


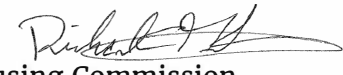


THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: May 17, 2021

TO: Honorable Council President Jennifer Campbell
Honorable City Councilmembers

FROM: Mayor Todd Gloria 
Richard C. Gentry, President & CEO, San Diego Housing Commission 

SUBJECT: Update on Federal Emergency Management Agency (FEMA) Non-Congregate Shelter Reimbursable Funding

This memorandum is in response to a March 15, 2021, memo titled, "*Request for the City to Develop Non-Congregate Shelter Program & Utilize FEMA 100% Reimbursement for Operations – Operation Shelter-to-Home 2.0.*" We share the need for an "all hands-on deck" approach and are committed to working with the City Council on strategies to address homelessness in our City and build capacity to support as many of our most vulnerable neighbors as possible during these unprecedented times.

Since December, the City of San Diego (City) has been investigating, and continues to inquire, about the possibility of providing additional opportunities to serve individuals experiencing homelessness in a non-congregate setting to complement our efforts at Operation Shelter to Home (OSTH) and other emergency sheltering interventions. A primary challenge we've sought to address, voiced by our nonprofit service and housing provider partners, is that they are facing major capacity limitations and have trouble meeting our requests due to staffing issues—a constraint shared across all sectors of our economy, and across homelessness response systems around the country.

We have collected information from service organizations through a Request for Qualifications process to help us better understand the capacity of our service providers to provide the case management and service levels needed to support persons experiencing homelessness in a non-congregate shelter environment.

In addition to this process, as well as the ongoing collaboration with other local agencies and partner organizations on short- and long-term planning, we continue to commit to leaving no stone unturned in our efforts to expand our capacity to both keep people safe and get people housed.

Request for Qualifications (RFQ) Process

On March 16, 2021, the San Diego Housing Commission (SDHC) issued an RFQ to determine the capacity among qualified service organizations to provide essential supportive services for a potential Non-Congregate Shelter (NCS) project, similar to Project Roomkey. Between the City's and SDHC's bid vendor portals, 174 notifications were distributed, and responses were accepted through April 2, 2021.

The responses to the RFQ reflected the capacity challenges seen throughout the homelessness response system and indicated that the need to hire and, where possible, redeploy staff in a very condensed timeline created additional challenges to viability.

After reviewing the responses, the evaluation committee recommended engaging one respondent in preliminary negotiations. Though the organization made good faith efforts to identify creative ways to service this need under a condensed time frame, through this process, it was determined the organization's proposed approach was not able to meet the City's needs for this program, but rather, may impact staffing at an existing City-funded homelessness program. In addition, the estimated cost to provide services for just a few months was too high and without any certainty for impactful outcomes or the ability to serve additional residents, which was of key interest to the City.

Limitations and Lack of Clarity of FEMA Authorization and Reimbursement

We have been in regular communication with our FEMA regional representatives regarding potential program implementation. FEMA shared that the parameters of the non-congregate shelter reimbursements are narrowly limited to COVID-19 related sheltering costs for individuals that have either tested positive for COVID-19, been exposed to COVID-19, or asymptomatic individuals that have one of several underlying conditions that places them at "high risk" as defined by the Centers for Disease Control and Prevention. We have received clarification that any funding reimbursement from FEMA must be completed by September 30, 2021, and FEMA reimbursements only cover the cost of hotel rooms as a direct impact of COVID-19. FEMA will not consider reimbursement for case management or other behavioral health or similar specialty services as part of this program. With COVID-19 cases decreasing and the State scheduled to reopen on June 15, FEMA has signaled that it is unlikely that there will be additional FEMA funding to support these programs.

Update on the County of San Diego's NCS Project

While the City consolidated resources to safely shelter individuals through OSTM, the County of San Diego (County) initiated a region-wide NCS program to provide quarantine and isolation shelter and protect public health in response to the COVID-19 pandemic. Currently, approximately 130 individuals self-identifying as City residents experiencing homelessness are sheltering in hotels as part of the County's program. The County has been completing the process of adding many of these individuals to the Homeless Management Information System (HMIS), a regional data management system that allows homelessness services and housing providers to connect individuals experiencing homelessness for the most appropriate housing options based on who is most in need. Many of the residents of the County's hotel program have no previous record in HMIS, which limits the Regional Task Force on the Homeless' (RTFH) and SDHC's ability to determine level of need and eligibility for housing resources.

Residents currently in the County program will be evaluated in partnership with the RTFH and SDHC to match them to the right intervention based on their eligibility, need, and availability of limited housing resources. Significant uncertainty exists regarding whether or not residents currently in hotels or who may be placed in hotels would qualify for a subsidized permanent housing resource and, if so, whether or not an opportunity to place them in that housing resource or an alternate shelter bed would exist at the end of September. The City will be working with regional partners like the County, RTFH, and SDHC to add capacity to longer-term emergency shelter and permanent housing programs that don't carry the same level of uncertainty around the eligible costs and duration of the program as the FEMA NCS program to provide a more stable environment for our clients, in line with Housing First principles.

Workforce Shortage

As previously mentioned, the shortage of the necessary skilled workforce has long been a challenge for the San Diego region as well as nationally. This was a major reason the partnering agencies determined to consolidate resources at the Convention Center. That decision created economies of scale by co-locating the limited staff pool, but the operation's leadership nevertheless had to supplement with City and SDHC staff from other positions. The additional impacts of COVID-19 persist in the workforce, and that is why we made and continue to make concerted efforts to invest in building up a workforce skilled, through the proper education, in the homelessness response system.

In October 2020, SDHC and San Diego City College launched the first "Homelessness Program for Engaged Educational Resources" (PEER) course. The program is a first-of-its kind collaboration between SDHC and San Diego City College and provides specialized education, training and job placement assistance to develop the workforce needed for programs and services that help San Diegans experiencing homelessness. This course builds upon established San Diego City College certificate programs in mental health work, alcohol and other drug studies, gerontology, and the Associate of Arts Degree in Behavioral Health: Social Work. The PEER program offers help to students with enrollment and support services needed on campus; matches students to appropriate internships, work experience or service-learning sites with homeless service providers; and provides job placement assistance.

Recognizing staffing levels will be a significant challenge, one that we will face even after the full reopening of the economy, the City has committed to scaling up the successful PEER program by increasing funding to expand this workforce program in Fiscal Year 2022 using American Rescue Plan Act (ARPA) funding.

Additional Funding Opportunities

Although the feasibility of utilizing non-congregate shelters supported by FEMA reimbursement falls short based upon all of these factors, the Mayor committed to appropriating an additional \$10 million of ARPA funding toward serving people experiencing homelessness, in addition to seeking other state and federal resources for homelessness. The City and SDHC are already collaborating with the County of San Diego and the RTFH to leverage these funds with the County's existing Behavioral Health resources, and some of the County's ARPA funding that will be considered by the Board for dedicating towards homelessness efforts. Some of these strategies to ensure we are ending homelessness among people facing the most significant challenges include:

- Expansion of residential options for people with substance use disorders
- Expansion of interim shelter beds
- Expansion of the Coordinated Street Outreach Program
- Expansion of Rapid Rehousing
- Expansion of workforce training programs

In addition, in April 2021, the City and California's Big City Mayors joined together to call on the Governor and State leaders to make a historic investment to reduce homelessness across the state and dramatically increase the number of individuals housed. On May 11, 2021, the Governor announced a \$12 billion investment over a five-year period dedicated to homelessness programs and services, with \$8.75 billion allocated to the expansion of Homekey and \$3.5 billion allocated to prevention, housing, and rental support. The City looks forward to capitalizing on these funds and continues to work with SDHC to actively seek opportunities to expand Homekey in our city, as well as other diversion, shelter, and rehousing programs, in conjunction with supportive services for individuals experiencing homelessness throughout our community.

We look forward to continued collaboration with the County, RTFH, and the City Council. As we embark on this next fiscal year, we will continue to think creatively and strategically to address the needs of all people experiencing homelessness and ultimately connect them to housing. We plan on keeping the City Council up-to-date as different revenue streams come forward and look forward to collaborating in providing even more resources, supportive services, and permanent housing placements for people experiencing homelessness.

Cc: Honorable City Attorney Mara Elliott
Andrea Tevlin, Independent Budget Analyst
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Jay Goldstone, Chief Operating Officer