



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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First District

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Second District

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Third District

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Fourth District

JIM DESMOND
Fifth District

DATE: September 24, 2024

07

TO: Board of Supervisors

SUBJECT

RECEIVE AN UPDATE ON HOMEKEY PROGRAMS (DISTRICTS: ALL)

OVERVIEW

In March 2023, the California Department of Housing and Community Development announced the availability of the third round of Homekey program funds to rapidly expand the inventory of housing for people experiencing homelessness or at risk of homelessness. Upon this announcement, the County of San Diego (County) Health and Human Services Agency, San Diego Housing Commission (SDHC), and City of San Diego expanded on prior efforts and partnered to ensure this funding opportunity was secured and leveraged to provide additional housing resources to the most vulnerable members in the San Diego region.

Subsequently on May 23, 2023 (25), the San Diego County Board of Supervisors (Board) approved recommendations to authorize up to \$32 million in capital loans to SDHC and issue competitive solicitations for behavioral health supportive services at up to four Homekey developments; all actions contingent upon successful award of Homekey funds. Additionally, at this meeting, the Board directed the Chief Administrative Officer return to the Board within one year with benchmarks to measure the effectiveness of the programs.

In late 2023 and early 2024, SDHC received awards for three of the four developments securing over \$55 million in Homekey Round 3 funding. Although the Homekey program aims to expedite the process of producing affordable housing, the time from application to having the units fully operational may still be over two years. Construction and rehabilitation are currently underway at the three Homekey Round 3 developments.

Today's item provides an update on the Homekey Round 3 developments, inclusive of procurement status of behavioral health supportive services contracts, an overview of the general outcomes and benchmarks anticipated through the Homekey Round 3 programs, and an update on the progress of other developments supported by previous rounds of Homekey funding. This item 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 by supporting housing stability for people with behavioral health conditions, including those who are experiencing or at risk of homelessness.

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RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

Receive an update on Homekey programs including status of behavioral health supportive services contracts.

EQUITY IMPACT STATEMENT

In the 2024 Point-in-Time Count, 10,605 people were identified as unsheltered or in shelters throughout the county. Of those who were unsheltered, 44% were identified as chronically homeless. The County of San Diego (County) is committed to finding equitable solutions to prevent and end homelessness by providing preventative and supportive services and permanent supportive housing. The Homekey program allows the County to expeditiously utilize a key funding resource that was established to meet the needs of historically underserved populations, specifically persons experiencing homelessness or at risk of homelessness.

The Homekey program is funded through the California Department of Housing and Community Development and continues a statewide effort to sustain and rapidly expand housing for people experiencing homelessness or at risk of homelessness, and who are, thereby, inherently impacted by COVID-19 and other communicable diseases. Once operational, Homekey Round 3 funding will provide needed housing and supports to residents who are disproportionality represented in the homeless system, including justice-involved individuals and individuals with a range of health and social needs, as well as Black, Indigenous and People of Color. Homekey is an opportunity for the County to increase permanent supportive housing options for of the most vulnerable populations, providing not just housing, but ensuring that resources for supportive service are made available to the residents.

SUSTAINABILITY IMPACT STATEMENT

Today's proposed action supports the County of San Diego Sustainability Goal #2 to provide just and equitable access by ensuring affordable housing developments are restricted to individuals and families experiencing homelessness and chronic homelessness. This is supported by cultivating strong relationships with other local governmental entities and community partners, thereby allowing a symbolic relationship that has, at its core, a mutual, mission-driven goal to serve the communities that have been disproportionately impacted by poverty.

FISCAL IMPACT

There is no fiscal impact associated with this item. There is no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

Due to a lack of quorum, the Behavioral Health Advisory Board (BHAB) meeting on September 5, 2024, was canceled, and this item was unable to be shared. The item will be discussed at the October 3, 2024, BHAB meeting.

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BACKGROUND

On March 29, 2023, the California Department of Housing and Community Development (HCD) announced the availability of the third round of Homekey program funds to rapidly expand the inventory of housing for people experiencing homelessness or at risk of homelessness. Homekey is a statewide effort to rapidly sustain and expand housing opportunities for people experiencing or at risk of homelessness and impacted by COVID-19. Upon the announcement of the availability of the third round of Homekey program funds, the County of San Diego (County) Health and Human Services Agency (HHSA), San Diego Housing Commission (SDHC), and City of San Diego expanded on prior efforts and partnered to ensure this funding opportunity was secured and leveraged to provide additional housing resources to the most vulnerable members in the San Diego region.

Subsequently on May 23, 2023 (25), the San Diego County Board of Supervisors (Board) approved recommendations to authorize up to \$32 million in capital loans to SDHC for up to four Homekey developments and issue competitive solicitations for behavioral health supportive services at up to four Homekey developments; all actions contingent upon successful award of Homekey funds. Additionally, at this meeting, the Board directed the Chief Administrative Officer to enter into a Memorandum of Agreement (MOA) with SDHC for terms related to property events, and return to the Board within one year with benchmarks to measure the effectiveness of the programs.

In late 2023 and early 2024, SDHC received awards for three of the four developments securing over \$55 million in Homekey Round 3 funding. Construction and rehabilitation are currently underway at the three Homekey Round 3 developments.

Today’s item provides an update on the Homekey Round 3 developments, inclusive of procurement status of behavioral health supportive services contracts, an overview of the general outcomes and benchmarks anticipated through the Homekey Round 3 programs, MOA status, and an update on the progress of other developments supported by previous rounds of Homekey funding.

Benchmarks and Outcomes Anticipated Through Homekey Round 3 Programs

In the 2024 Point-in-Time Count, 6,110 people were identified as unsheltered, which is an 18.2% increase from the 2023 Point-in-Time Count. Of those who identified as unsheltered in 2023, 28% reported having a serious mental illness (SMI). These figures demonstrate the need for innovative housing solutions and that the region continues to face a shortage of affordable housing. For individuals experiencing homelessness with SMI, stable housing, as a primary intervention, provides a foundation to address additional needs. Research has demonstrated that when individuals are given immediate access to permanent housing, they experience improved mental health outcomes, increased engagement with supportive services, and better long-term housing stability. This provides individuals an opportunity to focus on services, including mental health treatment, substance use programs, and other resources. This approach also can be cost-effective by reducing reliance on emergency services, hospitalizations, and interactions with the criminal justice system.

To measure the effectiveness of the support services offered to tenants at the Homekey Round 3 developments, general performance indicators will be utilized. This includes the number of tenants

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receiving outreach and engagement services, tenants receiving clinical and light case management services, tenants declining support services, along with the number of tenant referrals and connections to mental/physical health or substance use treatment. Additionally, service linkage data or the number of successful connections to services will be tracked. Examples of services include basic needs, transportation, education, employment, and housing.

Client information, such as the number of health assessments made, adjustments to previous assessments, treatment referrals, documentation of assertive outreach to tenants, and barriers to accepting services, are also tracked as part of the client's electronic health record, which is included in annual medical record reviews conducted by County Behavioral Health Services (BHS) Quality Management to ensure that high clinical standards are documented.

Overarchingly, we anticipate that people with behavioral health conditions accessing any of the Homekey programs will achieve improvement and stability versus people who are not housed. Over time, as the number of housing developments increases across the region, outcomes across this population are anticipated to improve through greater connections to housing and connections to support services. This will result in improved behavioral and physical health outcomes, ongoing housing stability, and increased self-sufficiency.

Update on Homekey Round 3 Developments

Since Board direction was received on May 23, 2023 (25), applications for Homekey Round 3 funds were submitted by the SDHC for four developments. State HCD subsequently awarded SDHC funds for three of these developments. The developments are, Abbott Street Apartments which will be operational at the end of September 2024; Presidio Palms anticipated to be operational in February 2025; and Pacific Village, anticipated to be operational in December 2024. Once completed, these developments will provide 239 units of permanent supportive housing.

Update on Homekey Round 3 Behavioral Health Supportive Services

The Board action on May 23, 2023 (25) also included authorization to competitively procure behavioral health supportive services within the Homekey Round 3 developments. Behavioral health supportive services include screening, outreach and engagement, behavioral health assessment, case management, housing stabilization, crisis intervention, and care coordination. Services are made available to adults who are formerly homeless and have a disabling condition.

The behavioral health supportive services contract for Abbott St. Apartments and Pacific Village was awarded in August 2024. The request for proposal for Presidio Palms was posted to the County's procurement platform, BuyNet, in July 2024, with an anticipated contract start date later this fall, depending on successful negotiations. Complementing the supportive services, BHS also has an array of other services that the new Homekey developments will be able to access if tenants are in need of immediate support for behavioral health crises, including, the Psychiatric Emergency Response Team (PERT) and the Mobile Crisis Response Team (MCRT), which are available 24/7.

Update on Memorandum of Agreement (MOA)

HHSA entered into an MOA with SDHC on May 28, 2024. The MOA outlines the communications and collaborations of both agencies related to media events and onsite property events at all County-funded developments.

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Previous Homekey Activities

In addition to actions taken by the Board on May 23, 2023 (25), the County has supported increasing affordable housing opportunities and services for people experiencing homelessness through the Homekey program since its inception.

Kearny Vista and Valley Vista

In 2021, SDHC was awarded funding for two Homekey developments located in the City of San Diego. In October 2021 and January 2022, BHS executed two contracts to provide behavioral health supportive services to residents at two Homekey Round 1 sites, Kearny Vista and Valley Vista. Kearny Vista is a 142-unit property located at 5400 Kearny Mesa Road, San Diego, CA 92111, and Valley Vista is a 190-unit property located at 1865 Hotel Circle South, San Diego, CA 92108. Residents are matched through the Coordinated Entry System and must have a verified disabling condition, whether it be mental, physical health, or substance use related. About 30% of Kearny Vista and Valley Vista residents had three or more disabling conditions in Fiscal Year (FY) 2023-24.

The behavioral health supportive services contracts were reprocured in January 2024, bringing the County's total contribution for these sites to \$18.1 million, \$7.9 million for Kearny Vista, and \$10.2 million for Valley Vista. The following services are currently available through these contracts:

- Light case management services are available for residents who require behavioral health support but do not need clinical case management. These services focus on maintaining housing stability through a minimum of one face-to-face contact per month. Residents receive support through group sessions, transportation assistance, and referrals to community resources twice a month, with additional face-to-face interactions and daily group offerings.
- Clinical case management services are available for residents who are in need of more intensive behavioral health services, including screening, crisis intervention, and care coordination to connect them with services offered by BHS. Residents in this category receive at least two face-to-face contacts per month.

From January 2024 to June 2024, 200 residents were served at Kearny Vista of which 95% received light or clinical case management services. Over the same period, 207 residents were served at Valley Vista of which 100% received light or clinical case management services. These services will also be offered at Abbott St. Apartments, Presidio Palms, and Pacific Village.

From January 2024 to June 2024, 92% of residents retained housing at Kearny Vista and 89% of residents retained housing at Valley Vista. Residents may lose housing due to eviction or death. To address housing stability concerns and develop support strategies, weekly meetings are held involving the service provider and the property management company.

These collaborative efforts aim to maximize housing retention, which remains the primary objective for both properties. To further improve retention rates, the following strategies are implemented:

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- Early intervention for at-risk residents
- Personalized support plans
- Community-building activities
- Enhanced communication between stakeholders

By focusing on these areas, both Kearny Vista and Valley Vista strive to maintain and potentially increase housing retention rates.

In addition to light or clinical case management services, additional services are available for residents if they meet eligibility requirements. These include outpatient clinic services, strengths-based case management (SBCM), assertive community treatment (ACT), and additional community-based services as needed. SBCM and ACT are field-based approaches using innovative interventions to help individuals reach recovery goals by meeting clients where they live. Moreover, tenants experiencing a behavioral health crisis are able to access existing PERT and MCRT services 24/7.

In July 2024, the “*See Something Say Something*” campaign was launched at Kearny Vista and Valley Vista. The campaign was designed to educate residents on whom to contact, whether it be property management, maintenance, security, the contractor, or law enforcement for any safety concerns. This initiative is aimed at helping residents feel more involved and supported in maintaining safety within their communities. To educate residents on the campaign, the service provider held engagement events at each property and a total of 63 residents attended, including 50 at Kearny Vista and 13 at Valley Vista.

Additionally, in partnership between County BHS and SDHC, a training manual was created for staff assigned to permanent supportive housing developments. It covers essential topics such as harm reduction strategies, outreach and engagement techniques, and fundamentals of case management. It was disseminated to property management teams and behavioral health supportive services providers in November 2023.

El Cerrito

On April 26, 2022 (11), the Board authorized HHSa to co-apply with the SDHC and PATH Ventures, on a Homekey Round 2 application for the El Cerrito development. The 41-unit permanent supportive housing development is located in the El Cerrito community of San Diego. The development was awarded \$11.83 million from the State Homekey program, in addition to \$2.05 million from the City of San Diego, and \$10 million from the County which includes \$3.5 million in grant funds for services and operating expenses. El Cerrito is in the final stages of construction, and it is anticipated that the development will be fully occupied by the end of September 2024.

Next Steps

The developers for each of the three Homekey Round 3 developments have commenced facility renovations and continue to make progress outlined in the terms of the Standard Agreements for Homekey Round 3. County loans for all three developments were completed as of August 16, 2024, and all County capital funds are anticipated to be fully expended before the end of calendar year 2025. Staff will return to the Board to coincide with significant updates and to request

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additional authority, if needed, to advance progress on the Homekey Round 3 developments or the provision of behavioral health supportive services at these developments.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's actions support the County of San Diego's (County) 2024-2029 Strategic Plan Initiatives of Equity (Housing, Health, and Economic Opportunity), and Community (Quality of Life and Partnership) by supporting community development and housing that reflect value areas identified by the 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 for individuals with behavioral health conditions; and improving the housing and service delivery system for individuals at-risk of homelessness.

Respectfully submitted,

Handwritten signature of Carolyn Smith in cursive script.

FOR

EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

N/A