



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: May 5, 2022

HCR22-061

SUBJECT: Rapid Rehousing Programs Funded by the Homeless Housing, Assistance, and Prevention Program (HHAP)

COUNCIL DISTRICT(S): Citywide

ORIGINATING DEPARTMENT: Homeless Housing Innovations Division

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

REQUESTED ACTION:

Authorize the award of \$910,000 in Homeless Housing, Assistance, and Prevention program (HHAP) funds to support three rapid rehousing programs for a one-year time of performance, using Non-Competitive agreements under Procurement Policy 9.4; authorize the execution of agreements with People Assisting the Homeless (PATH) in the amount of \$346,667; Home Start, Inc. (Home Start) in the amount of \$274,444; and The Salvation Army in the amount of \$288,889 to extend operation of the respective rapid rehousing programs from July 1, 2022, through June 30, 2023, with one option to renew contingent on funding being made available for that purpose through the City of San Diego's Fiscal Year 2023 budgeting process.

EXECUTIVE SUMMARY OF KEY FACTORS:

- In 2019, PATH, Home Start, and The Salvation Army were selected through a competitive procurement process to administer rapid rehousing programs funded by Homeless Emergency Aid Program (HEAP) funds. The three rapid rehousing programs became operational on May 1, 2019.
- On May 6, 2021, the Housing Commission's Board of Commissioners approved a one-year extension to the rapid rehousing programs, using a Non-Competitive agreement under the Housing Commission's Procurement Policy 9.4., and the funding transitioned from HEAP to Homeless Housing, Assistance, and Prevention program (HHAP) funds. The extension year was needed to continue to stabilize approximately 66 households served with HEAP funds and provide the opportunity for the three rapid rehousing programs to scale staffing and support up to an additional 100 households experiencing homelessness using American Rescue Plan Act (ARPA) funds.
- In late March 2022, the City of San Diego's Homelessness Strategies and Solutions Department (HSSD) informed the Housing Commission of HSSD's plan to discontinue the HHAP rapid rehousing program. The Housing Commission is working with the three subcontractors on a program "ramp-down" plan, including ceasing new program enrollments.
- It is estimated that approximately 63 households across the three programs will remain in need of additional rental assistance after the current contracts' term end date of June 30, 2022. For this reason, a one-year initial contract term from July 1, 2022, through June 30, 2023, with one option year to renew the contracts is requested to allow for operation of these programs to continue through June 30, 2024, if necessary to support household stabilization, contingent on the availability of funding for this purpose.
- Funding will be determined by the City of San Diego. Funds will be included in the Housing Commission's proposed Fiscal Year 2023 Budget.



REPORT

DATE ISSUED: April 28, 2022

REPORT NO: HCR22-061

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of May 5, 2022

SUBJECT: Rapid Rehousing Programs Funded by the Homeless Housing, Assistance, and Prevention Program (HHAP)

COUNCIL DISTRICT: Citywide

REQUESTED ACTION:

Authorize the award of \$910,000 in Homeless Housing, Assistance, and Prevention program (HHAP) funds to support three rapid rehousing programs for a one-year time of performance, using Non-Competitive agreements under Procurement Policy 9.4; authorize the execution of agreements with People Assisting the Homeless (PATH) in the amount of \$346,667; Home Start, Inc. (Home Start) in the amount of \$274,444; and The Salvation Army in the amount of \$288,889 to extend operation of the respective rapid rehousing programs from July 1, 2022, through June 30, 2023, with one option to renew contingent on funding being made available for that purpose through the City of San Diego's Fiscal Year 2023 budgeting process.

STAFF RECOMMENDATION

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

- 1) Authorize the Housing Commission to enter into a one-year contract, using a Non-Competitive agreement under Procurement Policy 9.4, with People Assisting the Homeless (PATH) in the amount of \$346,667 to operate a rapid rehousing program for the term of July 1, 2022, to June 30, 2023, with one option to renew, funded by Homeless Housing, Assistance, and Prevention Program (HHAP), contingent on funding being made available for this purpose in the City of San Diego's Fiscal Year 2023 budgeting process and the continuance or extension of any related Memorandum of Understanding (MOU) with the City of San Diego.
- 2) Authorize the Housing Commission to enter into a one-year contract, using a Non-Competitive agreement under Procurement Policy 9.4, with Home Start Inc. (Home Start) in the amount of \$274,444 to operate a rapid rehousing program for the term of July 1, 2022, to June 30, 2023, with one option to renew, funded by HHAP, contingent on funding being made available for this purpose in the City of San Diego's Fiscal Year 2023 budgeting process and the continuance or extension of any related Memorandum of Understanding (MOU) with the City of San Diego.
- 3) Authorize the Housing Commission to enter into a one-year contract, using a Non-Competitive agreement under Procurement Policy 9.4, with The Salvation Army in the amount of \$288,889 to operate a Rapid Rehousing program for the term of July 1, 2022, to

June 30, 2023, with one option to renew, funded by HHAP, contingent on funding being made available for this purpose in the City of San Diego's Fiscal Year 2023 budgeting process and the continuance or extension of any related Memorandum of Understanding (MOU) with the City of San Diego.

- 4) Authorize the Interim President & CEO, or designee, to execute all necessary documents and instruments that are necessary and/or appropriate to implement these approvals, on terms and conditions approved by the President & CEO, or designee, upon the advice of and in a form 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, are submitted to each Housing Commissioner in advance of approval for the designee to sign.
- 5) Authorize the Interim President & CEO, or designee, to increase the amount of funding per operator agreement by no more than 20 percent of the approved budget and to substitute funding sources for each of the proposed agreements, if necessary, without further action by the Housing Commission Board, but only if and to the extent that funds are determined to be available for such purposes.

SUMMARY

In early 2019, PATH, Home Start, and The Salvation Army each participated in the competitive bid process for the opportunity to administer rapid rehousing programs funded by Homeless Emergency Aid Program (HEAP) funds. These three providers were selected through the competitive procurement process, and the three rapid rehousing programs became operational on May 1, 2019. On May 6, 2021, the Housing Commission's Board of Commissioners approved a one-year extension to the rapid rehousing programs, using a Non-Competitive agreement under the Housing Commission's Procurement Policy 9.4., and the funding transitioned from HEAP to Homeless Housing, Assistance, and Prevention program (HHAP) funds. The extension year was needed to continue to stabilize approximately 66 households served with HEAP funds and provide the opportunity for the three rapid rehousing programs to scale staffing and support up to an additional 100 households experiencing homelessness using American Rescue Plan Act (ARPA) funds.

As of March 31, 2022, PATH, Home Start, and The Salvation Army have helped 148 households previously experiencing homelessness (50, 50 and 48 households respectively) to secure stable housing by offering medium- to long-term (four to 24 months) rental assistance (programs may offer up to 36 months of rental assistance for higher-need households, based on funding availability) and supportive services. Each program is currently funded for continued operation through June 30, 2022.

In late March 2022, the City of San Diego's Homelessness Strategies and Solutions Department (HSSD) informed the Housing Commission of HSSD's plan to discontinue the HHAP rapid rehousing program. The Housing Commission is working with the three subcontractors on a program "ramp-down" plan, including ceasing new program enrollments. All possible measures will be taken to assist approximately 63 households in stabilizing their housing and prevent the families and individuals from returning to homelessness.

It is estimated that approximately 63 households across the three programs will remain in need of additional rental assistance after the current contracts' term end date of June 30, 2022. For this reason, a

one-year initial contract term from July 1, 2022, through June 30, 2023, with one option year to renew the contracts is requested to allow for operation of these programs to continue through June 30, 2024, if necessary to support household stabilization, contingent on the availability of funding for this purpose.

Informed by the Housing First model and incorporating person-centered services, the Rapid Rehousing programs will continue to provide rental assistance and supportive services to reduce the frequency and duration of episodes of homelessness for program participants. Without the continuation of these resources, the households served by these programs face an increased risk of returning to homelessness.

The rapid rehousing programs will continue to serve vulnerable clients currently housed through the program. Services to be provided include, but are not limited to: case management; rental assistance; move-in expenses, including utility payment; housing search and landlord negotiation assistance; and referrals to other services to help stabilize and support families and individuals to ensure housing success.

AFFORDABLE HOUSING IMPACT

Homelessness remains a crisis in the City of San Diego. The social services and rental assistance the rapid rehousing program provide are critical to ensure that program participants remain stably housed, especially amid the pandemic, which has negatively impacted household income levels, making it more challenging to qualify for and maintain rental units in an expensive rental housing market such as San Diego.

FISCAL CONSIDERATIONS

Approving this action will authorize the Housing Commission to expend \$910,000 in Fiscal Year 2023 in a manner consistent with the City of San Diego’s Community Action Plan on Homelessness, pending funding availability as determined by the City of San Diego. These funds will be included in the Housing Commission’s Fiscal Year 2023 proposed budget, which will be presented to the Housing Authority of the City of San Diego in June 2022 for consideration. Additionally, approving this action will result in stabilizing the housing of approximately 63 existing program households.

PATH Rapid Rehousing	Home Start Rapid Rehousing	The Salvation Army Rapid Rehousing	Total FY2023
\$346,667	\$274,444	\$288,889	\$910,000

HOUSING COMMISSION STRATEGIC PLAN

This item relates to Strategic Priority Areas No. 1 and No. 4 in the Housing Commission Strategic Plan for Fiscal Years 2022 – 2024. No. 1: Increasing and Preserving Housing Solutions. No. 4: Advancing Homelessness Solutions – Supporting the City of San Diego Community Action Plan on Homelessness.

EQUAL OPPORTUNITY/CONTRACTING

PATH, Home Start, and The Salvation Army are local nonprofit organizations. As nonprofits, the organizations are not recognized as Diverse Businesses and are exempt from the requirement to submit Workforce Reports.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

On May 3, 2019, the Housing Commission approved a one-year agreement, with a one-year option to extend, with PATH, Home Start and The Salvation Army to

operate the Homeless Emergency Aid Program (HEAP) rapid rehousing programs (Report No. HCR19-033).

On June 11, 2019, the San Diego City Council (Resolution No. R-312516) and the Housing Authority of the City of San Diego (Resolution No. HA-1816) approved the HEAP MOU between the Housing Commission and the City of San Diego, allocating \$2,728,356.00 in HEAP funds to the rapid rehousing program.

On June 16, 2020, the Housing Authority for the City of San Diego (Resolution No. HA-1861) approved the HHAP MOU between the Housing Commission and the City of San Diego, allocating \$953,916.05 in HHAP funds to the rapid rehousing program.

On May 6, 2021, the Housing Commission approved a one-year extension agreement with PATH, Home Start and the Salvation Army to operate the rapid rehousing programs through June 30, 2022, allocating \$969,885 in HHAP funds and \$1,000,000 in ARPA funds to the rapid rehousing program. (Report No. HCR21-039).

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders for this project include: 1) PATH Rapid Rehousing clients. The program is expected to have a positive impact on the community because it will provide rental assistance and social services support to approximately 24 households experiencing homelessness. 2) Home Start Rapid Rehousing clients. The program is expected to have a positive impact on the community because it will provide rental assistance and social services support to approximately 19 households experiencing homelessness. 3) The Salvation Army Rapid Rehousing clients. The program is expected to have a positive impact on the community because it will provide rental assistance and social services support to approximately 20 households experiencing homelessness.

ENVIRONMENTAL REVIEW

The activities described in the report are categorically exempt pursuant to State CEQA Guidelines Section(s) Chapter 19 Section 15301 Existing Facilities: Class 1 consists of operation, repair, maintenance, permitting, leasing, licensing, 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. Federal funds constitute a portion of the funding for this project. NEPA approval was received from the City of San Diego on March 23, 2022.

Respectfully submitted,

Lisa Jones

Lisa Jones
Executive Vice President, Strategic Initiatives
San Diego Housing Commission

Approved by,

Jeff Davis

Jeff Davis
Interim President & Chief Executive Officer
San Diego Housing Commission