



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

DATE: April 26, 2022

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TO: Board of Supervisors

SUBJECT

**ADOPT A RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS
AUTHORIZING A JOINT APPLICATION TO THE HOMEKEY PROGRAM
(DISTRICTS: ALL)**

OVERVIEW

On September 9, 2021, the California Department of Housing and Community Development announced the availability of the second round of Homekey program funds to sustain and rapidly expand the inventory of housing for people experiencing homelessness or at risk of homelessness. Homekey is a statewide effort to rapidly sustain and expand housing opportunities for persons experiencing or at risk of homelessness and impacted by COVID-19.

The Homekey program provides an opportunity for regional, and local public entities to develop permanent supportive housing using various housing types, including but not limited to hotels, motels, hostels, single-family homes and multifamily apartments, adult residential facilities, and manufactured housing. Eligible applicants are cities, counties, or other Local Public Agencies who may apply independently or jointly with a for-profit or non-profit developer.

In partnership with the San Diego Housing Commission (SDHC) and PATH Ventures (PATH), the County of San Diego (County) Health and Human Services Agency, will seek to apply for approximately \$~~1243.8~~ million of State of California Homekey funding to develop 40+ permanent supportive housing units in the City of San Diego, to be located in the El Cerrito community. Today's action requests the San Diego County Board of Supervisors (Board) to determine the proposed action is not subject to the California Environmental Quality Act; waive Board Policy B-29, which requires a fifteen-day advance notice for grant application requests; adopt a resolution authorizing a joint application with the SDHC and PATH; and authorize the Agency Director, Health and Human Services Agency, or designee, to enter into an agreement with the SDHC and PATH and to take all actions as required by State of California, Department of Housing and Community Development for the Homekey program.

This item supports the County's vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe

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and thriving communities. This will be accomplished by ensuring homeless residents have access to suitable living environments.

In addition, this item supports the County’s Framework for Ending Homelessness five strategic domains including upstream prevention strategies, diversion and mitigation services, treatment and outreach, emergency shelter, and permanent housing. This will be accomplished by ensuring low-income persons experiencing or at-risk of homelessness have access to suitable living environments, as well as enhancing their quality of life by creating decent and safe affordable housing, coupled with supportive services.

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

1. Find in accordance with Section 15060(c)(3) of the California Environmental Quality Act (CEQA) Guidelines that the actions described herein, including approval to adopt a resolution authorizing the joint application and partnership agreement with PATH Ventures and the San Diego Housing Commission, to administer the Homekey Program funds is administrative in nature and is not a project as defined by the state CEQA Guidelines Section 15378.
2. Waive Board Policy B-29, that requires a fifteen-day advance notice for grant application requests.
3. Adopt a Resolution entitled: A RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE HOMEKEY PROGRAM.
4. Authorize the Agency Director, Health and Human Services Agency, or designee, to, if awarded funds, accept funds and enter, upon successful negotiations, into a partnership agreement with the San Diego Housing Commission and PATH Ventures or an affiliate thereof, and into a Standard Agreement with the State for the administration of Homekey funds.
5. Authorize the Agency Director, Health and Human Services Agency, or designee, to: execute agreements, amend agreements as needed to reflect changes to services and funding, execute certification forms, prepare and execute all necessary documents for the submittal, regulatory processing and implementation, and take any other actions necessary as required by State of California, Department of Housing and Community Development for Recommendation 3, as applicable.

EQUITY IMPACT STATEMENT

In the 2020 Point-in-Time Count, 7,638 individuals were identified as living on the streets or in shelters throughout the county. Of those who were unsheltered, 58% reported having a disability and 27% were 55 years or older. The County of San Diego (County) is committed to finding equitable solutions to prevent and end homelessness by providing preventative and supportive services and permanent supportive housing. The Homekey program allows the County to expeditiously embark on a key funding resource that was established to meet the needs of historically underserved populations, specifically persons experiencing homelessness or at risk of homelessness. The County Health and Human Services Agency conducted various community engagement sessions throughout the region, including community meetings with homeless

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advocacy groups, city representatives serving underserved areas of the County and multiple stakeholder groups related to housing, homelessness, and environmental justice, including stakeholder groups that count persons with lived experience among their membership.

The Homekey program is funded through the State of California and continues a statewide effort to sustain and rapidly expand housing for persons experiencing homelessness or at risk of homelessness, and who are, thereby, inherently impacted by COVID-19 and other communicable diseases. If awarded Homekey funding, it is anticipated that the recommended actions will provide needed housing and supports to residents who are disproportionality represented in the homeless system including justice involved individuals, individuals with a range of health and social needs, as well as Black, Indigenous and People of Color (BIPOC). Homekey is an opportunity for the County to increase permanent supportive housing options for the most vulnerable population providing not just housing, but ensuring that resources for supportive service are made available to the residents.

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year (FY) 2021-23 Operational Plan for the Health and Human Services Agency. The total project cost is estimated at \$~~28.130.4~~ million, including \$~~23.624.4~~ million for the capital expenses to develop the permanent supportive housing units and \$~~4.56.3~~ million for project operating expenses. The estimated costs will be shared between the County of San Diego, the City of San Diego and PATH ventures. If awarded and approved, this request will result in no change in costs and revenue in FY 2021-22 and costs of \$11.0 million to fund the County's share of the project in FY 2022-23. The funding source is federal and State Behavioral Health revenues, No Place Like Home program funds and General Fund fund balance. Upon award of the Homekey grant in the amount of approximately \$~~1243.8~~ million, appropriations and funding for FY 2022-23 will be requested as part of the FY 2022-23 CAO Recommended Operational Plan Change Letter. There will be no additional staff years with the approval of the recommended actions.

BUSINESS IMPACT STATEMENT

This proposal will have a positive impact on the business community since the recommended actions will result in construction work to be performed at properties that are awarded funding. Contracts resulting from these recommendations may be executed with private sector firms and will involve a competitive bid process. Developments with funding awards are estimated to be completed within the next two to five years.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The California Department of Housing and Community Development (HCD) announced the availability of the second round of Homekey program funds. Homekey is a statewide effort to rapidly sustain and expand housing opportunities for persons experiencing or at risk of homelessness and impacted by COVID-19.

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The Homekey program provides an opportunity for regional, and local public entities to develop permanent supportive housing using various housing types, including but not limited to hotels, motels, hostels, single-family homes and multifamily apartments, adult residential facilities, and manufactured housing.

Eligible applicants are cities, counties, or other Local Public Agencies who may apply independently or jointly with a for-profit or non-profit corporation. In order to ensure the required development and operations experience thresholds are met, today's request would allow the County of San Diego (County) Health and Human Services Agency (HHS) to apply jointly with PATH Ventures (PATH) and the San Diego Housing Commission (SDHC) for approximately ~~\$1213.8~~ million in Homekey funding.

The Homekey Program application is a competitive process with an application due date of May 2, 2022. The Homekey program has very rigid timeframes and requires successful applicants to expend the Homekey funds within eight months of award and complete the development within twelve months of award. If Homekey operating funds are awarded in addition to funding for construction, all operating funding must be expended no later than June 30, 2026.

In the 2020 Point-in-Time Count, 7,638 individuals were identified as living on the streets or in shelters throughout the county. Of those who were unsheltered, 58% reported having a disability and 27% were 55 years or older. The County is committed to finding equitable solutions to prevent and end homelessness by providing preventative and supportive services and permanent supportive housing. In partnership with the SDHC and PATH, HHS will seek to apply for State of California Homekey funding to develop ~~40+~~ permanent supportive housing units in the City of San Diego to be located at ~~5476~~~~5467~~ El Cajon Boulevard in the El Cerrito community. The ~~40+~~ permanent supportive housing units are one phase of a three-phase development. PATH has partnered with Family Health Centers of San Diego to develop a previously vacant site being utilized as parking. The vision for the new site includes four levels of parking, a medical clinic, and proposes to create ~~40+~~ housing units for Homekey eligible tenant populations. The total project costs are estimated at \$28.1 million, including \$23.6 million for the capital expenses to development ~~cost for the 40+ unit permanent supportive housing units~~ development is estimated at \$24.1 million and in addition to \$4.56-3 million for project operating expenses. The State Homekey funding, along with a \$11.0 million investment of County share, \$2.05 million in City of San Diego funds, and 40 project based housing vouchers from the SDHC will generate ~~40+~~ permanent supportive housing units. The County HHS conducted various community engagement sessions throughout the region, including community meetings with homeless advocacy groups, city representatives serving underserved areas of the County and multiple stakeholder groups related to housing, homelessness, and environmental justice, including stakeholder groups that count persons with lived experience among their membership.

Today's action requests the San Diego County Board of Supervisors (Board) to determine the proposed action is not subject to the California Environmental Quality Act; waive Board Policy B-29, which requires a fifteen-day advance notice for grant application requests; adopt a resolution authorizing a joint application with the SDHC and PATH; and authorize the Agency Director, Health and Human Services Agency, or designee, to enter into an agreement with the SDHC and

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PATH and to take all actions as required by State of California, Department of Housing and Community Development for the Homekey program.

This item supports the County's Framework for Ending Homelessness five strategic domains including upstream prevention strategies, diversion and mitigation services, treatment and outreach, emergency shelter, and permanent housing. This will be accomplished by ensuring low-income persons experiencing or at-risk of homelessness have access to suitable living environments, as well as enhancing their quality of life by creating decent and safe affordable housing, coupled with supportive services.

ENVIRONMENTAL STATEMENT

Section 15060(c)(3) of the California Environmental Quality Act (CEQA) Guidelines provides that activities identified in Section 15378 of the CEQA Guidelines are not subject to CEQA review. Section 15378 provides that administrative activities of governments that will not result in a direct or indirect physical change in the environment are exempt from CEQA review. The proposed activity involves the adoption of a resolution authorizing a joint application submission to the California Housing and Community Development Division for Homekey Program funds, and authorization of a partnership agreement with the San Diego Housing Commission and PATH Ventures, to administer the Homekey Program funds, if awarded. Subsequent actions that may develop as a result of the partnership agreement will require subsequent environmental review by the applicable lead agency prior to acquisition, rehabilitation or construction activities, as appropriate, and pursuant to the state CEQA Guidelines. Therefore, the proposed actions are not subject to CEQA, pursuant to Section 15060(c)(3) of the state CEQA Guidelines.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's actions support the County of San Diego's (County) vision of *Live Well San Diego* and aligns with the County's 2022-2027 Strategic Plan Initiatives of Sustainability (Economy and Resiliency), Equity (Housing and Economic Opportunity), and Community (Engagement, Quality of Life, and Partnership) by supporting community development and housing that reflect value areas identified by the San Diego County Board of Supervisors, such as developing safe and affordable housing for low-income households; providing community infrastructure in historically underserved communities and for individuals with limited mobility; and improving the housing and service delivery system for individuals at-risk of homelessness through community engagement and collaborative solutions.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

Attachment A – A RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE HOMEKEY PROGRAM