



SAN DIEGO
HOUSING
COMMISSION

**California State Assembly
Committee on Budget
Subcommittee 4 on State Administration**

and

**California State Assembly
Committee on Housing and Community Development**

**Joint Informational Hearing
State Role on Homelessness**

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Introduction

The State of California has emerged as an essential partner in initiatives to address the ongoing homelessness crisis in communities throughout the state, especially during the ongoing COVID-19 pandemic. The Project Homekey, Homeless Emergency Aid Program (HEAP) and Homeless Housing, Assistance and Prevention (HHAP) Program are among the examples of vital state funding to support innovative efforts to provide a continuum of housing assistance from shelters to permanent housing with supportive services during challenging times. These funds represent a significant infusion of new funds for homelessness solutions for the first time in many years.

Today's joint informational hearing about the State of California's role on homelessness provides an important opportunity for members of the Committee on Housing and Community Development and the Budget Committee's Subcommittee on State Administration to hear from a diverse group of representatives about the importance of the State of California continuing and expanding its role in identifying and implementing homelessness solutions.

My perspective and opinions in this testimony to the joint hearing are informed by my more than 48 years working in affordable housing, including the last 12 years as President and Chief Executive Officer of the San Diego Housing Commission (SDHC). A leader in collaborative

efforts to address homelessness in the City of San Diego, SDHC administers homeless shelters and services programs for the City of San Diego and on November 12, 2014, launched HOUSING FIRST – SAN DIEGO, a homelessness action plan that has created more than 9,200 housing solutions in six years for San Diegans experiencing homelessness. More than 600 additional housing units created through HOUSING FIRST – SAN DIEGO are pending completion.

In addition, I serve as Chair of the Continuum of Care Board for the San Diego region. Composed of 31 members, including elected officials, civic leaders and service providers, this board provides direction on policy and priorities for the San Diego Regional Task Force on the Homeless (RTFH). The Continuum of Care Board also oversees the administration of approximately \$28 million in federal grants as well as more than \$23 million in HEAP and HHAP funds for homelessness programs in the San Diego region.

In recent years, San Diego has experienced declines in homelessness unseen in other West Coast metropolitan areas. According to the annual Point-in-Time Count from 2019 and 2020, overall unsheltered homelessness declined 12 percent, unsheltered veteran homelessness declined 44 percent, and unsheltered youth homelessness declined 37 percent.

SDHC's experience in the City of San Diego demonstrates the necessity of collaboration and financial support from local, state and federal governments to address the homelessness crisis. The San Diego region has achieved a level of cooperation and coordination among the City of San Diego, County of San Diego, SDHC, Regional Task Force on the Homeless and Continuum of Care to ensure resources are allocated strategically to maximize their impact on homelessness.

Project Homekey

Today, more than 260 people who previously experienced homelessness in the City of San Diego are residing in permanent rental homes of their own because of SDHC's purchase of two hotels, which State Project Homekey funds supported. Additional residents will be moving into these properties in the coming weeks.

The State of California awarded SDHC \$37.7 million in Project Homekey funds to support SDHC's purchase of these two hotels to create 332 units of permanent housing with supportive services that can accommodate as many as 400 individuals who experienced homelessness.

Project Homekey funds combined with funds from SDHC, the City of San Diego and a loan from Chase Bank made SDHC's purchase of these hotels possible. SDHC also awarded 332 federal rental housing vouchers to help the residents at these properties pay their rent, which will foster housing stability.

SDHC completed its purchase of these hotels on November 25, 2020, and new residents began moving into these permanent rental housing units on December 11, 2020.

Governor Gavin Newsom's leadership and commitment to addressing homelessness through Project Homekey and the professionalism and responsiveness demonstrated by Secretary Lourdes Castro Ramirez and her staff at the Business, Consumer Services and Housing Agency provided SDHC with an outstanding experience with Project Homekey.

A commitment of State of California funds for the continuation or expansion of Project Homekey or similar initiatives would facilitate the acquisition of additional underutilized hotels to create permanent housing. SDHC's hotel purchases with Project Homekey funds built upon the agency's extensive history of similar successful transformations of hotels into permanent housing, utilizing local and federal funding. These projects include SDHC's purchase of Quality Inn, a 92-unit former hotel that currently provides affordable housing with supportive services for seniors, veterans and transitional-age youth. SDHC also acquired the West Park Inn next door to Quality Inn. West Park Inn is a 47-unit former motel that also currently provides affordable housing with supportive services for seniors, adults with mental health disabilities, and transitional-age youth.

In San Diego and throughout the State of California, these types of property acquisitions provide unique opportunities to quickly create the additional quality permanent housing with supportive services that is needed statewide.

HEAP and HHAP Funding

The State of California's allocation of HEAP and HHAP funds to the City of San Diego, County of San Diego and Continuum of Care support a variety of housing assistance programs for individuals experiencing homelessness. Through Memoranda of Understanding (MOU) with the City of San Diego, SDHC administers HEAP and HHAP funds awarded to the City of San Diego. These funds provide crucial resources for the operations of a variety of shelters and services programs.

More than \$12 million in HEAP funds support homelessness outreach, storage centers for individuals experiencing homelessness to safely keep their belongings, homelessness diversion, safe parking, rapid rehousing, a flexible subsidy pool for housing solutions, youth-focused programs, and SDHC's Landlord Engagement and Assistance Program (LEAP), which provides incentives and support for landlords who rent to individuals and families experiencing homelessness.

SDHC also has administered more than \$22 million in HHAP funds for City Bridge Shelters, rapid rehousing programs, coordinated outreach, storage centers for individuals experiencing homelessness to safely keep their belongings, homelessness prevention and diversion, and safe

parking programs. Approximately \$10.6 million in additional HHAP funds are expected to support these City of San Diego programs in Fiscal Year 2022.

These funds are in addition to allocations to the County of San Diego, which received approximately \$4.6 million in HHAP funds, and San Diego's regional Continuum of Care, which received \$18.8 million in HEAP funds and more than \$5 million in HHAP funds.

Regional coordination about the utilization of these resources is facilitated by representation from the City of San Diego, County of San Diego and SDHC on the Continuum of Care Advisory Board, as well the Leadership Council created through the City of San Diego's Community Action Plan on Homelessness, discussed in greater detail below.

City of San Diego Community Action Plan on Homelessness

The City of San Diego Community Action Plan on Homelessness (Community Action Plan) is a comprehensive, 10-year plan that builds on recent progress, lays out short-term achievable goals and serves as a guide for long-term success in addressing homelessness.

The Community Action Plan recommended the creation of a Leadership Council to provide for cross-agency collaboration, alignment of resources toward systems-level thinking and accountability. The Leadership Council reviews progress, problem-solves when challenges arise, identifies funding and resources for implementation, and creates an appropriate level of both accountability and insulation from political issues. The Mayor of the City of San Diego, a San Diego City Councilmember, a San Diego County Supervisor, the CEO of the Regional Task Force on the Homeless, and I as SDHC's President and CEO serve on the Leadership Council. Additional members include a philanthropic representative, a representative from the Voices of Our City Choir who has lived experience with homelessness, and a business representative from San Diego Gas & Electric.

The Leadership Council oversees the Interagency Implementation Team, which consists of members from the four main funding agencies and oversight structures in the City related to homelessness: the City of San Diego Chief of Homelessness Strategies and Housing Liaison, a San Diego City Councilmember's Chief of Staff, the CEO of the Regional Task Force on the Homeless or their designee, and SDHC's Executive Vice President of Strategic Initiatives, who also oversees SDHC's Homeless Housing Innovations Division.

The creation of new permanent supportive housing through SDHC's two hotel acquisitions with State of California Project Homekey funds supported one of the foundational strategies in the Community Action Plan— Increase the Production of and Access to Permanent Solutions.

In addition, HEAP and HHAP funds supported operations of the City of San Diego's Bridge Shelters as Operation Shelter to Home, a collaborative initiative in response to the COVID-19 pandemic. Operation Shelter to Home launched on April 1, 2020, to protect the health of San Diegans experiencing homelessness and help them obtain housing as quickly as possible. This initiative temporarily repurposed parts of the San Diego Convention Center as a temporary shelter. Operation Shelter to Home has helped more than 1,100 individuals and more than 40 families obtain permanent or longer-term housing.

The response to the global pandemic concurrently with the homelessness crisis demonstrated the validity and value of the Community Action Plan, which allowed the Implementation Team and Leadership Council to make informed and aligned decisions that support the goals and foundational strategies outlined in the Community Action Plan.

The San Diego City Council unanimously accepted the Community Action Plan on October 14, 2019. Through a contract with SDHC on behalf of the City of San Diego, the Corporation for Supportive Housing (CSH), a nationally recognized consultant with broad expertise in the area of homelessness, developed this Community Action Plan.

The initial development of this plan included the creation of a Steering Committee that consisted of key staff members from major funding and policy-making agencies in the City of San Diego, including the office of then-Mayor Kevin L. Faulconer, the office of then-City Councilmember Chris Ward, currently serving in the State Assembly, SDHC and the Regional Task Force on the Homeless. The Steering Committee supported the work of CSH through all phases of the plan development.

The participation and input of more than 200 members of the community, including individuals who have experienced homelessness and those who regularly work directly with individuals experiencing homelessness, contributed to the development of the goals, principles, recommendations and strategies in this Community Action Plan.

Conclusion

The State of California's continuing participation and investment in collaborative initiatives will be necessary to address homelessness. San Diego's experience manifests the types of positive outcomes achievable with a combination of regional coordination and involvement of local, state and federal governments.

Project Homekey, HEAP and HHAP programs provide a framework for success moving forward by supporting existing programs and the creation of new initiatives to provide a path off the streets and out of shelters and into permanent housing options for individuals and families experiencing homelessness.