are exempt from the requirement to submit Workforce Reports.

### **PREVIOUS COUNCIL and/or COMMITTEE ACTION**

On November 14, 2017, the Housing Authority approved Resolution HA-1755, which authorized the signing of an MOU between the City and the Housing Commission for the Housing Commission to oversee, administer and manage three Temporary Bridge Shelter Programs in Barrio Logan, Midway and East Village and agreements with operators for each of the Programs and approved an amendment to the Housing Commission’s budget to support those Programs. The City Council also approved Resolution R-311427, authorizing the execution of the MOU between the City and the Housing Commission.

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On October 2, 2017, the City Council approved Resolution R-311331, declaring a shelter crisis in the City of San Diego.

On June 6, 2017, the Housing Authority and City Council approved Resolutions HA-1730 and R-311169, respectively, which authorized the expanded use of funds from the sale of the Hotel Metro and the ground lease of San Diego Square Senior Apartments for the purposes referenced within Housing Authority Report No. HARI 7-014, including, without limitation, any funds within Low Income Lease Revenue Funds 200398 and 10540 and specifically granting such authority pursuant to the provisions of City Council Resolution Nos. R-224179 and R-218880.

On April 26, 2016, the City Council approved Resolution R-310408, declaring a shelter crisis in the City of San Diego.

On March 1, 2016, the Housing Authority and City Council approved Resolutions HA-1681 and R-310284, respectively, which authorized the use of funds from the sale of Hotel Metro and the ground lease of San Diego Square Senior Apartments for the purposes referenced within Housing Authority Report No. HAR16-006, including, without limitation, any funds within Low Income Lease Revenue Funds 200398 and 10540 and specifically granting such authority pursuant to the provisions of City Council Resolution Nos. R-224179 and R-218880.

On March 24, 2015, the City Council approved Resolution R-309576, declaring a shelter crisis in the City of San Diego.

### **ENVIRONMENTAL REVIEW**

The activities described in the report are not a project as defined in California Environmental Quality Act (CEQA) Section 15378 and, therefore, are not subject to CEQA pursuant to Section 15060 (c)(3) of the State CEQA Guidelines and/or are categorically exempt under multiple separate provisions of CEQA, including Sections 15301, 15304 (e), 15311(c) which includes the placement of temporary or seasonal facilities designed for public use. Since there are no federal funds being budgeted for the proposed first option to renew, no National Environmental Policy Act environmental clearance is required at this time.

Respectfully submitted,

*Lisa Jones*

Lisa Jones  
Director, Housing First Administration  
Homeless Housing Innovations

Approved by,

*Jeff Davis*

Jeff Davis  
Executive Vice President & Chief of Staff  
San Diego Housing Commission

Hard copies are available for review during business hours at the security information desk in the main lobby and at the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Public Meetings" section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org)