



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: July 8, 2022

HCR22-092

SUBJECT: Additional Funding for Rapid Rehousing Programs

COUNCIL DISTRICT(S): Citywide

ORIGINATING DEPARTMENT: Homeless Housing Innovations Division

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

#### REQUESTED ACTION:

Authorize the award of additional funds in the amount of \$394,000 from the City of San Diego Affordable Housing Fund (AHF) and \$225,027 from Homeless Housing Assistance Prevention (HHAP) funding, for a total funding amount of \$1,529,027 across the three contracted rapid rehousing programs. The contract term is July 1, 2022, through June 30, 2023, with one 12-month option to renew, contingent on funding being made available for that purpose.

#### 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.
- On May 5, 2022, the Housing Commission Board approved the award of \$910,000 in HHAP funds and authorized the execution of non-competitive agreements under Procurement Policy 9.4 to support the continuation of the three rapid rehousing programs from July 1, 2022, through June 30, 2023, with one 12-month option to renew, contingent on funding being made available for this purpose. The amount previously approved for Fiscal Year 2023 would serve approximately 63 households who are currently housed across the three programs and would remain in need of additional rental assistance or were already enrolled and searching for housing and anticipated to lease-up after the current contracts' term end date of June 30, 2022.
- At the May 5, 2022, meeting, the Housing Commission Board directed staff to assist Housing Commissioners in submitting a joint letter to the Housing Authority of the City of San Diego and the City of San Diego's Homelessness Strategies and Solutions Department (HSSD) regarding the funding for these programs.
- City HSSD staff and Housing Commission staff collaborated to make an additional \$619,027 of funding available to sustain the programs and continue housing new households in Fiscal Year 2023.
- The rapid rehousing programs will continue to serve households currently housed through the program, and those currently searching for housing and house approximately 60 to 80 additional households, for a total of approximately 140 households served during Fiscal Year 2023.



## REPORT

**DATE ISSUED:** July 1, 2022

**REPORT NO:** HCR22-092

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of July 8, 2022

**SUBJECT:** Additional Funding for Rapid Rehousing Programs

**COUNCIL DISTRICT:** Citywide

**REQUESTED ACTION:**

Authorize the award of additional funds in the amount of \$394,000 from the City of San Diego Affordable Housing Fund (AHF) and \$225,027 from Homeless Housing Assistance Prevention (HHAP) funding, for a total funding amount of \$1,529,027 across the three contracted rapid rehousing programs. The contract term is July 1, 2022, though June 30, 2023, with one 12-month option to renew, contingent on funding being made available for that purpose.

**STAFF RECOMMENDATION**

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

- 1) Authorize the Housing Commission to increase the maximum compensation with People Assisting the Homeless (PATH) in the amount of \$235,820—for a total maximum compensation of \$582,487—to operate a rapid rehousing program for the term of July 1, 2022, through June 30, 2023, funded by the City of San Diego Affordable Housing Fund (AHF) and Homeless Housing, Assistance, and Prevention (HHAP) funding, contingent on the continuance or extension of any related Memorandum of Understanding (MOU) with the City of San Diego.
- 2) Authorize the Housing Commission to increase the maximum compensation with Home Start Inc. (Home Start) in the amount of \$186,690—for a total maximum compensation of \$461,134—to operate a rapid rehousing program for the term of July 1, 2022, to June 30, 2023, funded by the AHF and HHAP funding, contingent the continuance or extension of any related MOU with the City of San Diego.
- 3) Authorize the Housing Commission to increase the maximum compensation with The Salvation Army in the amount of \$196,517—for a total of \$485,406—to operate a rapid rehousing program for the term of July 1, 2022, to June 30, 2023, funded by the AHF and HHAP funding, contingent on the continuance or extension of any related MOU with the City of San Diego.
- 4) Authorize the 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

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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.

- 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 Board approved a one-year extension of 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 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.

On May 5, 2022, the Housing Commission Board approved the award of \$910,000 in HHAP funds and authorized the execution of non-competitive agreements under Procurement Policy 9.4 to support the continuation of the three rapid rehousing programs from July 1, 2022, through June 30, 2023, with one 12-month option to renew, contingent on funding being made available for this purpose. The amount previously approved for Fiscal Year 2023 would serve approximately 63 households who are currently housed across the three programs and would remain in need of additional rental assistance or were already enrolled and searching for housing and anticipated to lease-up after the current contracts' term end date of June 30, 2022.

At the May 5, 2022, meeting, the Housing Commission Board directed staff to assist Housing Commissioners in submitting a joint letter to the Housing Authority of the City of San Diego and the City of San Diego's Homelessness Strategies and Solutions Department (HSSD) regarding the City's funding decisions that affected these programs. City HSSD staff and Housing Commission staff collaborated to make an additional \$619,027 of funding available to sustain the programs and continue housing new households in Fiscal Year 2023. The rapid rehousing programs will continue to serve households currently housed through the program, and those currently searching for housing and house approximately 60 to 80 additional households, for a total of approximately 140 households served during Fiscal Year 2023. 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.

From program implementation in May 2019 through May 31, 2022, PATH, Home Start, and The Salvation Army have helped 155 households previously experiencing homelessness (51, 52, and 52 households, respectively) to secure stable housing by offering medium- to long-term (four to 24 months)

rental assistance and supportive services. Programs may offer up to 36 months of rental assistance for higher-need households, based on funding availability. Informed by the “Housing First” model and incorporating person-centered services, approval of the staff-recommended actions in this report will ensure 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.

**AFFORDABLE HOUSING IMPACT**

Homelessness remains a crisis in the City of San Diego. The social services, housing search, and rental assistance the rapid rehousing programs 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 an additional \$619,027 in Fiscal Year 2023 for a total of \$1,529,027 in a manner consistent with the Community Action Plan on Homelessness for the City of San Diego, pending funding availability as determined by the Housing Commission and the City of San Diego.

<b>PATH</b>	<b>Home Start</b>	<b>The Salvation Army</b>	<b>Total</b>
<b>Funding Approved by the Housing Commission on May 5, 2022</b>			
\$346,667	\$274,444	\$288,889	<b>\$910,000</b>
<b>Additional Funding Request</b>			
\$235,820	\$186,690	\$196,517	<b>\$619,027</b>
<b>Total FY2023</b>			
\$582,487	\$461,134	\$485,406	<b>\$1,529,027</b>

**EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE**

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. All three organizations are committed to equity and inclusion efforts and strive to demonstrate a commitment to advancing racial equity and inclusion through operational policies.

**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.

**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).

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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).

On May 5, 2022, the Housing Commission approved an initial one-year agreement, using non-competitive agreements under Procurement Policy 9.4, with PATH, Home Start and The Salvation Army, allocating \$910,000 in HHAP funds (Report No. HCR22-061) to the rapid rehousing program.

### **KEY STAKEHOLDERS and PROJECTED IMPACTS**

Stakeholders for this project include PATH, Home Start, The Salvation Army, and approximately 120 to 140 households receiving assistance across the three contracted programs. The programs are expected to have a positive impact on the community because they will provide housing search, rental assistance and social services for these households.

### **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. Processing under the National Environmental Policy Act is not required because no federal funds are involved in these activities.

Respectfully submitted,

*Lisa Jones*

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

Approved by,

*Jeff Davis*

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

Docket materials are available in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org)