

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, JULY 16, 2024**

MINUTE ORDER NO. 21

SUBJECT: AUTHORIZE AND APPROVE ACTIONS RELATED TO COMPASSIONATE EMERGENCY SOLUTIONS AND PATHWAYS TO HOUSING PROJECTS WHICH MAY INCLUDE ESTABLISHING APPROPRIATIONS, EXECUTING LEASE, CONTRACT AMENDMENTS FOR EMERGENCY HOUSING SITES, ADMINISTERING THE CONSTRUCTION MANAGER AT RISK CONTRACT AND RELATED CEQA EXEMPTIONS (DISTRICTS: ALL)

OVERVIEW

On February 8, 2022 (14), the San Diego County Board of Supervisors (Board) approved the expansion of emergency housing options by implementing a plan for Compassionate Emergency Solutions and Pathways to Housing (CESPH) for people experiencing homelessness. The plan included leveraging and expanding the existing Regional Homeless Assistance Program (RHAP) as the primary emergency housing option for the unincorporated communities while other emergency housing options were being assessed and established. To address the need for emergency housing resources in the unincorporated areas of San Diego County and per the approved CESPH implementation plan, the County of San Diego (County) Health and Human Services Agency, Department of Homeless Solutions and Equitable Communities (HSEC) in partnership with the County Department of General Services (DGS), reviewed numerous properties for emergency housing solutions, including County-owned sites. Sites that were deemed viable were then further assessed based on the programmatic needs of people experiencing homelessness to ensure the sites were in locations that met their needs and would potentially substitute services provided through RHAP. As part of CESPH efforts, one safe parking site was opened in August 2022, and another is currently under construction and set to open in Summer 2024. Another site, Recreational Vehicle Senior and Family Parking is currently in the assessment and design phase.

On March 12, 2024 (18) the Board approved the Jamacha Sleeping Cabin site and authorized the acceptance of \$10 million in funding from the State of California to offset the construction costs related to this site. Subsequently on June 25, 2024 (8), the Board rescinded approval of the Jamacha Sleeping Cabin site and directed the Chief Administrative Officer to explore and assess alternative homeless solutions in Spring Valley and surrounding communities, including the Troy Street site in Lemon Grove and return with recommendations to include an analysis of feasibility, cost and timeline to develop the Lemon Grove site as well as options for utilizing the funding previously allocated to Jamacha project.

Today's item provides an update on actions related to CESPH and requests the Board direct the Chief Administrative Officer to pursue one of three proposed options. If Option A or B is selected, then the Board would also establish appropriations, authorize the design, development, and construction of the Troy Street Sleeping Cabin site. Under these options, today's action also requests the Board amend a construction contract, approve a lease agreement with the State of California, Department of Transportation for the Troy Street Sleeping Cabin site, and find that these actions are exempt from the California Environmental Quality Act. Under Option C, today's action will reallocate funding to RHAP to continue to serve people experiencing homelessness in the unincorporated communities.

Today's action supports the County 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, and thriving communities. This item also advances the County Framework for Ending Homelessness by ensuring our most vulnerable community members have access to housing, care coordination, and connections to more stable housing opportunities.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Receive the report including feasibility analysis of alternative emergency housing solutions and direct the Chief Administrative Officer to pursue one of the three proposed options to expand emergency housing in the unincorporated communities:
 - 1.1. Option A: Authorize the Troy Street Sleeping Cabin site located at 2800 Sweetwater Road, Lemon Grove to proceed without State funding, while continuing to pursue the reallocation of State funds to offset construction costs through the grant agreement.
 - 1.2. Option B: Authorize the Troy Street Sleeping Cabin site located at 2800 Sweetwater Road, Lemon Grove only if the State agrees to amend the grant agreement and provide funding to offset construction costs of the Troy Street site.
 - 1.3. Option C: Reallocate all funding set aside for sleeping cabins as part of the Homeless Services portion of the American Rescue Plan Act (ARPA) Framework to the Regional Homeless Assistance Program (RHAP) to continue serving people experiencing homelessness in all unincorporated communities with emergency housing and cease the search process to establish sleeping cabins.
2. If Option A or B is selected, approve recommendations 2.1 through 2.6:
 - 2.1. Find in accordance with Section 15061(b)(3) of the State of California Environmental Quality Act (CEQA) Guidelines that it can be seen with certainty that there is no possibility that establishing appropriations and amending the Compassionate Emergency Solutions and Pathways to Housing (CESPH) project contract may have a significant effect on the environment and is, therefore, exempt from CEQA.
 - 2.2. Find that the proposed lease with the State of California, Department of Transportation (Caltrans) and the work proposed at the Troy Street Sleeping Cabins site are exempt from CEQA pursuant to State CEQA Guidelines sections 15301, 15303, 15304, 15311 and 15269(c).
 - 2.3. Transfer appropriations of \$11,100,000 within the Health and Human Services Agency (HHSA), Department of Homeless Solutions and Equitable Communities, from Services & Supplies to Operating Transfers Out to provide funding to the Major Maintenance Capital Outlay Fund for the Troy Street Sleeping Cabin site based on ARPA funding; and establish appropriations of \$11,100,000 in the Major Maintenance Capital Outlay Fund for the Troy Street Sleeping Cabin site MMCOF Project 1026800, based on an Operating Transfer In from HHSA. **(4 VOTES)**

- 2.4. Approve and authorize the Director, Department of General Services (DGS), to execute a lease with Caltrans for the Troy Street Sleeping Cabin site located at 2800 Sweetwater Road, Lemon Grove, to exercise any options to extend the lease prior to its expiration, if appropriate, and to execute any amendments to the lease that do not increase the rent or extend the term.
- 2.5. In accordance with Board Policy A-87, Competitive Procurement and Administrative Code Section 401, authorize the Director, Department of Purchasing and Contracting, to enter into negotiations with Turner Construction, and upon successful negotiations and determination of a fair and reasonable price, amend contract #569169, to increase the Budget Not-to-Exceed amount to add the cost of developing the Troy Street Sleeping Cabins site, subject to the availability of funds; and to amend the contract as required to reflect changes to services and funding allocation, for the CESP project.
- 2.6. Designate the Director, DGS, as the County of San Diego Officer responsible for administering the Construction Manager at Risk Contract (CMAR) Contract #569169 and authorize the Director, DGS to execute any and all documents necessary for the implementation of the CMAR contract.

EQUITY IMPACT STATEMENT

The 2024 Point-in-Time Count (PITC) of persons experiencing homelessness identified 10,605 individuals living on the streets or in San Diego County shelters on one night. Of this number, 6,110 individuals were reportedly unsheltered, approximately 44% of whom reported chronic homelessness, 28% were female, 9% were veterans, 2% were families, 8% were youth. Of those experiencing homelessness, 16% identified as Black, African, or African American, which is more than three times the proportion of African Americans in San Diego County; 2% identified as American Indian, which is double the proportion of American Indians in San Diego County. Of the 6,110 unsheltered individuals, over 200 were counted in the unincorporated areas of San Diego County.

The County of San Diego (County) Framework for Ending Homelessness (Framework) was created to provide a strategic path for ending homelessness in the county across five strategic domains and ensures an equitable approach to service delivery. Ensuring racial and social equity in all aspects of homelessness prevention and response is one of the key drivers guiding the Framework efforts. Securing equitable housing, supports, and funding will assist those who are at-risk of or experiencing homelessness throughout the region. The County has conducted lived experience forums in the North, East, and South Regions to gain valuable information on shaping programs and has implemented regular lived experience feedback questionnaires.

The County Health and Human Services Agency, Department of Homeless Solutions and Equitable Communities administers Compassionate Emergency Solutions and Pathways to Housing (CESPH) programs, which serve people experiencing homelessness in the unincorporated communities. It is anticipated that CESPH will provide needed housing and support to people across the unincorporated areas of San Diego County, including youth and those who are disproportionately represented in the homeless system, including people who are justice-involved, and people with a range of health and social needs, as well as Black, Indigenous and People of Color.

SUSTAINABILITY IMPACT STATEMENT

Today's proposed actions support the County of San Diego (County) Sustainability Goal #1 to engage the community in meaningful ways and continually seek stakeholder input, Sustainability Goal #2 to provide just and equitable access to services and resources, and Sustainability Goal #4 to protect the health and well-being of everyone in the region. People at-risk of or experiencing homelessness, impacted community members, community partners, and other key stakeholders are engaged during the development of County plans to address homelessness and their feedback is valued and incorporated into the development of programs. Today's actions related to the Compassionate Emergency Solutions and Pathways to Housing program support the most vulnerable community members in the unincorporated communities to have just and equitable access to housing, services, and resources. This includes ensuring access to and facilitating connections to health services and behavioral health support.

FISCAL IMPACT

All options assume the use of \$41.8 million available in the Homeless Services section of the American Rescue Plan Act (ARPA) Framework for operating costs of the Regional Homeless Assistance Program (RHAP) and construction and operating costs of sleeping cabins. This amount represents the use of ARPA funds and General Purpose Revenue earmarked through the previously approved ARPA revenue loss strategy, and is inclusive of the \$8.5 million in ARPA funds initially allocated for construction of the Jamacha Sleeping Cabin site. Under all options listed in Recommendation 1, sufficient funds are available for construction costs of the Troy Street Sleeping Cabin site and operating costs of RHAP through Fiscal Year (FY) 2025-26. The selection of option A, B, or C determines the one-time ARPA balance available for operational funding beginning in FY 2026-27 and the remaining gap where funding for ongoing operations would still need to be identified.

Operating costs for FY 2026-27 are estimated at \$13.8 million annually for options A and B, and \$15 million annually for option C. Under Option A, approximately \$13.1 million of additional funding would need to be identified to fully offset operational costs in FY 2026-27. Under Option B, approximately \$8.4 million would need to be identified. Under the RHAP only model in Option C, the FY 2026-27 funding gap drops to \$3.2 million given there are no upfront construction costs. For operating costs starting in FY 2026-27, the Department will monitor and incorporate in future operational plans as funding becomes available. Details of each recommendation is provided below and a funding summary is included in Attachment B.

Troy Street Sleeping Cabins Recommendation 1 Options A or B and Recommendation 2

One-Time Construction Costs

Funds for this request are included in the Fiscal Year 2024-26 Operational Plan for Health and Human Services Agency (HHS) and are not included in the FY 2024-25 Operational Plan in the Major Maintenance Capital Outlay Fund (MMCOF) for the Troy Street Sleeping Cabins MMCOF Project 1026800. If approved, today's actions will result in an increase of appropriations in the MMCOF for estimated one-time design and construction costs and revenues of up to \$11.1 million in FY 2024-25. The funding source is an Operating Transfer In from HHS based on ARPA funds offset by any additional State funding made available. At this time, there will be no change in net General Fund cost and no additional staff years.

Ongoing Operating Costs

Under options A and B, RHAP would continue at \$15 million annually for 250 beds through FY 2025-26 and reduce to 180 beds beginning in FY 2026-27 once the Troy Street Sleeping Cabins are operational. The estimated operating costs for FY 2026-27 are \$13.8 million (\$10.8 million for RHAP and \$3 million for sleeping cabins). The selection of either option A or B impacts necessary operational funding to continue programming through FY 2026-27 depending on available State funding for Troy Street. The balance necessary to fund FY 2026-27 operating costs is anticipated to range from \$8.4 million to \$13.1 million depending on whether State funding is received to offset sleeping cabin construction costs. At this time, there will be no change in net General Fund cost and no additional staff years.

Reallocation of funding to the Regional Homeless Assistance Program Option C

There are no one-time construction costs under this option. Funds for operating costs of RHAP are included in the Fiscal Year 2024-26 Operational Plan for Health and Human Services Agency. If approved, today's action will result in costs and revenues of \$15 million annually in FY 2024-25 and FY 2025-26. There will be no change in net General Fund cost and no additional staff years. Annual costs of \$15 million would continue forward into FY 2026-27. It is estimated that \$3.2 million of funding would need to be identified to fully fund operations in FY 2026-27.

BUSINESS IMPACT STATEMENT

N/A

ACTION:

ON MOTION of Supervisor Montgomery Steppe, seconded by Supervisor Anderson, the Board of Supervisors took the following actions:

1. Received the report including feasibility analysis of alternative emergency housing solutions and directed the Chief Administrative Officer to pursue Option A to expand emergency housing in the unincorporated communities and authorized the Troy Street Sleeping Cabin site located at 2800 Sweetwater Road, Lemon Grove to proceed without State funding, while continuing to pursue the reallocation of State funds to offset construction costs through the grant agreement. [Ref. Board Letter Recommendation No. 1.1]
2. Found in accordance with Section 15061(b)(3) of the State of California Environmental Quality Act (CEQA) Guidelines that it can be seen with certainty that there is no possibility that establishing appropriations and amending the Compassionate Emergency Solutions and Pathways to Housing (CESPH) project contract may have a significant effect on the environment and is, therefore, exempt from CEQA. [Ref. Board Letter Recommendation No. 2.1]
3. Found that the proposed lease with the State of California, Department of Transportation (Caltrans) and the work proposed at the Troy Street Sleeping Cabins site are exempt from CEQA pursuant to State CEQA Guidelines sections 15301, 15303, 15304, 15311 and 15269(c). [Ref. Board Letter Recommendation No. 2.2]
4. Transferred appropriations of \$11,100,000 within the Health and Human Services Agency (HHSA), Department of Homeless Solutions and Equitable Communities, from Services & Supplies to Operating Transfers Out to provide funding to the Major Maintenance Capital Outlay Fund for the Troy Street Sleeping Cabin site based on ARPA funding; and establish

appropriations of \$11,100,000 in the Major Maintenance Capital Outlay Fund for the Troy Street Sleeping Cabin site MMCOF Project 1026800, based on an Operating Transfer In from HHSA. [Ref. Board Letter Recommendation No. 2.3]

5. Approved and authorized the Director, Department of General Services (DGS), to execute a lease with Caltrans for the Troy Street Sleeping Cabin site located at 2800 Sweetwater Road, Lemon Grove, to exercise any options to extend the lease prior to its expiration, if appropriate, and to execute any amendments to the lease that do not increase the rent or extend the term. [Ref. Board Letter Recommendation No. 2.4]
6. In accordance with Board Policy A-87, Competitive Procurement and Administrative Code Section 401, authorized the Director, Department of Purchasing and Contracting, to enter into negotiations with Turner Construction, and upon successful negotiations and determination of a fair and reasonable price, amend contract #569169, to increase the Budget Not-to-Exceed amount to add the cost of developing the Troy Street Sleeping Cabins site, subject to the availability of funds; and to amend the contract as required to reflect changes to services and funding allocation, for the CESP project. [Ref. Board Letter Recommendation No. 2.5]
7. Designated the Director, DGS, as the County of San Diego Officer responsible for administering the Construction Manager at Risk Contract (CMAR) Contract #569169 and authorized the Director, DGS to execute any and all documents necessary for the implementation of the CMAR contract. [Ref. Board Letter Recommendation No. 2.6]

AYES: Anderson, Lawson-Remer, Montgomery Steppe, Desmond

ABSENT: Vargas

State of California)

County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER

Clerk of the Board of Supervisors



Signed

by Andrew Potter

