



REPORT

DATE ISSUED: July 18, 2023

REPORT NO: HCR23-088

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of July 21, 2023

SUBJECT: Approval of the Sole Source Justification and Operating Agreement between the San Diego Housing Commission and Alpha Project for the Homeless to Operate the City of San Diego Family Shelter Program

COUNCIL DISTRICT: Citywide

Advance notice of San Diego Housing Commission hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(A)-(B).

REQUESTED ACTION:

Approve a non-competitive, sole source agreement under Procurement Policy 14.2 with Alpha Project for the Homeless in the amount of \$ 2,333,544 (which includes \$100,000 for one-time startup costs) for an initial term of July 27, 2023, through June 30, 2024, with an annualized budget of \$2,436,593 with one one-year option for renewal, for the operation of the City of San Diego Family Shelter Program at 1801 Logan Avenue, San Diego, CA 92113. Funding in Fiscal Year 2024 is proposed to be Community Development Block Grant (CDBG) funds and City of San Diego General Funds.

STAFF RECOMMENDATION

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

- 1) Authorize the Housing Commission to enter into a non-competitive, sole source agreement under Procurement Policy 14.2 with Alpha Project for the Homeless (Alpha Project) in the amount of \$2,333,544 (which includes \$100,000 for one-time startup costs) for an initial term of July 27, 2023, through June 30, 2024, with an annualized budget of \$2,436,593 with one one-year option for renewal for the operation of the City of San Diego Family Shelter Program at 1801 Logan Avenue, San Diego, CA 92113. The funding sources for the initial operating term are expected to consist of City of San Diego Community Development Block Grant (CDBG) funds and City of San Diego General Funds.
- 2) Authorize the Housing Commission's President & Chief Executive Officer (President & CEO), or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form and format approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.

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- 3) Authorize the Housing Commission's President & CEO, or designee, to substitute funding sources and/or increase compensation by not more than 20 percent of the total agreement amount for the proposed agreement, if necessary, without further action by the Housing Commission Board or the Housing Authority of the City of San Diego (Housing Authority), but only if and to the extent that funds are determined to be available for such purposes.

SUMMARY

The Housing Commission has administered homelessness services contracts on behalf of the City based on a Memorandum of Understanding (Homeless Shelters and Services MOU) that first took effect on July 1, 2010. The Homelessness Shelters and Services MOU details the roles and responsibilities of both the City and Housing Commission in the oversight and administration of programs funded through the City's Economic Development Department.

The Housing Commission and City have subsequently entered into separate Memoranda of Understanding (MOUs) for the operation and administration of other programs that are funded by other City departments and not subject to the Homeless Shelters and Services MOU, including the MOU for the administration and operation of the City's Bridge Shelter Programs, which was approved by the Housing Commission Board on November 3, 2017, as well as the Housing Authority and City Council (City Council) on November 14, 2017 (Bridge Shelter MOU).

As of July 1, 2023, the Bridge Shelter MOU and the four other MOUs between the Housing Commission and the City for the operation and administration of homelessness services programs have been replaced with a Master Memorandum of Understanding (Master MOU), which consolidates the separate MOUs into one comprehensive document and streamlines the associated administrative processes. The Master MOU describes the responsibilities of both the City and Housing Commission related to the operation of the various homelessness shelters, services and programs and serves as an overarching agreement between the City and the Housing Commission to enter into program-specific agreements and administrative agreements.

Execution of the Master MOU between the Housing Commission and the City for the oversight and administration of the City's homelessness services programs for an initial term of July 1, 2023, through June 30, 2024, with three one-year options to renew, was approved by the Housing Commission Board on June 15, 2023, and the Housing Authority and City Council on June 26, 2023 ([Resolution No. R-315018](#)).

The proposed actions in this report will allow the Housing Commission to enter into a non-competitive, sole source agreement with Alpha Project in the amounts referenced within this report to provide for the operation of the City of San Diego Family Shelter Program (Program) for a period of 11 months, with one one-year option for renewal, contingent on the City of San Diego making funds available for that purpose in its annual fiscal year budgeting process.

The Program supports the Community Action Plan on Homelessness for the City of San Diego (Action Plan), 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 Action Plan identifies shelter interventions as critical resources in the City's Crisis Response System. As one of the few shelter programs that serves families within the City, the Program is an important component of the City's Crisis Response System and clearly supports the vision, principles and strategies identified in the Action Plan.

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PROGRAM OVERVIEW

The City of San Diego's Family Shelter Program at 1801 Logan Avenue, San Diego, CA 92113, will provide non-congregate shelter year-round, in alignment with Housing First principles, for families with children experiencing homelessness who have not been successfully diverted from the homelessness assistance system. The Program will provide safe, low-barrier shelter for up to 168 persons experiencing homelessness in the City (actual bed count may be less due to Fire Marshal or other health and safety determinations). The Program will provide stabilization and supportive services to prepare families for the most appropriate longer-term or permanent housing interventions, contributing to the regional goals of ensuring instances of homelessness are rare, brief, and non-recurring.

Eligible households include families experiencing homelessness in the City of San Diego with at least one child under age 18. Services to be provided include, but are not limited to: a safe, secure and supportive environment; access to housing-focused case management and supportive services; basic needs support such as three meals per day, laundry, telephone, restrooms and showers; referrals to partner agencies for additional services; and assistance in obtaining permanent or longer-term housing interventions.

Program Components:

- a. Housing First program with low barriers to entry and operations;
- b. A Housing-focused program which aims to resolve Family Shelter Program clients' homelessness as quickly as possible. Related services include, but are not limited to:
 - a. Determining diversion opportunities;
 - b. Self-sufficiency needs assessments;
 - c. Development of housing plans, including stabilization strategies and client housing goals and objectives;
 - d. Coordination with and referrals to County of San Diego, State of California, and federal programs, as well as nonprofits and social service agencies, as appropriate;
 - e. Assistance in locating safe and affordable permanent or other longer-term housing including determining housing interventions and opportunities outside of the Coordinated Entry System (CES);
 - f. Completion of intakes, screenings, assessments, and case conferencing or other integral components of CES pursuant to the San Diego CoC community standards and policies;
 - g. Assistance with housing applications and supportive and subsidized housing paperwork;
 - h. Advocacy for clients with prospective landlords;
- c. Basic shelter services, including but not limited to:
 - a. Appropriate 24-hour residential services and staffing;
 - b. A maximum of 168 beds and other residential furnishings;
 - c. A minimum of three meals per day in compliance with all applicable health and safety regulations and guidelines;
 - d. Showers, wash stations, restrooms, laundry facilities and/or laundry services, and storage for Family Shelter Program Clients' personal belongings;
 - e. Routine operating and client supplies, including but not limited to hygiene products, basic first aid supplies, and cleaning supplies;
 - f. Telephone access and message services;
 - g. Regularly laundered linens; and
 - h. Mail services.
- d. Coordination to support testing and vaccinations for communicable diseases.

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Operator Experience

Alpha Project is a well-established homelessness service provider with more than 30 years of experience meeting the needs of individuals and families experiencing homelessness. Through its array of housing and supportive services, Alpha Project serves more than 4,000 men, women, and children annually. The organization follows a Housing First model, which recognizes the need to provide housing and shelter without preconditions, in conjunction with the provision of supportive services. Alpha Project has been serving families experiencing homelessness since 1995 through the City's Interim Family Shelter program, permanent supportive housing programs, and in the past several years, through federally funded Rapid Rehousing programs.

Alpha Project has successfully operated several shelters, including two of the City's Bridge Shelter Programs, as well as the inclement weather shelter and the temporary campground that was opened during the fall of 2017 in response to the Hepatitis A outbreak. In addition to its portfolio of interim shelters, rapid rehousing and permanent supportive housing programs, Alpha Project coordinates a variety of services for its clients, including substance abuse treatment, employment readiness and placement, transportation assistance and healthcare, and has developed innovative programs that support persons with lived experience to engage with the local community and provide peer-to-peer outreach through their Wheels of Change and Take Back the Streets programs. Alpha Project operates the City's first Harm Reduction Shelter in collaboration with the County of San Diego to serve adults experiencing homelessness and substance use or co-occurring conditions. Alpha Project was also selected to operate the City's Rosecrans Shelter in collaboration with Vista Hill in an effort to bring mental health, substance use and physical health services to clients within the shelter and focus on high utilizers of homeless services.

CONTRACTOR SELECTION PROCESS

A sole source procurement in accordance with Procurement Policy 14.1 was utilized to select the operator for the Program. The Family Shelter Program will provide services to a group of existing families (in addition to new households referred to the Program) experiencing homelessness who are being served at the Bridge Shelter at Golden Hall and who will be relocated to the Family Shelter Program facility at 1801 Logan Avenue, San Diego, CA 92113. A request for proposals process was determined to not be viable for this project, as the existing households being served are scheduled to relocate to the facility at 1801 Logan Avenue within the first quarter of FY 2024, and an urgent need to identify an experienced provider that can ramp up to meet service needs under a very short time frame made it necessary to utilize a sole source process to ensure families continued to be supported through this relocation transition. In addition, Alpha project has committed to a minimum of \$500,000 in leverage/in-kind resources to support client needs and household stabilization/quality of life. In the interest of minimizing disruption during the relocation process and ensuring that all households have access to needed services, a non-competitive procurement process was utilized to procure an operator as quickly as possible.

AFFORDABLE HOUSING IMPACT

As San Diegans continue to live in a City-declared housing emergency "shelter crisis," the need for immediate housing assistance is critical to the well-being of community members. The Program serves this purpose by providing Family Shelter Program services and a pathway to housing to persons experiencing homelessness. Individuals participating in this Program represent some of San Diego's most vulnerable citizens, as 100 percent of participants are homeless, with low-to-moderate incomes.

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FISCAL CONSIDERATIONS

The City of San Diego has committed \$2,456,572 in CDBG and General funds for operations in Fiscal Year 2024. The funding includes \$2,333,544 for the operator agreement and \$123,028 for Housing Commission administrative costs. The future option year will be contingent upon the City making funding available for this purpose.

FUNDING SOURCE	FUNDING BY USE	FY 2024	FY2025
CDBG/General Fund	Operator Agreement (including 100,000 one-time start-up expenses)	\$2,333,544	\$2,436,593
CDBG/General Fund	SDHC Administrative Costs	\$123,028	\$128,181
TOTAL		\$2,456,572	\$2,564,774

HOUSING COMMISSION STRATEGIC PLAN

This item relates to Strategic Priority Area No. 4 of the Housing Commission’s Strategic Plan for Fiscal Year (FY) 2022 – 2024: Advancing Homelessness Solutions – Supporting the City of San Diego Community Action Plan on Homelessness.

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

Alpha Project is a local nonprofit organization. As a nonprofit, Alpha Project is exempt from the requirement to submit a workforce report.

Alpha Project does not discriminate based on race, color, religion, national origin, ancestry, gender, age, medical condition, sexual orientation, marital status, domestic partnership status, physical or mental disabilities, veterans, or any other consideration made unlawful by federal, state, or local laws.

Alpha Project employs a diverse staff that includes bilingual and ethnically, culturally and racially diverse individuals. Alpha Project has a long history of employing formerly homeless individuals throughout the agency, from direct line staff to directors, and understands the value of having a diverse staff reflective of the population being served. Alpha Project is committed to fostering and preserving a culture of equity and inclusion, which is reflected in its hiring practices.

AD HOC COMMITTEE ON HOMELESSNESS AMONG BLACK SAN DIEGANS ACTION PLAN

The Housing Commission supports and is committed to applying the action items identified in the regional Ad Hoc Committee on Homelessness Among Black San Diegans’ (Ad Hoc Committee) Action Plan. The staff-recommended actions proposed for Housing Commission Board consideration in this report relate to Ad Hoc Committee Action Item 6, Transform the Crisis Response System, by increasing availability of shelter and other basic survival needs and increasing access to mainstream systems identified as having barriers.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

On June 26, 2023, the City Council approved Resolution R-315018 authorizing execution of the Master MOU between the Housing Commission and the City for the oversight and administration of the City’s homelessness services programs for an initial term of July 1, 2023, through June 30, 2024, with three one-year options to renew.

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KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders for this project include Community stakeholders and Alpha Project as the sub-recipient administering the program. The program is expected to have a positive impact on the community as it will provide ongoing shelter and services to 168 otherwise homeless individuals.

ENVIRONMENTAL REVIEW

Operation of the family shelter is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities), which allows the operation, repair, maintenance permitting, leasing, 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. The shelter is an existing facility which will maintain its current use and will not be expanded. Federal funds constitute a portion of the funding for these activities. The parties agree that the provision of any federal funds as the result of this action is conditioned on the City of San Diego’s final National Environmental Policy Act (NEPA) review and approval.

Respectfully submitted,

Lisa Jones

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

Approved by,

Jeff Davis

Jeff Davis
Interim President and Chief Executive Officer
San Diego Housing Commission

Hard copies are available for review during business hours at the information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at www.sdhc.org.