



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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Fourth District

JIM DESMOND
Fifth District

DATE: May 19, 2026

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TO: Board of Supervisors

SUBJECT

**ADDRESSING HOUSING NEEDS FOR TRANSITIONAL AGE YOUTH EXITING
FOSTER CARE (DISTRICTS: ALL)**

OVERVIEW

Each year in San Diego County, young adults exit the foster care system without the stable housing, family support, or financial resources needed to successfully transition into adulthood. For many, this moment represents not a new beginning, but a point of heightened vulnerability. Without intervention, a significant number of these young adults will experience homelessness within months, often entering a cycle that becomes increasingly difficult to break.

Transitional Age Youth (TAY) who have experienced foster care frequently face compounded challenges, including trauma, limited employment opportunities, and unmet behavioral health needs. Traditional housing solutions are often not designed to meet these unique circumstances, leaving a critical gap between systems of care and long-term housing stability. The State of California's Homekey+ program provides an opportunity to address this gap by supporting housing models that combine stable, permanent housing with integrated services for people living with behavioral health challenges, including mental health and/or substance use challenges, and who are at risk of or experiencing homelessness (including Veterans and Youth).

In the City of Vista, Dignity Moves, in partnership with Casa de Amparo, TrueCare, and the City of Vista, is advancing a Homekey+ project to develop 35 units of permanent supportive housing specifically for Transitional Age Youth (ages 18-25) exiting foster care in San Diego. This project would also include on-site medical and behavioral health services, education and employment services, and case management.

Today's action requests authorization to commit up to \$1.8 million in one-time County funding from Unlocked Reserves, subject to the award of Homekey+ funding, to help close a remaining funding gap, leverage over \$10 million in State investment, and support a project designed to provide not only housing, but a pathway to stability, independence, and long-term success.

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RECOMMENDATION(S)

SUPERVISOR JIM DESMOND AND VICE-CHAIR MONICA MONTGOMERY

STEPPE

1. Find in accordance with Section 15060(c)(3) of the California Environmental Quality Act (CEQA) Guidelines, that the actions described herein are administrative in nature and not a project as defined by the state CEQA Guidelines Section 15378.
2. Direct the Chief Administrative Officer or designee to include \$1.8 million within the Unlocked Reserves Framework for the purpose of providing affordable housing ~~loans~~ funding to support Homekey+ acquisition, rehabilitation, and development. Disbursement of funds shall be contingent upon successful appraisal review, underwriting, financial feasibility review, and an award of funding through the California Department of Housing and Community Development (HCD). If Homekey+ funds are not awarded, County funds would not be used.
3. Direct the Chief Administrative Officer or designee to identify, allocate, and transfer \$1.8 million in available appropriations within HHSA to Housing and Community Development Services as needed, based on Unlocked Reserves. Appropriation identified will be based on third quarter operating results tied to appropriation capacity and related funding that is not anticipated to be used, with no impact to services or the General Fund. We are bringing this simultaneously with the CAO's third quarter status update and budget adjustments in alignment with the Board's January 28, 2026 decision that use of the Unlocked Reserves is aligned with the annual and quarterly budget adjustment process.
4. Authorize the Chief Administrative Officer or designee, subject to successful negotiations and upon demonstrated award of Homekey+ funds, successful appraisal review, underwriting, financial feasibility review, to execute a grant agreement in the amount of up to \$1,800,000 with Dignity Moves and Casa de Amparo and the City of Vista or an affiliate thereof to support one Homekey+ development, and to execute any subsequent amendments thereto, and find that pursuant to Government Code section 26227, that the grant program is necessary to meet the social needs of the County's population in the area of health and rehabilitation.

EQUITY IMPACT STATEMENT

The proposed action supports Transitional Age Youth exiting foster care, a population that experiences disproportionately high rates of housing instability and homelessness. Providing stable housing paired with supportive services promotes equitable outcomes and improves long-term stability in housing, health, and employment.

SUSTAINABILITY IMPACT STATEMENT

Today's proposed actions support the County of San Diego's Sustainability Goal #2 to provide just and equitable access by ensuring affordable housing developments are restricted to Transitional Age Youth by partnering with other local governmental entities and community partners, with the mutual goal to serve vulnerable populations that have been disproportionately impacted by poverty.

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year 2025-26 Operational Plan for Health and Human Services Agency. If approved, this request will identify transfers and allocations of \$1.8

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million in appropriations within the Health and Human Services Agency that are based on operational savings and the one-time use of Unlocked Reserves as a local funding match for providing affordable housing to support Homekey+ projects, subject to successful appraisal review, underwriting, financial feasibility review, and an award of Homekey+ funding from the State. The funding source is prior year Unrestricted General Fund Balance made available as Unlocked Reserves. There will be no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

Transitional Age Youth (TAY) exiting the foster care system are among the most vulnerable populations in San Diego County. Each year, young adults age out of care without the stable relationships, financial resources, or support systems needed to secure housing and successfully transition to independence. As a result, many face homelessness within months of exiting the system.

Former foster youth often encounter significant barriers, including histories of trauma, disrupted education, limited workforce experience, and unmet behavioral health needs. These challenges are compounded by the region's high cost of living and limited supply of affordable housing, making it especially difficult to compete in the private market. Without targeted support, these young adults are at heightened risk of chronic homelessness, involvement in the justice system, and long-term reliance on public services.

The County of San Diego has prioritized efforts to address homelessness and expand supportive housing through initiatives aligned with regional and state goals. Programs such as California's Homekey and Homekey+ have played a critical role in accelerating the development of permanent supportive housing for vulnerable populations, including those experiencing homelessness and individuals with behavioral health needs. However, a gap remains in housing specifically designed to meet the needs of TAY exiting foster care.

Addressing this gap requires housing models that integrate affordability with on-site supportive services, including behavioral health care, medical services, employment assistance, and life skills training. In response, DignityMoves, in partnership with the City of Vista, Casa de Amparo, and TrueCare, is advancing a project to develop 35 units of housing dedicated to TAY, with integrated on-site services provided by TrueCare. This project represents a meaningful opportunity to provide stability and support at a critical transition point. For these reasons, we find that pursuant to Government Code section 26227, the grant program is necessary to meet the social needs of the County's population in the areas of health and rehabilitation.

The project anticipates receiving \$10.8 million through the State of California's Homekey+ program. The City of Vista has committed \$2.2 million, and approximately \$1.5 million has been secured through philanthropic contributions. With today's action, the County of San Diego would

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provide the remaining \$1.8 million of one-time funding needed to fully fund the project based on Unlocked Reserves, subject to appraisal review, underwriting, financial feasibility review, and the award of Homekey+ funding.

This investment aligns with prior Board actions emphasizing the importance of pairing housing with supportive services to improve outcomes and reduce long-term system costs. By supporting targeted housing solutions for TAY, the County can help break cycles of homelessness, promote long-term self-sufficiency, and advance regional goals related to housing, health, and economic opportunity.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's actions support the County of San Diego 2026-2031 Strategic Plan Initiatives of Sustainability (Economy and Resiliency), Equity (Housing and Economic Opportunity), and Community (Quality of Life, and Partnership) by supporting community development and housing that reflect value areas identified by 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 improving the housing and service delivery system for individuals at-risk of homelessness through collaborative solutions.

Respectfully submitted,



JIM DESMOND
Supervisor, Fifth District



MONICA MONTGOMERY STEPPE
Vice Chair, Fourth District

ATTACHMENT(S)

N/A