



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: March 21, 2022

TO: Rick Gentry, President & CEO
Jeff Davis, Incoming Interim CEO

FROM: Mayor Todd Gloria *Todd Gloria*
Council President Sean Elo-Rivera *Sean Elo-Rivera*
Councilmember Chris Cate *Chris Cate*

SUBJECT: Homekey Round 2.0 Application

Addressing the City's longstanding homelessness crisis remains a top priority of the Mayor and City Council. We are grateful to Governor Newsom and the State legislature for their decision to build upon the success of Project Homekey with additional rounds of funding that will offer billions of dollars "to sustain and rapidly expand housing for persons experiencing homelessness or at risk of homelessness."

We appreciate the efforts made by San Diego Housing Commission (SDHC) staff to secure the acquisition of hotels or motels for the purposes of receiving Project Homekey Round 2.0 funding. The acquisition and conversion of hotels and motels represent a great opportunity to rapidly expand our housing stock in an incredibly efficient manner. We also recognize the current state of the real estate market makes it extremely difficult for SDHC as well as other development partners to purchase and redevelop properties in a manner consistent with the guidelines of the program. While this is disappointing, it mustn't mean City residents will lose any opportunities to benefit from Project Homekey funding.

Our urgency to make progress in addressing our homelessness crisis cannot be overstated. While we are grateful for the substantial efforts made by SDHC staff to prevent homelessness and offer shelter and housing, we remain in a state of crisis and there is considerable risk that crisis will grow. With this in mind, we are offering the full support of our offices for SDHC staff to pivot to evaluate additional options eligible for Project Homekey Round 2.0.

We respectfully request you explore the following options:

- Master leasing of properties for non-congregate housing;
- Acquisition of affordability covenants that are approaching the end of their term;

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- Acquisition of abandoned commercial properties for the purpose of rehabilitation and conversion to housing;
- Funding for purchase of low-cost prefabricated homes and placement of those homes on properties that include single-family lots, church properties, or additional properties made available by public or private entities; and,
- Purchase of mobile homes, including those in senior mobile home communities, that can be renovated for those well-positioned for independent living situations, such as participants in a Safe Parking program.

While these options may be complicated to cobble together, we stand ready and eager to support the effort. Please let us know how we can be of assistance.

cc: Honorable City of San Diego Councilmembers
Charles Modica, Deputy Director, Independent Budget Analyst
SDHC Board of Commissioners