



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: January 7, 2022

HCR22-009

SUBJECT: Amendment to San Diego Housing Commission's Agreement for Hotline Services for the COVID-19 Housing Stability Assistance Program with INFO LINE SAN DIEGO dba 2-1-1 San Diego, RAD-22-05

COUNCIL DISTRICT(S): Citywide

ORIGINATING DEPARTMENT: Rental Assistance Division

CONTACT/PHONE NUMBER: Azucena Valladolid (619) 578-7604

#### REQUESTED ACTION:

Authorize a second amendment to the San Diego Housing Commission agreement for hotline services for the COVID-19 Housing Stability Assistance Program with INFO LINE SAN DIEGO dba 2-1-1 San Diego to increase the total compensation to address the significant increase in daily calls, prevent callers from abandoning or ending calls prior to receiving assistance due to wait times, and reduce wait times.

#### EXECUTIVE SUMMARY OF KEY FACTORS:

- The Housing Commission administers and operates the City of San Diego COVID-19 Housing Stability Assistance Program (HSAP).
- The Housing Commission contracts with 2-1-1 to answer questions about the program, provide customer service, and help individuals apply, including those who do not have internet access.
- The Housing Commission's current HSAP contract with 2-1-1 is for a not-to-exceed amount of \$250,000 for a one-year term of October 1, 2021, through September 30, 2022, and includes a one-year renewal option.
- Several factors have contributed to higher-than-anticipated call volume, wait times and callers ending calls prior to being assisted due to wait times for the HSAP hotline administered by 2-1-1.
- To address these circumstances and continue to support HSAP as it assists households with low income, the contract compensation amount needs to be increased to provide for a revised scope of services, such as increasing the daily maximum calls to 450, adding staff to answer calls.
- The proposed contract includes a provision that addresses the need for cost reductions should call volumes be less than anticipated to ensure cost reasonableness and ensures charges are not incurred for services not rendered.
- The funding proposed by this action does not impact the Housing Authority-approved Fiscal Year 2022 Budget. Approving this action will authorize the Housing Commission to expend \$940,000 of federal American Rescue Plan Act (ARPA) funds toward the contract with 2-1-1.
- This action also would authorize the President & CEO, or designee, to increase compensation by not more than 20 percent of the total agreement amount, if necessary, should the operational need arise, without further action by the Housing Commission Board.
- If additional funding is awarded for HSAP, this action would support continued operations of HSAP until August 2022.



## REPORT

**DATE ISSUED:** December 29, 2021

**REPORT NO:** HCR22-009

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of January 7, 2022

**SUBJECT:** Amendment to San Diego Housing Commission's Agreement for Hotline Services for the COVID-19 Housing Stability Assistance Program with INFO LINE SAN DIEGO dba 2-1-1 San Diego, RAD-22-05

**COUNCIL DISTRICT:** Citywide

### **REQUESTED ACTION**

Authorize a second amendment to the San Diego Housing Commission agreement for hotline services for the COVID-19 Housing Stability Assistance Program with INFO LINE SAN DIEGO dba 2-1-1 San Diego to increase the total compensation to address the significant increase in daily calls, prevent callers from abandoning or ending calls prior to receiving assistance due to wait times, and reduce wait times.

### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) take the following actions:

- 1) Approve an increase to the maximum compensation for the current term of the Agreement for Hotline Services with INFO LINE SAN DIEGO, dba 2-1-1 San Diego (2-1-1) in the amount of \$690,000 for a maximum compensation amount of \$940,000 as identified in the Agreement, to provide compensation to respond to the increased daily calls, minimize wait times, support in-person outreach events and provide assistance with local court inquiries as needed for the administration of the COVID-19 Housing Stability Assistance Program in response to the ongoing COVID-19 pandemic;
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources provided the total program/project budget amount after substitution does not exceed the approved total budget, and to increase compensation by not more than 20 percent of the total agreement amount, if necessary, should the operational need arise, without further action by the Housing Commission Board; and
- 3) Authorize the President & CEO, 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 take such actions as are necessary and/or appropriate to implement these approvals.

### **SUMMARY**

The Housing Commission administers and operates the City of San Diego COVID-19 Housing Stability Assistance Program (HSAP), which helps pay rent and utilities for households with low income in the City of San Diego that experience financial hardship due to or during the ongoing COVID-19 pandemic. The City Council (Agenda Item No. 603; Resolution No. 313439) and Housing Authority (Report No.

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HAR21-010; Resolution No. HA-1900) authorized HSAP and initial funding for the program on February 22, 2021.

The Housing Commission launched the online application portal for HSAP on March 15, 2021. As of December 7, 2021, more than 34,000 applications have been submitted, which includes more than 7,000 individuals who updated previously submitted information and/or requested additional assistance, and more than 31,000 additional applications have been started and are pending completion. The application remains open at [covidassistance.sdhc.org](https://covidassistance.sdhc.org), and additional applications are submitted daily.

The Housing Commission began disbursing payments in late April 2021 to help qualifying households. As of December 7, 2021, the Housing Commission has disbursed \$127,958,404.17 to help 13,640 qualifying households. Additional payments are disbursed each business day in accordance with the Housing Commission's posted operating hours.

The Housing Commission began contracting with 2-1-1 on February 25, 2021, to answer questions about the program, provide customer service, and help individuals apply, including those who do not have internet access, through the program's dedicated telephone hotline, (619) 535-6921. The contract for the period of February 25, 2021, through June 30, 2021, was awarded to 2-1-1 through a non-competitive process in accordance with the guidelines of the Housing Commission's Statement of Procurement Policy Section 9.4 for a not-to-exceed amount of \$250,000. The Housing Commission exercised the first option to renew this contract for the period of July 1, 2021, through September 30, 2021.

The Housing Commission's current HSAP contract with 2-1-1 to support HSAP's continuing operations, including telephone hotline services, is for a not-to-exceed amount of \$250,000 for a one-year term of October 1, 2021, through September 30, 2022, and includes a one-year renewal option. The scope of services in the current contract includes the following:

- Respond to a maximum of 300 daily calls
- Conduct 150 daily outbound follow-up call/text messages
- Conduct one in-person outreach event per month
- Send outbound Community Information Exchange (CIE) referrals to Housing Commission-contracted community-based organizations (CBOs) that are existing CIE partners.
- Participate in and support Housing Commission outreach efforts
- Assist with the Local Court Engagement program

However, several factors have contributed to higher-than-anticipated call volume, wait times and callers ending calls prior to being assisted due to wait times for the HSAP hotline administered by 2-1-1. To address these circumstances and continue to support HSAP as it assists households with low income, the contract compensation amount needs to be increased to provide for a revised scope of services that includes the following:

- Increase daily maximum calls to 450
- Add additional staff to answer phone calls
- Add an additional 100 new ports to handle higher inbound call volumes
- Increase daily outbound follow-up call/text messages to 450
- Increase in-person outreach events to two per month
- Submit program analysis reports detailing Housing Commission client needs and available outcomes
- Assist with the Local Court Engagement Program

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The factors that necessitate the proposed changes to the contract with 2-1-1 include the September 30, 2021, expiration of the State's temporary ban on evictions for nonpayment of rent related to the COVID-19 pandemic. State Assembly Bill (AB) 832, signed into law June 28, 2021, includes eviction protections for renters who have applied for emergency rental assistance. Additionally, ongoing allocations of additional funding have expanded HSAP and the anticipated term of the program. These changes resulted in a significant increase in the number of applications submitted. They also initiated an increase in the number of phone calls to the HSAP hotline to inquire about the status of HSAP, application status, requests for application assistance, and general HSAP questions. 2-1-1 also informs callers of general information about the eviction protections available for those who apply for help from HSAP and refers callers to nonprofit organizations that provide eviction prevention assistance if the caller does not qualify for HSAP.

The proposed contract includes a provision that addresses the need for cost reductions should call volumes be less than anticipated to ensure cost reasonableness and ensures charges are not incurred for services not rendered, such as in-person outreach events and/or court engagement activities.

However, if additional funds are allocated to HSAP, the staff-recommended actions, if approved, would support the continued operations of HSAP until August 2022.

The City Council's and Housing Authority's February 22, 2021, approvals of HSAP included \$92,211,316.57 for assistance payments and program administration expenses.

In March 2021, the U.S. Congress enacted the American Rescue Plan Act (ARPA), which President Joe Biden signed into law on March 11, 2021. The City of San Diego received an allocation of \$54,539,063.20 in ARPA funds directly from the U.S. Department of the Treasury. These funds supported the operation of HSAP to help households that need help paying their rent and utilities to avoid being displaced from their homes. In addition, on June 23, 2021, the State transferred an additional \$5,610,840.67 in funding for which the Housing Commission requested Housing Authority and City Council approval on July 27, 2021, to expend on HSAP assistance payments and administrative expenses in accordance with State funding requirements. The \$60,149,903.87 was approved by the City Council (Agenda Item No. 331, Resolution No. R-313667) and Housing Authority (Report No. HAR21-015; Resolution No. HA-1921) for HSAP, of which \$51,484,860.16 was budgeted for assistance payments. The July 27, 2021, Housing Authority and City Council actions also approved a first amendment to the MOU between the Housing Commission and the City for the Housing Commission to continue to oversee and administer HSAP with the additional funds.

In addition, the State of California allocated \$39,712,779.17 of federal ARPA funds to the City of San Diego for HSAP assistance payments and program administration. On October 5, 2021, the City Council (Agenda Item No. 331; Resolution No. R-313732) and Housing Authority (Report No. HAR21-020; Resolution No. HA-1923) authorized the acceptance of these funds from the State and the expenditure of these funds on HSAP assistance payments and administrative expenses in accordance with federal and State funding requirements. The City Council and Housing Authority also approved a second amendment to the MOU between the City and the Housing Commission for the administration and oversight of HSAP to incorporate the \$39,712,779.17 of federal ARPA funds the State allocated to the City of San Diego. Finally, the State of California allocated \$27,000,000 of federal ARPA funds to the City of San Diego for HSAP assistance payments and program administration. On December 6, 2021, the City Council (Agenda Item No. 202; Resolution No. R-2022-174) and Housing Authority (Report

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No. HAR21-020; Resolution No. HA-TBD) authorized the acceptance of these funds from the State and the expenditure of these funds on HSAP assistance payments and administrative expenses in accordance with federal and State funding requirements. The City Council and Housing Authority also approved a third amendment to the MOU between the City and the Housing Commission for the administration and oversight of HSAP to incorporate the additional \$27,000,000.

### **AFFORDABLE HOUSING IMPACT**

The continued operation and expansion of the telephone hotline by 2-1-1 San Diego will allow low-income households experiencing financial hardship due to or during the COVID-19 pandemic greater access to HSAP. The program helps pay for rent and utilities for eligible households that experience financial hardship due to or during the ongoing COVID-19 pandemic, and will continue to help prevent housing displacement among low-income households.

### **FISCAL CONSIDERATIONS**

The funding proposed by this action does not impact the Housing Commission's Housing Authority-approved Fiscal Year 2022 Budget. Approving this action will authorize the Housing Commission to expend \$940,000 of federal American Rescue Plan Act (ARPA) funds toward the Agreement for Hotline Services with INFO LINE SAN DIEGO, dba 2-1-1 San Diego (2-1-1).

#### **Funding Sources**

ERA – Admin Funds:	\$940,000
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#### **Funding Uses**

2-1-1 Contract:	\$940,000
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### **PREVIOUS COUNCIL AND/OR COMMITTEE ACTION**

On February 22, 2021, the San Diego City Council (Agenda Item No. 603; Resolution No. 313439) and Housing Authority (Report No. HAR21-010; Resolution No. HA-1900) authorized the City of San Diego to transfer \$92,211,316.57, which consists of \$42,333,563 in Coronavirus Relief Funds allocated directly to the City, \$44,877,753.57 in federal funds allocated by the State of California to the City, and \$5,000,000 of CDBG-CV funds from the City to the Housing Commission; and authorized the Housing Commission to accept and expend those funds to administer the COVID-19 Housing Stability Assistance Program to provide emergency rental assistance and/or utility assistance to households with low income experiencing financial hardship due to the ongoing COVID-19 pandemic.

On July 27, 2021, the City Council (Agenda Item No. 331, Resolution No. R-313667) and the Housing Authority (Report No. HAR21-015; Resolution No. HA-1921) authorized up to \$60,149,903.87 in additional funds for HSAP, consisting of the direct allocation of ARPA funds (\$54,539,063.20) and the aforementioned additional \$5,610,840.67 from the State.

On October 5, 2021, the City Council (Agenda Item No. 331; Resolution No. R-2022-103) and Housing Authority (Report No. HAR21-020; Resolution No. HA-1923) authorized up to \$39,712,779.17 in additional funds for HSAP, consisting of federal ARPA funds allocated by the State to the City.

On December 6, 2021, the City Council (Agenda Item No. 202; Resolution No. R-2022-174) and Housing Authority (Report No. HAR21-020; Resolution No. HA-1923) authorized the acceptance of \$27,000,000 in federal ARPA funds from the State and the expenditure of these funds on HSAP

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assistance payments and administrative expenses in accordance with federal and State funding requirements.

**EQUAL OPPORTUNITY CONTRACTING/EQUITY ASSURANCE**

2-1-1 San Diego is a local nonprofit and is not subject to the requirement to submit a Workforce Report. In addition, 2-1-1 will provide services in accordance with the Non-Discrimination and Equal Access sections of the HSAP Implementation Plan.

**KEY STAKEHOLDERS and PROJECTED IMPACTS**

Stakeholders for this project include households with low income in the City of San Diego experiencing financial hardship due to the COVID-19 pandemic, landlords and property owners for these households, 2-1-1 San Diego and the Housing Commission. This action is expected to have a positive impact on the community by helping qualifying households apply for help to pay past-due or upcoming rent and utilities to assist with preventing housing displacement.

**ENVIRONMENTAL REVIEW**

This activity is not a project as defined by the California Environmental Quality Act (CEQA) Section 21065 and CEQA Guidelines Section 15378(b)(5), as it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment.

Federal funds constitute the funding for the project. Final NEPA approval was obtained from the City of San Diego on December 9, 2021.

Respectfully submitted,

*Azucena Valladolid*

Azucena Valladolid  
Executive Vice President  
Rental Assistance & Workforce Development

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](http://www.sdhc.org)