



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

DATE: April 11, 2019 HCR19-033  
SUBJECT: Homeless Emergency Aid Program (HEAP) Funded Rapid Rehousing Programs  
COUNCIL DISTRICT(S): Citywide  
ORIGINATING DEPARTMENT: Homeless Housing Innovations  
CONTACT/PHONE NUMBER: Lisa Jones / 619-578-7696

#### REQUESTED ACTION:

Authorize the award of \$1,364,178 in Homeless Emergency Aid Program (HEAP) funds to support three rapid rehousing (RRH) programs procured utilizing a competitive procurement process. Further authorize the execution of agreements with People Assisting the Homeless (PATH), Home Start Inc. (Home Start), and The Salvation Army in the amount of \$454,726 each in HEAP funds to operate their respective RRH programs from May 1, 2019, through April 30, 2020, with a one-year option to extend each respective agreement to April 30, 2021.

#### EXECUTIVE SUMMARY OF KEY FACTORS:

- Approving this action will authorize the Housing Commission to expend \$1,364,178 in Homeless Emergency Aid Program (HEAP) funds annually to support three Rapid Rehousing programs.
- The execution of the contracts will be contingent on a Memorandum of Understanding (MOU) between the Housing Commission and the City of San Diego being approved under a separate action by the Housing Authority and the San Diego City Council, detailing the roles and responsibilities of the two parties related to the HEAP funding.
- Approving this action will result in the housing of a minimum of 120 households and 168 individuals by the Rapid Rehousing programs during the remainder of Fiscal Year 2019 through June 30, 2021.
- PATH and Home Start currently receive federal funding administered by the Housing Commission to operate other Rapid Rehousing programs. They have shown a consistent focus on providing compassionate and quality services to the clients they serve.
- The Salvation Army has not previously received rapid rehousing funds administered by the Housing Commission. The proposal submitted in response to the competitive solicitation evidenced a strong capacity to administer the Rapid Rehousing program.
- This action is not included in the FY2019 approved budget and a request to increase the 2019 budget by \$ 1,364,178 will be recommended in conjunction when the HEAP funding is committed to the Housing Commission through an executed MOU for that purpose.



## REPORT

**DATE ISSUED:** April 4, 2019

**REPORT NO:** HCR19-033

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of April 11, 2019

**SUBJECT:** Homeless Emergency Aid Program (HEAP) Funded Rapid Rehousing Programs

**COUNCIL DISTRICT:** Citywide

**REQUESTED ACTION:**

*The seven-day advance notice of San Diego Housing Commission's hearing of this matter is being provided to the Housing Authority Members pursuant to the provisions of the San Diego Municipal Code Section 98.0301(e)(4)(A)(B)*

Authorize the award of \$1,364,178 in Homeless Emergency Aid Program (HEAP) funds to support three rapid rehousing (RRH) programs procured utilizing a competitive procurement process. Further authorize the execution of agreements with People Assisting the Homeless (PATH), Home Start Inc. (Home Start), and The Salvation Army in the amount of \$454,726 each in HEAP funds to operate their respective RRH programs from May 1, 2019, through April 30, 2020, with a one-year option to extend each respective agreement to April 30, 2021.

**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 with People Assisting the Homeless (PATH) in the amount of \$454,726 to fund the Homeless Emergency Aid Program (HEAP) funded agreement to operate a Rapid Rehousing program for the term of May 1, 2019, to April 30, 2020, with a one-year option to extend to April 30, 2021;
- 2) Authorize the Housing Commission to enter into a one-year contract with Home Start Inc. (Home Start) in the amount of \$454,726 to fund the HEAP funded agreement to operate a Rapid Rehousing program for the term of May 1, 2019, to April 30, 2020, with a one-year option to extend to April 30, 2021;
- 3) Authorize the Housing Commission to enter into a one-year contract with The Salvation Army in the amount of \$454,726 to fund the Fiscal Year 2020 HEAP funded agreement to operate a Rapid Rehousing program for the term of May 1, 2019, to April 30, 2020, with a one-year option to extend to April 30, 2021;
- 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 approved by General Counsel, and to take such actions necessary and/or appropriate to

implement these approvals in accordance and compliance with all applicable laws, rules and regulations;

- 5) Authorize the President & CEO to increase the amount of funding in the initial operating year by not more than 30 percent of the annual operating budget, without increasing the total budget over the potential two-year term of the contract, by increasing the initial term budget amount and reducing the option year budget by the same amount without further action by the Housing Commission Board of Commissioners (Board). The total amount of funding in the initial operating year shall not exceed one million dollars (\$1,000,000). The execution of the contracts will be contingent on a Memorandum of Understanding (MOU) between the Housing Commission and the City of San Diego being approved under a separate action by the Housing Authority and the San Diego City Council, detailing the roles and responsibilities of the two parties related to the amount of HEAP funding being committed, and the purpose for which it is being committed to the Housing Commission; and
- 6) Authorize the President & CEO to substitute funding sources and/or increase compensation by not more than 20 percent of the total agreement amount 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**

As part of the City of San Diego's comprehensive approach to addressing homelessness, PATH, Home Start, and The Salvation Army shall operate Rapid Rehousing programs, utilizing state HEAP funds, which will provide short-term (0-3 months) to long-term (4-24 months) rental assistance and supportive services for San Diegans experiencing homelessness.

The HEAP funds referenced in this report are currently authorized by Senate Bill 850, which was signed into law by Governor Edmund G. "Jerry" Brown in June 2019. HEAP funds are allocated to Continuums of Care and large cities with populations exceeding 330,000 to provide immediate emergency assistance to people experiencing homelessness. The parameters of the program are intentionally broad to allow local communities to be creative and craft programs meeting the specific needs of the target population. HEAP funds must be contractually obligated by January 1, 2020, and completely expended by June 30, 2021.

Utilizing the Housing First model and person-centered services, which have proved effective in serving chronically homeless and/or highly vulnerable individuals, the programs will provide rental assistance and supportive services to quickly end the client's period of homelessness and provide support to ensure housing stability. If it were not for these important housing resources, these clients would likely be living in places not intended for human habitation or in emergency shelters. This critical work will contribute to the regional goals of ensuring instances of homelessness are rare, brief, and non-recurring.

The Rapid Rehousing programs will serve vulnerable clients referred to them through the Coordinated Entry System (CES). Services to be provided include, but are not limited to: case management services; short- to long-term 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.

**CONTRACT SELECTION PROCESS**

On January 11, 2019, the Housing Commission issued a Request for Proposals (RFP) for the operations of Rapid Rehousing (Program) in the City of San Diego, seeking contractors to operate the Program. The RFP was posted and made available for download on the Planet Bids website through the Housing Commission’s portal. All the agencies associated with the City of San Diego’s Planet Bids portal were also notified. In addition, advertisements were placed in the *San Diego Union-Tribune*. A pre-proposal meeting was held January 17, 2019. Representatives from three not-for-profit agencies were in attendance. More than 25 agencies downloaded and reviewed the RFP.

Proposals were submitted by People Assisting the Homeless (PATH), Salvation Army, Home Start and Father Joe’s Villages by the RFP closing date of January 31, 2019. Subsequent to the closing, a responsiveness review was conducted, with all proposals determined to be responsive. A source selection committee evaluated, scored and ranked the responses based on the following criteria: Organizational Experience and Capacity, Program Concept and Case Management, Quality Assurance and Evaluation, Project Timeline, Budget and High Needs Populations. Home Start received the highest ranking, and the top three proposals were short-listed.

<b>ORGANIZATION</b>	<b>RANKING</b>
Home Start	1
Salvation Army	2
PATH	3
Father Joe’s Villages	4

After a comprehensive review and consideration, the selection committee recommended the Housing Commission enter into clarification and negotiation meetings with the short-listed agencies and subsequently provided a multi-award contract to the short-listed agencies Home Start, Salvation Army and PATH. The contract will be executed approximately two weeks after Housing Authority review and/or approval

PATH currently receives Continuum of Care funds and Emergency Solutions Grant funds to operate two Rapid Rehousing programs administered by the Housing Commission. PATH has shown a consistent focus on providing compassionate and quality services to the clients they serve who are experiencing homelessness. Because of this previous success, the Housing Commission is confident PATH will achieve similar positive outcomes under this new Rapid Rehousing program.

The Housing Commission has administered a contract with Home Start since 2017 to operate a Rapid Rehousing Transitional Age Youth Program through the U.S. Department of Housing and Urban Development’s (HUD) Continuum of Care funding. Home Start has shown a consistent focus on providing compassionate and quality services to the clients they serve who are experiencing homelessness. Because of this previous success, the Housing Commission is confident Home Start will achieve similar positive outcomes under this new Rapid Rehousing program.

The Salvation Army has not previously received rapid rehousing funds administered by the Housing Commission. The proposal submitted in response to the competitive solicitation evidenced a strong capacity to administer the Rapid Rehousing program while providing optimum case management services, intensive supportive services and interventions, community referrals to partnering agencies, and housing navigation services while monetarily assisting with housing-related expenses. Outcomes for

the Rapid Rehousing program currently operated by The Salvation Army exceed regional standards for rapid rehousing programs and further substantiate the decision to award a contract to The Salvation Army as a new Rapid Rehousing partner.

**AFFORDABLE HOUSING IMPACT**

San Diego continues to experience a homelessness crisis, so the need for services that can provide quality permanent housing assistance to individuals and families experiencing homelessness is critical to the well-being of the community. The Rapid Rehousing programs serve this purpose by providing rental assistance and social services to families and individuals in need of housing. Clients participating in these programs represent San Diego’s most vulnerable citizens, as 100 percent of participants are certified as homeless at intake.

**FISCAL CONSIDERATIONS**

Approving this action will authorize the Housing Commission to expend \$1,364,178 annually. Additionally, approving this action will result in the housing of a minimum of 120 households and 168 individuals by the Rapid Rehousing programs during the remainder of Fiscal Year 2019 through June 30, 2021. This action is not included in the FY2019 approved budget and a request to increase the 2019 budget by \$ 1,364,178 will be recommended in conjunction when the HEAP funding is committed to the Housing Commission through an executed MOU for that purpose. Implementation of the programs will commence once such MOU is executed

PATH Rapid Rehousing	Home Start Rapid Rehousing	The Salvation Army Rapid Rehousing	Total
\$454,726	\$454,726	\$454,726	\$1,364,178

**EQUAL OPPORTUNITY/CONTRACTING**

PATH, Home Start, and The Salvation Army are local nonprofit organizations. As nonprofits, the organizations are exempt from the requirement to submit Workforce Reports.

**KEY STAKEHOLDERS and PROJECTED IMPACTS**

Stakeholders for this project include: 1) PATH Rapid Rehousing clients and PATH as the sub-recipient administering the program. The program is expected to have a positive impact on the community because it will provide rental assistance and social services support to a minimum of 40 otherwise homeless households; 2) Home Start Rapid Rehousing clients and Home Start as the sub-recipient administering the program. The program is expected to have a positive impact on the community because it will provide rental assistance and social services support to 40 otherwise homeless households; 3) The Salvation Army Rapid Rehousing clients and The Salvation Army as the sub-recipient administering the program. The program is expected to have a positive impact on the community because it will provide rental assistance and social services support to 40 otherwise homeless households.

**ENVIRONMENTAL REVIEW**

The activities described in the report are not a project as defined in California Environmental Quality Act (CEQA) Section 15378(b)(5) as they are administrative activities of government that will not result in direct or indirect physical changes in the environment and, therefore, are not subject to CEQA pursuant to Section 15060(c)(3) of the State CEQA Guidelines. Nevertheless, they would be categorically exempt under multiple separate provisions of CEQA, including Section 15301 for existing facilities involving negligible or no expansion of the existing use. This determination is not appealable

and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. The activity contemplated herein, does not involve the use of federal funds and is excluded from the National Environmental Policy Act (NEPA.)

Respectfully submitted,

*Lisa Jones*

Lisa Jones  
Vice President  
Homeless Housing Innovations

Approved by,

*Jeff Davis*

Jeff Davis  
Executive Vice President & Chief of Staff  
Board and Executive Functions

Hard copies are available for review during business hours at the security information desk in the main lobby and 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 "Governance & Legislative Affairs" section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org)