



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: May 6, 2021

HCR21-039

SUBJECT: Homeless Housing, Assistance, and Prevention Program (HHAP) Funded 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 \$1,969,885 in Homeless Housing, Assistance, and Prevention Program (HHAP) funds to support three Rapid Rehousing programs for a one-year time of performance, using Non-Competitive agreements under Procurement Policy 9.4; authorize the execution of agreements with People Assisting the Homeless (PATH) in the amount of \$655,604; Home Start, Inc. (Home Start) in the amount of \$683,638; and The Salvation Army in the amount of \$630,643 to extend operation of their respective Rapid Rehousing programs from July 1, 2021, through June 30, 2022, with no options for renewal.

EXECUTIVE SUMMARY OF KEY FACTORS:

- PATH, Home Start and The Salvation Army each were selected through a competitive procurement process in 2019 to administer Rapid Rehousing programs funded by Homeless Emergency Aid Program (HEAP) funds that became operational on May 1, 2019.
- To date, PATH, Home Start and The Salvation Army have helped 111 households previously experiencing homelessness (42, 32 and 37 households, respectively) to secure stable housing by offering short-term (0-3 months) to long-term (4-24 months) rental assistance and supportive services.
- Each program is currently funded for continued operation through June 30, 2021, but due to the nature of the program, household enrollments that happened more recently may need support beyond the current contracts' term.
- Coupled with the unanticipated challenges of securing and sustaining rental opportunities during the COVID-19 pandemic, it is estimated that 66 households will remain in need of additional rental assistance.
- An additional one-year extension, utilizing HHAP funding, is being requested to allow operation of these programs to continue through June 30, 2022.
- Approving this action will authorize the San Diego Housing Commission to expend \$1,969,885 in Fiscal Year 2022 in a manner consistent with the City of San Diego's Community Action Plan on Homelessness, pending funding availability as determined by the City of San Diego.
- These funds will be included in the Housing Commission's Fiscal Year 2022 proposed budget.



REPORT

DATE ISSUED: April 29, 2021

REPORT NO: HCR21-039

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of May 6, 2021

SUBJECT: Homeless Housing, Assistance, and Prevention Program (HHAP) Funded Rapid Rehousing Programs

COUNCIL DISTRICT: Citywide

REQUESTED ACTION:

Authorize the award of \$1,969,885 in Homeless Housing, Assistance, and Prevention Program (HHAP) funds to support three Rapid Rehousing programs for a one-year time of performance, using Non-Competitive agreements under Procurement Policy 9.4; authorize the execution of agreements with People Assisting the Homeless (PATH) in the amount of \$655,604; Home Start, Inc. (Home Start) in the amount of \$683,638; and The Salvation Army in the amount of \$630,643 to extend operation of their respective Rapid Rehousing programs from July 1, 2021, through June 30, 2022, with no options for renewal.

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, using a Non-Competitive agreement under Procurement Policy 9.4, with People Assisting the Homeless (PATH) in the amount of \$655,604 to operate a Rapid Rehousing program for the term of July 1, 2021, to June 30, 2022, funded by Homeless Housing, Assistance, and Prevention Program (HHAP) and American Rescue Plan Act (ARPA) funds, contingent on funding being allocated for this purpose in the City of San Diego's Fiscal year 2022 budgeting process;
- 2) Authorize the Housing Commission to enter into a one-year contract, using a Non-Competitive agreement under Procurement Policy 9.4, with Home Start Inc. (Home Start) in the amount of \$683,638 to operate a Rapid Rehousing program for the term of July 1, 2021, to June 30, 2022, funded by HHAP and ARPA funds, contingent on funding being allocated for this purpose in the City of San Diego's Fiscal year 2022 budgeting process;
- 3) Authorize the Housing Commission to enter into a one-year contract, using a Non-Competitive agreement under Procurement Policy 9.4, with The Salvation Army in the amount of \$630,643 to operate a Rapid Rehousing program for the term of July 1, 2021, to June 30, 2022, funded by HHAP and ARPA funds, contingent on funding being allocated for this purpose in the City of San Diego's Fiscal year 2022 budgeting process;

- 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 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. The execution of the contracts will be contingent on the renewal of a Memorandum of Understanding (MOU) between the Housing Commission and the City of San Diego for Administration of HHAP funds or renewal of the General Shelter and Services MOU for use of other funds as deemed appropriate by the City of San Diego and approved through the City of San Diego's Fiscal Year 2022 budget process.

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. To date, PATH, Home Start and The Salvation Army have helped 111 households previously experiencing homelessness (42, 32 and 37 households, respectively) to secure stable housing by offering short-term (0-3 months) to long-term (4-24 months) rental assistance and supportive services. Each program is currently funded for continued operation through June 30, 2021, but due to the nature of the program, household enrollments that happened more recently may need support beyond the current contracts' term. Coupled with the unanticipated challenges of securing and sustaining rental opportunities during the COVID-19 pandemic, it is estimated that 66 households will remain in need of additional rental assistance. For that reason, an additional one-year extension, utilizing HHAP funding, is being requested to allow operation of these programs to continue through June 30, 2022. The addition of ARPA funds will provide the opportunity for these three Rapid Rehousing programs to scale staffing and support up to an additional 100 households experiencing homelessness to transition into permanent housing with services to promote long-term stabilization.

These programs were previously funded by HEAP funds, but this funding source expires on June 30, 2021. As a result, HHAP funds have been identified as an alternative funding source that would allow these programs to continue. The HHAP funds referenced in this report are authorized by Assembly Bill 101 (Chapter 159, Statutes of 2019), signed into law by Governor Gavin Newsom on July 31, 2019, and must be fully expended by June 30, 2025. The City is still in its Fiscal Year 2022 budgeting process, so the type of funding may be adjusted. The final funding type will be approved through the City's Fiscal Year 2022 budget process.

Informed by the Housing First model and incorporating person-centered services, 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. Without the continuation of these resources, the households served by these programs face an increased risk of returning to homelessness.

The Rapid Rehousing programs will continue to serve vulnerable clients currently housed through the program and referred through the Coordinated Entry System (CES). Services to be provided include, but are not limited to: case management; 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.

AFFORDABLE HOUSING IMPACT

Homelessness remains a crisis in the City of San Diego. The social services and rental assistance the Rapid Rehousing program provide are critical to ensure that program participants remain stably housed, especially amid the ongoing COVID-19 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 \$1,969,885 in Fiscal Year 2022 in a manner consistent with the City of San Diego’s Community Action Plan on Homelessness, pending funding availability as determined by the City of San Diego. These funds will be included in the Housing Commission’s Fiscal Year 2022 proposed budget, which will be presented to the Housing Authority of the City of San Diego in June 2021 for consideration. Additionally, approving this action will result in stabilizing the housing of approximately 66 existing program households and providing housing to approximately 100 additional households through June 30, 2022.

PATH Rapid Rehousing	Home Start Rapid Rehousing	The Salvation Army Rapid Rehousing	Total
\$655,604	\$683,638	\$630,643	\$1,969,885

EQUAL OPPORTUNITY/CONTRACTING

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.

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).

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.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

The Rapid Rehousing programs are “scattered-site” programs, which houses individuals and families throughout the City of San Diego. The Rapid Rehousing programs do not directly affect one specific community; therefore, community participation and public outreach efforts do not apply to this program type.

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 approximately 27 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 approximately 21 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 approximately 18 otherwise homeless 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. Further, to the extent the activity herein is a project, it is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense) which states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. The Common Sense Exemption is applicable where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. This would not, on its own accord, cause a significant effect on the environment.

Respectfully submitted,

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

Approved by,

Jeff Davis
Jeff Davis
Deputy 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