



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;

- 3) Authorize the President & CEO to increase compensation to Alpha Project, VVSD, and FJV to provide for flexible spending subsidies to help clients secure housing exits without further action by the Board of Commissioners (Board) of the Housing Commission, through allocated state grant funding for grant-eligible activities, but only if and to the extent that funds are determined to be available for such purposes.
- 4) Authorize the President & CEO to increase compensation to Alpha Project, VVSD, and FJV to allow each service provider to assume responsibility for facility support at the shelters, without further action by the Board of Commissioners (Board) of the Housing Commission, provided that the City demonstrates that the funding has already been provided in the FY19 budget for such purpose.
- 5) Authorize the President & CEO to increase compensation to VVSD, to increase the total number of beds available to 250, and open up the shelter to non-veterans if the expansion is determined to be appropriate and achievable, without further action by the Board of Commissioners (Board) of the Housing Commission, through allocated state grant funding for grant-eligible activities or other identified eligible funding sources, but only if and to the extent that funds are determined to be available for such purposes.
- 6) Authorize the President & CEO, or designee, 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.

### **SUMMARY**

The Housing Commission administers the agreements for the City of San Diego's (City) Homeless Shelters and Services Programs based on an 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 City's Temporary Bridge Shelter Programs, which was approved by the Housing Commission Board of Commissioners on November 3, 2017, (Report No. HCR17-079) and the Housing Authority and San Diego City Council (City Council) on November 14, 2017 (Report No. HAR17-029). The first option to extend the MOU between the Housing Commission and the City for oversight and administration of the Temporary Bridge Shelters for one year, from July 1, 2018, through June 30, 2019, was approved by the Housing Authority (Resolution HA-1781) and City Council (Resolution R-311774) on May 22, 2018.

In November 2017, the Housing Commission Board of Commissioners (Board), City Council, and Housing Authority authorized the execution of agreements for the operation of the City's Temporary Bridge Shelters for a period of seven months from December 1, 2017, through June 30, 2018. 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. In May 2018, the Housing Commission Board, City Council, and Housing Authority authorized the execution of the first option to renew agreements for the operation of the City's

September 6, 2018

FY 2019 City of San Diego Temporary Bridge Shelter Programs Nine-Month Operating Agreements

Page 3

Temporary Bridge Shelters for a period of three months, from July 1, 2018, through September 30, 2018.

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, contributing to the regional goals of ensuring instances of homelessness are rare, brief, and non-recurring.

The expectation when the Shelters were implemented was that the majority of the residents of the shelters would be Priority Level 1 (referred from the Regional Task Force on the Homeless [RTFH] and already matched to a housing resource) or Priority Level 2 (“match ready” and awaiting a match to a housing resource). Since the openings of the Shelters, a total of 122 Priority Level 1 intakes and 499 Priority Level 2 intakes have been processed. The remaining intakes were Priority Level 3 (291) and Priority Level 4 (1,609). This means that, contrary to expectations, 75 percent of all intakes were not matched to a housing resource, nor could they reasonably be expected to be matched any time within the first 120 days of shelter residence.

As intended, the Bridge Shelters are reaching out to and serving the most vulnerable San Diegans who are experiencing homelessness. Of the population served since the opening of the Shelters, 55 percent across all three Bridge Shelters entered the Shelters with no income, and an additional 8 percent had income at entry of \$500 or less. Of the total persons served since the opening of the Shelters, 2,521 as of July 31, 2018, 56 percent had a disability, 48 percent were chronically homeless, and 35 percent were 55 years of age or older.

The original contract agreements for the operation of the Shelters provided that a third-party evaluation of the Shelters would start in their fourth operating month. Focus Strategies, the third-party evaluator, provided recommendations to enhance the availability of housing-focused services. Some of the proposed recommendations require additional expenditures for the Shelters, to allow the operators to address the needs of the actual population using the Shelters, rather than the projected needs initially expected. To provide stabilization to the high-need population being served, and to maximize opportunities to connect individuals to a variety of housing interventions, higher level case management and housing stabilization positions are needed. The findings and recommendations from the evaluation were presented to the Housing Authority on July 31, 2018 (Report No. 18-025). Based on input received from the members of the Housing Authority, the evaluation recommendations have been incorporated into the Temporary Bridge Shelter Fiscal Year 2019 contracts. The recommended programmatic changes incorporated into the operator contracts, are included in the table below. They include reductions in staffing in some categories, and increases in staffing in other categories, to align with the actual needs of the population observed and to improve the number of successful outcomes. In addition to the staffing changes incorporated based on the evaluation, two additional full-time security guards were added to the VVSD contract. This is a pilot project initiated by the Mayor’s office, for the VVSD Bridge Shelter security staff to work in collaboration with the San Diego Police Department, to provide enhance security presence in the immediate neighborhood surrounding the shelter site.

**Table 1: Programmatic and Fiscal changes to FY2019 Operator Contracts**

<b>SHELTER</b>	<b>Original/ Eliminated Positions</b>	<b>New Positions</b>	<b>Net Staff Increase</b>	<b>Initial Projected 9-Month Budget</b>	<b>Updated Projected 9-Month Budget</b>	<b>Net Budget Increase</b>
<b>Single Adult (Alpha Project)</b>	10 Housing Navigators (FTEs)	<ul style="list-style-type: none"> <li>• 10 Case Managers (FTEs)</li> <li>• 5 Housing Specialists (FTEs)</li> </ul>	5 FTEs	\$3,600,000	\$3,987,907	\$387,907
<b>Veterans (VVSD)</b>	5 Housing Navigators (FTEs)	<ul style="list-style-type: none"> <li>• 6 Case Managers (FTEs)</li> <li>• 3 Housing Specialists (FTEs)</li> <li>• 2 Security Guards</li> </ul>	6 FTEs	\$2,250,000	\$2,640,481	\$390,481
<b>Families &amp; Single Women (Father Joe's Villages)</b>	3 Housing Navigators (FTEs)	<ul style="list-style-type: none"> <li>• 5 Case Managers (FTEs)</li> <li>• 1 Housing Specialist (FTEs)</li> </ul>	3 FTEs	\$1,650,000	\$1,854,368	\$204,368
<b>TOTALS</b>	<b>18 FTEs</b>	<b>32 FTEs</b>	<b>14 FTEs</b>	<b>\$7,500,000</b>	<b>\$8,482,756</b>	<b>\$982,756</b>

- Additional mandatory training requirements were included in the operator contract Scopes of Work, which at minimum must include Prevention and Diversion, Trauma Informed Care, Motivational Interviewing, and Harm Reduction.
  - Requirements added: to certify that training on all required subjects has been provided to new hires within 30 days of hire date and certification of training by an approved source is provided to the Housing Commission on a monthly basis to confirm training for all new hires, and/or promotions, as well as document annual training on all mandated subjects to all project operations staff regardless of length of service.
- Additional language on ensuring that the shelters are housing-focused environments that promote engagement in housing-stability planning and provide a variety of resources, bulletin boards and drop-in opportunities for residents to further their progress toward attaining housing.
  - Compliance will be achieved through trainings provided by the Housing Commission and the U.S. Department of Housing and Urban Development's (HUD) Technical Assistance team, on operating housing-focused shelter(s), including materials made available through the U.S. Interagency Council on Homelessness and the National Alliance to End Homelessness.
  - The Housing Commission Compliance department will incorporate measurements to determine compliance with operating a housing-focused shelter into the standard site monitoring activities which are conducted on an ongoing basis.
  - A follow-up to the Housing First evaluation will be conducted through a third-party consultant to determine if the changes incorporated into the contract were fully

implemented in compliance with the operator contracts, and identify the impact those implementations had on the engagement of residents and the exiting of residents to permanent and longer term housing.

- The recommendation to adjust the program goal for successful housing exits to an interim goal of 30 percent was incorporated into the program expectations. The exit goal was also broadened to incorporate both permanent housing and longer term housing exits. It is also recommended to determine percentage of positive housing exits based on the number of exiters that have remained in Shelter for 30 days or more. The evaluation conducted by Focus Strategies did not analyze system availability related to Permanent Supportive Housing and the shelter data sets available were limited, as the shelters had only been open for a few months, when the evaluation began. In order to continue to develop better understanding of opportunities for shelter performance – over the contract period, the Housing Commission, in collaboration with the City and the RTFH will conduct further analysis on the number of permanent housing opportunities within the system likely to be available for shelter residents and determine recommendations for additional or alternative program goals based closely on an analysis of the data regarding the vulnerability of the incoming population and actual outcomes to reflect ambitious and reasonable expectations.
- In addition, mutual contract termination and project “wind-down” language was incorporated into the operator contract with FJV to accommodate the wind-down of that Shelter at the current site and the need to surrender the site back to FJV based on a future, mutually agreed upon timeframe so that the site may be utilized by FJV for a planned permanent supportive housing development.

The recommendation to create a small amount of flexible funding is still being explored to determine appropriate and available funding sources and the level of funding needed to support additional housing exits. The requested approval for the President & CEO to exercise amendments to the operator agreements without further action by the Board of Commissioners if eligible state funding is acquired will allow the operators to rapidly implement the usage of those funds to enhance positive housing exits. In the interim, the Housing Commission’s Prevention and Diversion Team has already scheduled training on Prevention and Diversion practices with each of the Shelter operators and will provide ongoing training and coordination with Shelter staff to assist residents to access the Housing Commissions Prevention and Diversion and Landlord Engagement and Assistance Program (LEAP) resources, as appropriate.

The City currently holds direct vendor contracts with various agencies to provide for facilities items such as laundry, shower and toilet trailers, The requested approval to authorize the President & CEO to increase compensation to Alpha Project, VVSD, and FJV without further action by the Board of Commissioners (Board) of the Housing Commission to allow each service provider to assume responsibility for facility support at the shelters, will achieve a streamlining of communication and coordination between the operators and the supply agencies.

### **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 City’s Temporary Bridge 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**

Of the proposed funding approved by this action, \$7,500,000 is included in the Housing Commission’s Fiscal Year 2019 Budget for the three providers plus an additional \$88,500 for SDHC administrative costs, approved by the Housing Commission’s Board on May 4, 2018, and by the Housing Authority on June 11, 2018, and an additional \$50,000 in administrative costs to conduct a follow up third party evaluation. The proposed funding increased by \$982,756 due to changes in operator staff. Approving this action will authorize the Housing Commission to expend \$8,621,256. Additionally, approving this action will result in the provision of approximately 324 beds at the Single Adult Shelter to single adults experiencing homelessness; 150 beds at the Shelter for Families and Single Women to families and single women experiencing homelessness; and 200 beds at the Veterans Shelter to single adult veterans experiencing homelessness, at an average cost of \$46.58 per bed night.

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

**Table 2: Funding Sources and Uses**

<b>FUNDING SOURCE</b>	<b>FUNDING USE</b>				
	<i>Alpha</i>	<i>VVSD</i>	<i>FJV</i>	<i>Housing Commission</i>	<i>TOTAL</i>
Housing Commission Property Reserves	\$3,987,907	\$2,640,481	\$1,854,368	\$138,500	\$8,621,256

**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 May 22, 2018, the Housing Authority approved Resolution HA-1781, approving the execution of the first renewal option of the MOU between the City and the Housing Commission for the Housing Commission to oversee, administer, and manage the three Temporary Bridge Shelters in Barrio Logan, Midway, and East Village, along with agreements with the operators for each of the Shelters. The City Council also approved Resolution R-311774, authorizing the execution of the first renewal option of the MOU between the City and the Housing Commission for a one-year term, from July 1, 2018, through June 30, 2019.

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

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

September 6, 2018

FY 2019 City of San Diego Temporary Bridge Shelter Programs Nine-Month Operating Agreements

Page 7

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. HAR17-014, 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 92-day extension, no National Environmental Policy Act environmental clearance is required at this time.

Respectfully submitted,



Lisa Jones  
Senior Vice President,  
Homeless Housing Innovations

Approved by,



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)