



TERRA LAWSON-REMER

VICE-CHAIR

**SUPERVISOR, THIRD DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS**

AGENDA ITEM

DATE: 05/20/2025

16

TO: Board of Supervisors

SUBJECT:

FULFILLING COUNTY HOMELESSNESS COMMITMENTS BY AMENDING THE CASA MARIPOSA DOMESTIC VIOLENCE SHELTER AGREEMENT AND CLEARING THE CITY'S PATH TO KEEP THE ROSECRANS HOMELESS SHELTER OPEN AND WAIVE BOARD POLICY A-72 (DISTRICTS: ALL)

OVERVIEW

Since 2021, the County of San Diego has strategically invested its American Rescue Plan Act (ARPA) funding to expand shelter capacity, protect vulnerable residents, and support regional partnerships to address homelessness. This item continues that approach by sustaining operations at the 160-bed Casa Mariposa Domestic Violence (DV) shelter and advancing a time-sensitive solution to preserve operations at the 150-bed Rosecrans Shelter, which now faces potential closure following the City of San Diego's withdrawal of future operational funding.

On April 4, 2023 (Item 27), the Board of Supervisors authorized the Chief Administrative Officer to enter into a \$6.2 million ARPA subrecipient agreement with the City of San Diego to fund capital improvements and up to two years of operations at the Casa Mariposa DV shelter. The agreement was structured as a one-time County investment to help the City launch the shelter, with the agreement that the City would identify ongoing operational funding after the two-year period.

The full grant amount was disbursed to the City on January 29, 2024, and the shelter opened in April 2024. Based on expenditure information submitted by the City, the Casa Mariposa DV shelter is currently operating at a cost of approximately \$200,000 per month. Based on actual operations costs, it is estimated that the City will spend about \$4.7 million on operations and \$263,000 on capital improvements, leaving approximately \$1.2 million in unspent ARPA funds after the two-year County funds commitment for operations.

This item proposes to extend the grant term through June 30, 2026 — providing the full two years of operations while also adding two additional months of County support beyond the original commitment. This brief extension is intended to smooth the City's transition to long-term

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operational funding and support stability during its FY 2026 budget process. After this period, the City would be expected to fund ongoing operations as agreed.

As outlined in the original grant agreement, any unspent funds at the end of the two-year term is to be returned to the County. With this extension, the projected unspent balance is reduced to approximately \$800,000.

This item proposes to repurpose those funds to help fund utility infrastructure improvements at the 150-bed Rosecrans Shelter, located on County-owned land in the Midway area. Since its launch in March 2022, the shelter has been supported through a three-way partnership between the County, the City of San Diego, and the Lucky Duck Foundation. The County provided the land, site preparation, behavioral health support services, and ongoing utilities services; the City committed to shelter operations; and Lucky Duck contributed the shelter structure.

The original agreement anticipated that the adjacent County Health Services Complex (HSC) would be demolished — a project now moving forward. Because the shelter currently relies on the HSC utility system, new utility infrastructure must be established for Rosecrans to remain operational. The total cost is estimated between \$1 million and \$2 million, with further analysis required by City engineers in partnership with the County Department of General Services. The County is continuing to cover ongoing utility costs, currently estimated at \$9,500 per month.

The County has offered to amend and extend its partnership at Rosecrans for up to four additional years, including continued use of the land and behavioral health support services. However, in April 2025, the City notified the County it would be withdrawing from the agreement, citing concerns about infrastructure and future operating costs. Funding for shelter operations has since been removed from the City’s draft FY 2026 budget, and the shelter provider has been instructed to stop new intakes.

The proposed infrastructure investment is contingent on a new agreement with the City of San Diego committing to continue Rosecrans operations for at least four additional years. Repurposing the projected \$800,000 in unspent ARPA funds would ensure those dollars are used to support continued shelter operations. It is best to shift these funds now in order not to risk any underspending of federal ARPA dollars.

Together, these actions reflect the County’s continued commitment to responsible ARPA stewardship, regional shelter partnerships, and preservation of critical housing and services at two key sites within the City of San Diego.

RECOMMENDATION(S)

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1. Waive Board Policy A-72 Agenda and Related Process, Section 2.C.2.ii., which establishes required timelines for review when preparing a Board Letter.

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2. Extend the operations funding and timeline for the City of San Diego’s 160-bed Casa Mariposa Domestic Violence Shelter to fulfill the County’s original commitment and provide additional runway through the City’s fiscal year, by authorizing the Chief Administrative Officer to amend the existing subrecipient grant agreement with the City to a maximum amount of \$5.4 million and extend the grant agreement term through June 30, 2026. This extension shall be conditioned on the City providing a report detailing progress toward securing long-term operational funding, as originally intended.
3. Direct the Chief Administrative Officer to report back to the Board with key outcomes and lessons learned from the County’s two-year operational funding model at the Casa Mariposa DV shelter site.
4. Reaffirm the County’s commitment to the joint City–County 150-bed Rosecrans Shelter by contributing to the utility infrastructure construction and ongoing utility costs needed to ensure continued utility access during adjacent construction. Authorize the Chief Administrative Officer to reallocate up to \$800,000 in projected excess ARPA Framework funds from the balance initially allocated for the Casa Mariposa DV shelter agreement — funds that must be expended under federal deadlines or returned — to create local funds capacity in the ARPA Framework to partially fund the one-time infrastructure improvements required to relocate utility connections at the Rosecrans Shelter site. The total cost is currently estimated to be between \$1–\$2 million and will require further analysis by City engineers in coordination with the County’s Department of General Services. This action is contingent upon the execution of an amendment to the existing Memorandum of Agreement with the City of San Diego that includes a commitment by the City to continue funding operations at the Rosecrans Shelter for a minimum of four additional years.

EQUITY IMPACT STATEMENT

The recommended actions support County efforts to reduce disparities in access to shelter and safety for populations at heightened risk of homelessness and violence. The Casa Mariposa DV shelter serves survivors of domestic violence, human trafficking, and sexual assault — communities disproportionately impacted by systemic barriers to housing, healthcare, and legal protections. The Rosecrans Shelter provides critical stabilization for individuals experiencing homelessness, many of whom face compounding behavioral health and economic challenges. Sustaining operations at both sites helps advance the County’s equity goals by preserving services for vulnerable residents and ensuring continued access to supportive care.

SUSTAINABILITY IMPACT STATEMENT

The recommended actions support the continued use of existing infrastructure to provide emergency shelter services without the need for new development or construction. Repurposing

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unspent ARPA funds to upgrade utility access at the Rosecrans Shelter promotes resource efficiency and helps avoid disruption of services. In addition, demolition of the Health Services Complex will allow for future redevelopment of the site to expand behavioral health care, consistent with long-term County sustainability and health infrastructure goals.

FISCAL IMPACT

There is no fiscal impact associated with Recommendations 1 and 3.

Funds for Recommendation 2 were previously included in the Fiscal Year 2023–24 Operational Plan in the Health and Human Services Agency (HHSA) and previously disbursed to the City. If approved, this action will extend the expenditure period for the existing subrecipient agreement with the City of San Diego for the Casa Mariposa DV Shelter through June 30, 2026, resulting in an estimated total spending of \$5.4 million for the Casa Mariposa Domestic Violence Shelter under the ARPA Framework and no additional costs to the County. The revenue source would be federal funding allocated through the ARPA Framework with a projected remaining balance of \$800,000 of the \$6.2 million initially allocated under the Framework. There would be no change in net General Fund cost and no additional staff years.

Funds for the actions requested in Recommendation 4 would be provided by redirecting the projected remaining amount of \$800,000 from the Casa Mariposa DV shelter to free up local funds in the County’s ARPA framework. If approved this request would result in costs and revenue of up to \$800,000 to partially support one-time utility infrastructure costs at the Rosecrans Shelter. The revenue source would be existing General Purpose Revenue redirected through the ARPA Framework. There will be no change in net General Fund cost and no additional staff years. Total costs are estimated at \$1-2 million, the balance of which would be identified through joint efforts by the City and County to explore philanthropy and other outside funding sources.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

Casa Mariposa Domestic Violence Shelter

On April 4, 2023 (Item 27), the Board of Supervisors authorized the Chief Administrative Officer to execute a subrecipient grant agreement with the City of San Diego (City) for up to \$6.2 million in American Rescue Plan Act (ARPA) funds to support capital improvements and up to two years of operations at the Casa Mariposa Domestic Violence (DV) Shelter. The shelter

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is operated by the City and serves individuals experiencing domestic violence, human trafficking, and sexual assault.

The agreement, consistent with Board direction, reflected a one-time County commitment to support the shelter’s launch. Under the terms of the agreement, the City would assume responsibility for identifying ongoing funding after the County-funded two-year operational period concluded.

The full \$6.2 million was disbursed to the City on January 29, 2024. The Casa Mariposa DV shelter opened in April 2024. Due to delays with the start of operations, the City requested and received an initial extension of the expenditure deadline to December 31, 2025. A subsequent request was made by the City to extend the agreement through December 31, 2026.

County staff project that based on actual monthly invoices of approximately \$200,000 in operating costs, total expenditures at the end of a two-year operations period through April 2026 will include approximately \$4.7 million for operations and \$263,000 for capital costs. This would leave an estimated \$1.2 million in unspent ARPA funds at the end of the two-year operations period out of the initial \$6.2 million grant.

To fulfill the Board’s original intent and assist the City in aligning its future budget planning, this action proposes to extend the contract term through June 30, 2026 — providing two full years of operating support and an additional two months of runway to support transition planning. Following this extension, the remaining unspent balance is expected to be approximately \$800,000.

Under the executed grant agreement, the City must return any unspent funds to the County after the grant term expires. In addition, under federal ARPA guidelines, any unspent funds must be returned to the federal government unless repurposed for an eligible use by the spending deadline. It is best to shift these funds now in order not to risk any underspending of federal ARPA dollars. This action also directs the Chief Administrative Officer to return to the Board with an evaluation of outcomes and lessons learned from this operational funding model.

Rosecrans Shelter and Utility Infrastructure

In March 2022, the County entered into a three-year Memorandum of Agreement (MOA) with the City of San Diego and the Lucky Duck Foundation to launch the 150-bed Rosecrans Shelter on County-owned land in the Midway area. Under the MOA:

The County provided the land at no cost, completed \$1.2 million in site preparation (including utility connections, stormwater mitigation, and lighting), committed to cover utility costs (currently estimated at \$9,500/month), and funded on-site behavioral health support services at approximately \$1.3 million annually for three years.

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The City was responsible for shelter operations through a contracted service provider.

The Lucky Duck Foundation provided the shelter structure.

The agreement anticipated that the adjacent County Health Services Complex (HSC) would be demolished due to age and structural deficiencies. The Rosecrans Shelter currently draws utilities from the HSC system and must be reconnected to new utility infrastructure in order to maintain operations during and after demolition.

Since its opening, the Rosecrans Shelter has provided essential services to individuals experiencing homelessness, including housing navigation, behavioral health referrals, and connection to County benefits. County Behavioral Health Services tracks utilization and impact of on-site behavioral health support services: In Fiscal Year (FY) 2023-24, approximately 20% of the 600 individuals served at the Rosecrans Shelter were eligible for and provided with behavioral health support services by the County’s contractor. That equates to 118 individuals getting connected to critical substance use treatment services and mental health services. In FY 2024-25, in addition to these services, County staff have also helped 37 Rosecrans guests enroll in self-sufficiency services like CalFresh, Medi-Cal, CalWORKs and General Relief.

Demolition of the HSC is expected to proceed in March 2026 following design and procurement. Demolition and construction planning include stormwater accommodation and routing demolition access away from the shelter and sequencing work so that shelter operations can continue uninterrupted. County facilities staff and public health experts have confirmed that shelter operations can safely continue throughout the demolition process.

In early 2025, the County offered to amend and extend the MOA for up to four additional years, including continued land use and behavioral health services support. However, in April 2025, the City withdrew from negotiations, citing concerns about the cost of infrastructure improvements and long-term operational funding. The City subsequently removed funding for Rosecrans from its draft FY 2026 budget, and the contracted shelter provider was notified to cease new intakes and prepare for closure as of June 30, 2025.

The estimated one-time cost to relocate utilities is between \$1 million and \$2 million and will require additional analysis by City engineers in coordination with the County Department of General Services. There is no dedicated funding for this infrastructure work at this time.

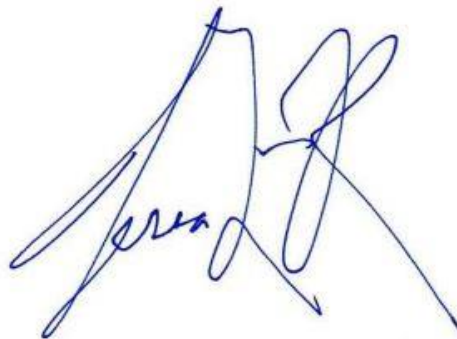
This item proposes to repurpose approximately \$800,000 in unspent ARPA Framework funds from the Casa Mariposa DV shelter agreement — funds that must be spent under federal deadlines or returned — to create capacity to partially fund the necessary utility infrastructure at the Rosecrans Shelter. This action is contingent upon the execution of an amended Memorandum of Agreement with the City of San Diego that includes a commitment to continue funding shelter operations at the site for a minimum of four additional years.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

The proposed actions support the County of San Diego's Strategic Plan in the areas of Community, Health, and Equity. Specifically, the actions align with efforts to expand access to shelter and supportive services, promote safe and thriving communities, and ensure responsible use of public resources. These efforts reflect the County's continued commitment to strengthening the regional safety net through collaborative and fiscally sound investments.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Terra Lawson-Remer', with a stylized, flowing script.

TERRA LAWSON-REMER
Supervisor, Third District

ATTACHMENT(S)

N/A