



The City of San Diego

Staff Report

DATE ISSUED: March 18, 2024

TO: City Council

FROM: Homelessness Strategies and Solutions Department

SUBJECT: Approval to Accept, Appropriate, and Expend \$3,666,572 in Round 2 State of California Encampment Resolution Funding Rolling (ERF-2-R) Grant

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Council District(s): 3, 7, 9

OVERVIEW:

The Encampment Resolution Funding Program is a grant administered by the California Interagency Council on Homelessness. The grant funds innovative projects that offer support for individuals experiencing homelessness residing in encampments by providing a meaningful path to stable, long-term housing. In 2023, the County of San Diego (County) partnered with the City of San Diego (City), City of Santee, and Caltrans to apply for a project focused on addressing encampments in the San Diego Riverbed corridor. On June 14, 2023, the County was awarded \$16,951,298 in Round 2 Encampment Resolution Funding Rolling (ERF-2-R) grant funds. Of the total grant award, \$3,666,572 is allocated to the City.

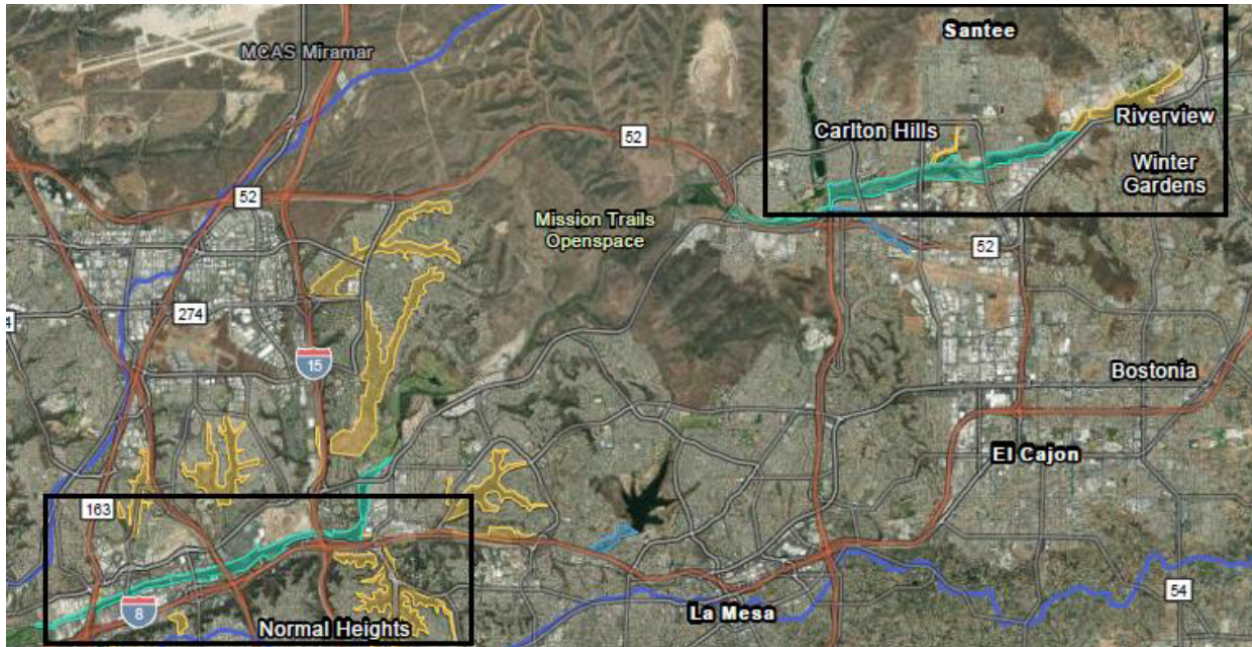
PROPOSED ACTIONS:

1. Authorize the Mayor, or designee, to enter into a subrecipient grant agreement with the County of San Diego in an amount not to exceed \$3,666,572.00 to fund ERF-2-R grant activities in the San Diego Riverbed corridor; and
2. Authorize the Chief Financial Officer, or designee, to accept, appropriate, and expend grant funds in an amount not to exceed \$3,666,572.00, contingent upon the receipt of a fully executed grant agreement; and
3. Authorize the Mayor, or designee, to take all necessary action to administer, monitor, manage, and ensure compliance with the grant agreement, and further to negotiate, enter into, and execute contracts with third parties to implement the grant agreement or use of grant funds; and
4. Authorize the Chief Financial Officer to establish a special interest-bearing account for the grant, if required, the proceeds of which will be used for any eligible uses outlined in the grant agreement.

DISCUSSION OF ITEM:

The Encampment Resolution Funding Program funds local demonstration projects that feature data-informed, innovative service delivery models, and cross systems collaborations that support individuals experiencing homelessness in encampments toward a meaningful path to safe and stable housing through non-punitive, low-barrier, person-centered, Housing First approaches. Eligible uses of grant funds include the following:

- **Rapid Rehousing:** Rapid rehousing, including housing identification services, rental subsidies, security deposits, incentives to landlords, and holding fees for eligible persons, housing search assistance, case management and facilitate access to other community-based services.
- **Operating Subsidies:** Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers.
- **Street Outreach:** Street outreach to assist eligible persons to access crisis services, interim housing options, and permanent housing and services.
- **Services Coordination:** Services coordination, which may include access to workforce, education, and training programs, or other services needed to improve and promote housing stability for eligible persons, as well as direct case management services being provided to persons.
- **Systems Support:** Systems support for activities that improve, strengthen, augment, complement, and/or are necessary to create regional partnerships and a homeless services and housing delivery system that resolves persons' experiences of unsheltered homelessness.
- **Delivery of Permanent Housing:** Delivery of permanent housing and innovative housing solutions, such as unit conversions that are well suited for eligible persons.
- **Prevention and Shelter Diversion:** Prevention and shelter diversion to permanent housing, including flexible forms of financial assistance, problem solving assistance, and other services to prevent people that have been placed into permanent housing from losing their housing and falling back into unsheltered homelessness.
- **Interim Sheltering:** Interim sheltering, limited to newly developed clinically enhanced congregate shelters, new or existing non-congregate shelters, and operations of existing navigation centers and shelters based on demonstrated need that are well suited for eligible persons.
- **Improvements to Existing Emergency Shelters:** Improvements to existing emergency shelters to lower barriers, increase privacy, better address the needs of eligible persons, and improve outcomes and exits to permanent housing.
- **Administration:** up to 5% of awarded funds may be applied to administrative costs.



The prioritized encampment for the ERF-2-R project is located within the San Diego County Riverbed corridor from the City of San Diego through the City of Santee and unincorporated community of Lakeside. The encampment area also includes multiple State right-of-ways maintained by Caltrans. During initial evaluation, approximated 250 persons experiencing homelessness resided along the Riverbed. Through this collaborative project, the agencies collectively estimate to transition approximately 168 individuals into permanent or other form of long-term housing.

Of the \$16,951,298 full grant award, a total of \$3,666,572 is allocated to the City for this project. The table below provides a breakdown of the City’s intended use of ERF-2-R funds. Funds may be moved between categories with the prior approval of the County. All funds must be fully expended by June 30, 2026.

PROGRAM OPERATING EXPENSES

PERSONNEL EXPENSES (PE)	Budget
Salaries & Wages	\$132,600
Fringe Benefits	\$39,780
TOTAL PE BUDGET	\$172,380
NON-PERSONNEL EXPENSES (NPE)	
Contracted Outreach Staff, transportation, and supplies	\$950,000
Tenant Based Rental Subsidy	\$1,344,000
Case Management Services	\$1,200,192
TOTAL NPE BUDGET	\$3,494,192
TOTAL PROJECT BUDGET	\$3,666,572

The City will use ERF-2-R funds to support intensive outreach efforts to foster relationships with individuals experiencing homelessness in the Riverbed corridor within the City of San Diego. Outreach workers will use a person-centered, compassionate approach and offer services tailored to the specific needs of individuals including access to case management, health education, public benefits, mental health and substance abuse treatment, primary care referrals, and access to hygiene kits, transportation

and basic essentials. Utilizing partnerships and cross systems collaboration, outreach workers and case managers will work closely with the individuals residing in this encampment to provide housing navigation services, temporary lodging, and flexible housing subsidies with the ultimate goal of placement into long-term housing for each individual served through this program. The program's objectives directly encompass the goals set forth in the City's Community Action Plan on Homelessness to reduce the number of unsheltered individuals in the community, provide access to long-term housing with supportive services, and quickly place unsheltered individuals into stable housing options.

City of San Diego Strategic Plan:

This item directly relates to the City's Strategic Plan's Priority Area: Create Homes For All of Us by increasing access to housing and supportive services for San Diegans experiencing homelessness.

Fiscal Considerations:

Authorize the Chief Financial Officer, or designee, to accept, appropriate, and expend grant funds in an amount not to exceed \$3,666,572.00. There is not match requirement for this grant award.

Charter Section 225 Disclosure of Business Interests:

N/A; the contract is with another public agency.

Environmental Impact:

This activity is not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b)(4), as it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment and 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. Therefore, this activity is not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3).

Climate Action Plan Implementation:

N/A – Does not have a connection to the CAP.

Equal Opportunity Contracting Information (if applicable):

Contracts or agreements associated with this action are subject to the City's Equal Employment Opportunity Outreach Program (San Diego Ordinance No. 18173, Municipal Code Sections 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

Previous Council and/or Committee Actions:

N/A

Planning Commission Action:

N/A

Key Stakeholders and Community Outreach Efforts:

State of California, County of San Diego, City of Santee, Caltrans, local service providers

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Department

Deputy Chief Operating Officer