



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

DATE: May 3, 2019

HCR19-054

SUBJECT: Fiscal Year 2020 City of San Diego Bridge Shelter Programs 12-Month Operating Agreements and Corresponding Memorandum of Understanding Between the San Diego Housing Commission and City of San Diego

COUNCIL DISTRICT(S): Citywide

ORIGINATING DEPARTMENT: Homeless Housing Innovations

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

REQUESTED ACTION:

That the San Diego Housing Commission recommend that the Housing Authority of the City of San Diego (Housing Authority) approve a sole source contract award of the 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 Bridge Shelters, for a single 12-month term, from July 1, 2019, through June 30, 2020, as well as recommend approval to amend and extend the Memorandum of Understanding (MOU) between the San Diego Housing Commission (Housing Commission) and the City of San Diego through June 30, 2020, for oversight and administration of the City's Bridge Shelters.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The San Diego Housing Commission (Housing Commission) and City of San Diego (City) entered into a Memorandum of Understanding (MOU) for the City's 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 for oversight and administration of the Bridge Shelters 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.
- The Bridge Shelters utilize a Housing First model to offer safe, low-barrier temporary housing and appropriate services to prepare individuals and families who are experiencing homelessness for the most appropriate permanent or longer-term housing solution. On a nightly basis, the Bridge Shelters provide 674 beds for single adults, veterans and families with children who are experiencing homelessness in the City of San Diego.
- If approved by the Housing Commission Board, the Housing Authority and the City Council, the staff recommended actions would award and extend operating agreements for one 12-month term each with Alpha Project, Veterans Village of San Diego (VVSD), and Father Joe's Villages (FJV) for the operation of the City's Bridge Shelters, in a total amount of \$11,607,303, which includes \$296,955 for Housing Commission administrative cost and contingencies.
- Housing Commission Property Reserves and federal Moving to Work funds are the sources of funding for operations of the Bridge Shelters operated by Alpha Project and VVSD. Funding for the Bridge Shelter operated by FJV will be exclusively from Housing Commission Property Reserves. No federal funding will be used on the FJV-operated Bridge Shelter.



REPORT

DATE ISSUED: April 25, 2019

REPORT NO: HCR19-054

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of May 3, 2019

SUBJECT: Fiscal Year 2020 City of San Diego Bridge Shelter Programs 12-Month
Operating Agreements and Corresponding Memorandum of Understanding
Between the San Diego Housing Commission and City of San Diego

COUNCIL DISTRICT: Citywide

REQUESTED ACTION:

That the San Diego Housing Commission recommend that the Housing Authority of the City of San Diego (Housing Authority) approve a sole source contract award of the 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 Bridge Shelters, for a single 12-month term, from July 1, 2019, through June 30, 2020, as well as recommend approval to amend and extend the Memorandum of Understanding (MOU) between the San Diego Housing Commission (Housing Commission) and the City of San Diego through June 30, 2020, for oversight and administration of the City's Bridge Shelters.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) and San Diego City Council (City Council) take the following actions:

Housing Authority:

Action Item for Award and Execution of Operating Agreements with Alpha Project for the Homeless and Veterans Village of San Diego:

- 1) Authorize the award and execution of operating agreements for a 12-month term with Alpha Project for the Homeless (Alpha Project) for the operation of the City of San Diego's (City) Bridge Shelter for Single Adults, in the amount of \$5,317,212 and Veterans Village of San Diego (VVSD) for the operation of the City's Bridge Shelter for Veterans, in the amount of \$3,520,644; funding for the two existing Bridge Shelters will be from Housing Commission Property Reserves and Moving To Work (MTW) funding;

Action Item for Award and Execution of an Operating Agreement with Father Joe's Villages:

- 2) Authorize the award and execution of an operating agreement for a 12-month term with Father Joe's Villages (FJV) for the operation of the City's Bridge Shelter for Families and Single Women, in the amount of \$2,472,492; funding for this Bridge Shelter will be exclusively from Housing Commission Property Reserves – no federal funding will be used on this project;

April 25, 2019

Fiscal Year 2020 City of San Diego Bridge Shelter Programs 12-Month Operating Agreements and Corresponding Memorandum of Understanding Between the Housing Commission and City of San Diego

Page 2

Common Action Items:

- 3) Authorize the amendment to the MOU between the Housing Commission and the City to update the location of the City's Bridge Shelter for Families and Single Women, extend the term of the section option to coincide with the term of the operating agreements, and to execute the second option to extend MOU between the Housing Commission and the City for the Bridge Shelters for a one-year term, from July 1, 2019, through June 30, 2020, in accordance with Housing Authority Resolution Number HA-1789;
- 4) Authorize the President & Chief Executive Officer (President & CEO) of the Housing Commission, or designee, to execute all 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;
- 5) 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 FY2020 budget for such purpose, and the operators are able to procure contracts for said services under generally the same terms, conditions, and amounts that the City has currently secured, and that the City amend the terms of the MOU between the City and the Housing Commission to detail the transfer of funds provided in the City's FY 2020 budget to the Housing Commission for the purpose of covering all costs incurred by the operators related to the facilities contracts;
- 6) Authorize the President & CEO to extend and execute the Second Option to the Memorandum of Understanding with the City of San Diego; and
- 7) 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.

City Council:

Approve an amendment to the MOU between the City and the Housing Commission for oversight and administration of the Bridge Shelters, to update the location of the City's Bridge Shelter for Families and Single Women, to extend the term of the second option to coincide with the term of the operating agreements, and to execute the second renewal option for a one-year term, from July 1, 2019, through June 30, 2020, in accordance with City Council Resolution Number R-312285.

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 Bridge Shelter Programs, which was approved by the Housing Commission Board of Commissioners on

April 25, 2019

Fiscal Year 2020 City of San Diego Bridge Shelter Programs 12-Month Operating Agreements and Corresponding Memorandum of Understanding Between the Housing Commission and City of San Diego
Page 3

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

In September 2018, the Housing Commission Board, City Council, and Housing Authority authorized the execution of agreements for the operation of the City's Bridge Shelters for a period of nine months from October 1, 2018, through June 30, 2019. This approval increased overall funding for the City's Bridge Shelter Program to allow for staffing increases as recommended by the third-party evaluation conducted by Focus Strategies and supported the oversight and management of the Shelters.

The Bridge Shelters utilize a Housing First model to offer safe, low-barrier temporary housing and appropriate services to prepare individuals and families who are experiencing homelessness for the most appropriate permanent or longer-term housing solution. On a nightly basis, the Bridge Shelters provide 674 beds for single adults, veterans and families with children who are experiencing homelessness in the City of San Diego. From the commencement of Bridge Shelter operations in December 2017 through March 31, 2019, 3,801 individuals have been provided with temporary shelter and supportive services, and 734 individuals have moved on to permanent or other longer-term housing solutions.

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. In July 2018, Focus Strategies, the third-party evaluator, provided recommendations to enhance the availability of housing-focused services. They recommended that in order 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 were needed. Based on input received from the members of the Housing Authority, the recommended programmatic changes were incorporated into the operator contracts. They included 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.

To augment the implemented staffing changes, and bring robust supports to the shelter operators, the Housing Commission is procuring industry experts to provide intensive housing-focused shelter training and technical assistance to the Bridge Shelter staff throughout Fiscal Year 2020. This intensive training

would enhance the housing-focused services that are currently being provided, and continue to emphasize and maintain staff focus on assisting individuals and families in shelter to identify and connect to the most appropriate permanent housing solutions as quickly as possible. The Housing Commission will also include the City's Interim Shelter programs in this intensive training plan in an effort to enrich and align shelter services across the City. Any training and technical assistance would include an after-action evaluation to identify advances in service delivery that have been achieved and what additional actions and supports would best support the outcomes of the Bridge Shelter and Interim Shelter programs.

Since the Bridge Shelters opened in December 2017, a goal has been to prioritize intakes in conjunction with a household's status in the Coordinated Entry System (CES). This resulted in the identification of four CES status levels. Since January 2019, the Regional Task Force on the Homeless (RTFH) has restructured CES, necessitating a re-examination of the priority level definitions. Additionally, with the implementation of a new Homeless Management Information System (HMIS) database by RTFH in January 2019, an opportunity exists to move toward a more data-informed assignment of priority levels. As a result, it is recommended that the following definitions be used to determine prioritization within the Bridge Shelters:

- Service Level 1: Referred Households: Households who have been referred to a permanent housing provider in CES.
- Service Level 2: Service Connected Households: Households who have not been referred to a permanent housing provider in CES, but are active on the CES prioritized by-name-list prior to entry into the Bridge Shelter.
- Service Level 3: Unconnected Households: Households who are not active on the CES prioritized by-name-list prior to entry into the Bridge Shelter or are newly entered in HMIS

The redefined service levels reflect how CES operates in its redesigned state; it is a more simplified and streamlined CES that is intended to create better access to available housing subsidies. Additionally, a household's service level designation at entry will help to inform case planning at the Bridge Shelter. For Service Level 1 households, Bridge Shelter staff will focus on ensuring the household is engaged in regular and effective communication with their permanent housing provider, and shelter staff will work in conjunction with that provider to exit the household to permanent housing as quickly as possible. For Service Level 2 households, Bridge Shelter staff will focus on next steps to achieve a permanent or other longer-term housing solution through further assessments in HMIS, advocacy in case conferencing for appropriate permanent housing resources through CES, and/or case management to resolve homelessness outside of the resources available through CES. For Service Level 3 households, who are newly homeless or are not active on the CES prioritized by-name list prior to entry into the Bridge Shelter, staff will focus on engaging the household in diversion conversations to resolve homelessness, beginning triage assessments in HMIS, and identifying household needs regarding permanent housing solutions if diversion attempts are not successful. Lastly, the redefined service levels also allow for more accurate and automated reporting through HMIS.

Due to quality contract performance by Father Joe's Villages, Alpha Project for the Homeless, and Veterans Village of San Diego, the Housing Commission is exercising the ability to utilize sole source

April 25, 2019

Fiscal Year 2020 City of San Diego Bridge Shelter Programs 12-Month Operating Agreements and Corresponding Memorandum of Understanding Between the Housing Commission and City of San Diego
Page 5

justifications to renew the contracts in accordance with Statement of Procurement Policy PO-PUR-373.01 Section 14.2.

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 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, \$11,310,348 is included in the Housing Commission’s Fiscal Year 2020 budget for the three providers plus an additional \$296,955 for Housing Commission administrative costs and contingencies (which includes the \$75,000 to conduct intensive Housing Focused Shelter third-party training activities and after action evaluation), pending approval by the Housing Commission’s Board on May 3, 2019, and by the Housing Authority on May 21, 2019. 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 provider cost of \$45.98 per bed night.

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

Table 1: Funding Sources and Uses

FUNDING SOURCE	FUNDING USE				
	<i>Alpha</i>	<i>VVSD</i>	<i>FJV</i>	<i>Housing Commission</i>	<i>TOTAL</i>
Local Property Reserves	\$917,212	\$820,644	\$2,472,492	\$296,955	\$4,507,303
MTW (Moving To Work)	\$4,400,000	\$2,700,000	\$0	\$0	\$7,100,000
Total	\$5,317,212	\$3,520,644	\$2,472,492	\$296,955	\$11,607,303

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 ACTIONS

On September 18, 2018, the Housing Authority approved Resolution HA-1789, approving the execution of the second option to renew operating agreements with Alpha Project for the Homeless, Veterans Village of

April 25, 2019

Fiscal Year 2020 City of San Diego Bridge Shelter Programs 12-Month Operating Agreements and Corresponding Memorandum of Understanding Between the Housing Commission and City of San Diego
Page 6

San Diego, and Father Joe's Villages for the operation of the three City of San Diego Bridge Shelters for a nine-month term, from October 1, 2018, to June 30, 2019.

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 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 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.

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

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders for this project include: the Bridge Shelter Program clients receiving housing specialist and case management services for 674 homeless individuals daily.

ENVIRONMENTAL REVIEW

Based on funding sources, the Environmental Reviews for the Bridge Shelters are as follow:

Bridge Shelter for Families and Single Women (Father Joe's Villages):

This project is not subject to CEQA pursuant to California Government Code section 8698.4, which provides that actions taken by a city to lease, convey, or encumber land owned by a city, or to facilitate the lease, conveyance, or encumbrance of land owned by the local government for, or to provide financial assistance to, a homeless shelter is not subject to CEQA. In addition, this activity is not subject

April 25, 2019

Fiscal Year 2020 City of San Diego Bridge Shelter Programs 12-Month Operating Agreements and
Corresponding Memorandum of Understanding Between the Housing Commission and City of San
Diego

Page 7

to CEQA pursuant to Section 15060(c)(2) because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment. Since there are NO federal funds being used for this action, National Environmental Policy Act environmental clearances are not required at this time.

Bridge Shelter for Single Adults (Alpha Project) and Bridge Shelter for Veterans (VVSD):

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. A final reservation of federal funds shall occur only upon satisfactory completion of a National Environmental Policy Act (NEPA) review. A preliminary determination has defined the activities contemplated herein, including operation of the facility, to be categorically excluded from NEPA pursuant to Section 58.35(b)(2) and 93) and exempt per Section 58.34(a)(3) and (4) of Title 24 of the Code of Federal Regulations. The parties agree that the provision of any federal funds to the project is conditioned on the City of San Diego's final NEPA review and approval.

Respectfully submitted,



Lisa Jones
Senior Vice President
Homeless Housing Innovations
San Diego Housing Commission

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 "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org.