



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

PALOMA AGUIRRE
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: June 25, 2026

02

TO: Board of Supervisors

SUBJECT

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

OVERVIEW

On November 26, 2024, the California Department of Housing and Community Development (HCD), in collaboration with the California Department of Veterans Affairs, announced the availability of \$2.1 billion of Homekey+ program funds. Homekey+ is the permanent supportive housing component of Proposition 1 passed by California voters in March 2024 that supports the State goal to reduce homelessness and protect vulnerable populations through changes to the Mental Health Services Act. Homekey+ provides an opportunity for regional and local public entities to develop permanent supportive housing for Veterans and people living with a behavioral health challenge, including mental health and/or substance use challenges, who are at-risk of or experiencing homelessness.

In partnership with Wakeland Housing and Development Corporation and Wakeland Del Rey LP, the County of San Diego (County) Health and Human Services Agency will expand on prior Homekey+ efforts to ensure additional Homekey+ funding is secured for the region and leveraged to provide additional housing resources to the most vulnerable members of our community.

Today's actions request the San Diego County Board of Supervisors (Board) find that the proposed actions are exempt from the California Environmental Quality Act; adopt a resolution authorizing a joint application with Wakeland Housing and Development Corporation and Wakeland Del Rey LP to HCD for up to \$20 million in Homekey+ program funding, to support the 96-unit Paseo del Rey affordable housing development located in the City of Chula Vista; execute documents related to the award of Homekey+ program funding for this development; and direct the Auditor and Controller to establish a trust fund in relation to the Homekey+ program.

This item aligns with the County Housing for All Initiative by ensuring the County continues to focus on housing stability by addressing root causes, such as permanent supportive housing and supports. Additionally, today's actions support the County vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that

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

have been historically left behind as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe and thriving communities. This will be accomplished by ensuring vulnerable populations at risk of or experiencing 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 proposed actions described herein are administrative in nature and not a project as defined by the state CEQA Guidelines Section 15378(b)(5).
2. Adopt a Resolution entitled: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE HOMEKEY+ PROGRAM.
3. Authorize the Deputy Chief Administrative Officer or Interim Deputy Chief Administrative Officer, Health and Human Services Agency, or designee to, if awarded funds, accept funds and enter, upon successful negotiations, into a partnership agreement with Wakeland Housing and Development Corporation or an affiliate thereof, and into a Standard Agreement with the California Department of Housing and Community Development (HCD) for the administration of Homekey+ funds.
4. Authorize the Deputy Chief Administrative Officer or Interim Deputy Chief Administrative Officer, 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 HCD for Recommendation 3, as applicable.
5. Authorize and direct the Auditor and Controller to establish a trust fund in relation to the Homekey+ program grant for payment for Paseo del Rey multifamily rental housing development, with interest earnings allocated and distributed to the fund.

EQUITY IMPACT STATEMENT

The 2026 Point-in-Time Count (PITC) identified 9,803 individuals as living on the streets or in shelters throughout the county. There were approximately 359 unsheltered Veterans in the region as of January 2026 as well as 289 sheltered Veterans. According to a 2023 study by the Journal of American Medical Association Psychiatry, Veterans are at a higher risk of experiencing mental health challenges and substance use disorders, compared to the general population. Based on the latest behavioral health data collected in the 2026 PITC, of San Diego County's unsheltered homeless adults reporting behavioral health conditions, 34% are experiencing mental illness and 25% are experiencing substance use disorders, respectively. This underscores the critical need for integrated housing and behavioral health interventions tailored to this vulnerable population. The County of San Diego is committed to finding equitable solutions to prevent and end homelessness by providing supportive services and permanent supportive housing options.

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

SUSTAINABILITY IMPACT STATEMENT

Today’s proposed actions advance the County of San Diego’s Sustainability Goal #2 by promoting just and equitable access to housing. These actions ensure that affordable housing developments are reserved for individuals and families experiencing homelessness or chronic homelessness, while also strengthening partnerships with affordable housing developers and community organizations. This collaborative approach fosters collaboration grounded in a shared, mission-driven commitment to support communities disproportionately affected by poverty.

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year (FY) 2026-27 CAO Recommended Operational Plan for the Health and Human Services Agency. If awarded and approved, this request will result in one-time costs and revenue of up to \$20 million in FY 2026-27 for the Paseo del Rey affordable housing development. The funding source is State allocated funding from the Homekey+ Program. Upon award of the Homekey+ grant of up to \$20 million, staff will return to the San Diego County Board of Supervisors with requests for approval of mid-year actions to adjust the budget if necessary. There will be no change in net General Fund costs and no additional staff years.

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 the property that is awarded funding. Contracts resulting from these recommendations may be executed with private sector firms and will involve a competitive bidding process.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The County of San Diego (County) administers a variety of housing programs to increase access to affordable and stable housing options for San Diego County residents. One program that supports expanding affordable housing is the California Department of Housing and Community Development (HCD), in collaboration with the California Department of Veterans Affairs (CalVet), Homekey+ Program. HCD is expanding on the success of Homekey to provide resources to communities for development that supports the most vulnerable residents across the state.

Homekey+ provides an opportunity for regional and local public entities to develop permanent supportive housing for Veterans and people living with a behavioral health challenge, including mental health and/or substance use challenges, who are at-risk of or experiencing homelessness. Eligible applicants include cities, counties, regional and local public agencies including Public Housing Authorities who may apply independently or jointly with a development partner.

On November 26, 2024, HCD, in partnership with CalVet, announced the availability of \$2.1 billion in funds from the Homekey+ program. Homekey+ is the permanent supportive housing initiative stemming from Proposition 1, which was approved by California voters in March 2024. Homekey+ is supporting the expansion of housing, including housing for those most vulnerable in

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

the community. This program advances the State objectives of reducing homelessness and safeguarding vulnerable populations through changes to the Mental Health Services Act.

The County, as an eligible applicant, is partnering with Wakeland Housing and Community Development Corporation and Wakeland Del Rey LP to bring up to \$20 million in additional Homekey+ resources to the region. In December 2024, the County awarded \$8 million in total funding from the Innovative Housing Trust Fund and No Place Like Home (NPLH) programs, along with 23 Project Based Voucher (PBV) and 25 Veteran Affairs Supportive Housing PBVs to support the Paseo del Rey Apartments development. Homekey+ funding along with \$4 million from the City of Chula Vista, and the County's previous award, will lead to the creation of Paseo del Rey Apartments with 96 new units of affordable housing in the City of Chula Vista. Units will provide affordable housing for low-income households up to 60% of the Area Median Income, as well as units for formerly homeless Veterans, and persons experiencing homelessness that are eligible for housing under the No Place Like Home Program.

Under previous San Diego County Board of Supervisors (Board) authority granted on March 24, 2026 (24), staff are authorized to submit applications for additional funding opportunities to support future housing or community development activities. Today's actions request the Board to determine the proposed actions are not subject to the California Environmental Quality Act; adopt a resolution authorizing a joint application with Wakeland Housing and Development Corporation and Wakeland Del Rey LP, authorize the Deputy Chief Administrative Officer or Interim Deputy Chief Administrative Officer, Health and Human Services Agency, or designee, to enter into an agreement with Wakeland Housing and Development Corporation and to take all actions as required by HCD for the Homekey+ program; and direct the Auditor and Controller to establish a trust fund in relation to the Homekey+ program.

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(b)(5) 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 Wakeland Housing and Development Corporation and Wakeland Del Rey LP, 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 review, pursuant to Section 15060(c)(3) of the state CEQA Guidelines.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's action supports the County of San Diego 2026-31 Strategic Plan Initiatives of Sustainability (Economy and Resiliency), Equity (Housing and Economic Opportunity), and Community (Engagement, Quality of Life, and Partnership). Additionally, today's actions support

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

the regional *Live Well San Diego* vision of healthy, safe, and thriving communities and the Housing for All Initiative by supporting the development of safe and affordable housing for low-income households and improving the housing and service delivery system for individuals at risk of experiencing homelessness through collaborative solutions.

Respectfully submitted,



FOR

EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

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