COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

DATE: **April 21, 2026** **15**

TO: Board of Supervisors

SUBJECT

EXPANDING REGIONAL HOMELESS DIVERSION EFFORTS: REALLOCATING BUILDING PARTNERSHIPS FUNDS AND AUTHORIZING A CONTRACT WITH THE SAN DIEGO HOUSING COMMISSION (DISTRICTS: ALL)

OVERVIEW

For too many San Diego families, a single missed paycheck, an unexpected car repair, or a landlord unwilling to negotiate is all it takes to tip from housing instability into homelessness. In a region where rents have climbed steadily and the cost of living continues to squeeze working families, the margin between housed and unhoused has never been thinner.

And yet, for the first time in years, the data shows real signs of progress. The 2025 Point-in-Time Count found 9,905 individuals experiencing homelessness across the County, a 7% decrease from 2024. Over the past 12 months, our region is finally housing people faster than they are falling into homelessness: an average of 1,187 people per month are getting housed, against 1,089 falling into homelessness for the first time. Programs like homeless diversion are a critical reason the curve is turning.

Homeless Diversion

Diversion connects people at the moment of crisis with case management support and flexible financial assistance. This help is provided before trauma compounds, before costs multiply, and before a short-term emergency becomes a chronic condition. Outreach staff help people think through their options, who in their network might help, what immediate resources exist, and connect them with rental assistance, security deposits, moving costs, and utility payments. The most cost-effective response to homelessness turns out to be the most common-sense one: intervene early and stop it before it spirals. Diversion won't resolve every case, but by reducing inflows into the shelter system, it frees up beds and resources for people with more complex needs.

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In 2023, the Board made its first investment in a regional Homeless Diversion Fund, partnering with philanthropic organizations and the Regional Task Force on Homelessness to deploy $1.5 million across 28 community-based organizations countywide. Nearly 600 individuals (489 households) received these services, which included problem-solving support alongside flexible funds to help people get into stable housing. Ninety-six percent retained stable housing after 12 months, at an average one-time cost of $3,150 per household, compared to more than $15,000 for a typical six-month emergency shelter stay. At its peak, the program accounted for 9% of all exits from homelessness across the region.

Expanding a Second Round of the Homeless Diversion Program

Today's action builds on that success at greater scale. The County will invest up to $1.1 million toward a second round of the regional Homeless Diversion Fund, leveraging philanthropic partnerships to reach approximately $2 million in total funding, projected to help approximately 600 households exit homelessness. Additional funding partners include the San Diego Foundation, Prebys Foundation, Cushman Foundation, Jewish Community Foundation, and the City of San Diego.

The program will be administered by the San Diego Housing Commission (SDHC), which has operated its own diversion program since 2017, assisting more than 900 households across the region. SDHC already has the experience, the provider and philanthropic funder relationships, and the networks to scale this work quickly. Philanthropic partners have also expressed interest in co-investing alongside the County, and SDHC's existing relationships with those partners make it well positioned to coordinate those commitments.

The effort would be regional and not limited to a specific city. SDHC goal is work with at least 20 providers across the region to train frontline staff and provide diversion services. One-third of the County’s funds would be committed to serving individuals in the unincorporated communities.

Funding comes from a reallocation of $1.1 million from the Building Partnerships Program, a County program that made funds available for community partners to purchase sleeping cabins for emergency housing. The program has not generated significant community interest, with only one grant for six sleeping cabins awarded to date and two additional similar sized projects currently under review. Redirecting these remaining funds to a proven, high-impact diversion program puts existing resources to work where the evidence is strongest. Today's action also approves a single source contract with SDHC to administer the program, reflecting their unique capacity to stand up an effort of this scale and regional reach without delay.

SDHC will report to the County on program outcomes—households served, assistance provided, and long-term stabilization rates—using HMIS data and direct participant follow-up at six-month and one-year intervals to ensure accountability and continuous program improvement.

This investment will help hundreds of households avoid the trauma of prolonged homelessness and free up shelter capacity for people with the greatest needs. When we meet people at the moment of crisis with the right support, we don't just save money. We keep families housed before a short-term emergency has the chance to become something much harder to undo.

RECOMMENDATION(S)
SUPERVISOR TERRA LAWSON-REMER AND SUPERVISOR JOEL ANDERSON

1. Approve the reallocation of $1,100,000 from Building Partnerships Program based on existing General Purpose Revenue based on revenue loss strategy through the American Rescue Plan Act framework, towards homelessness diversion efforts.

2. In accordance with section 2. A. 16) of Board Policy A-87, Competitive Procurement, approve and authorize the Director, Department of Purchasing and Contracting to enter into negotiations with San Diego Housing Commission (SDHC) and subject to successful negotiations and a determination of a fair and reasonable price, award a contract for Homeless Diversion Fund program administration for up to one year and four option periods and an additional six months if needed, to reflect changes to requirements and funding.

EQUITY IMPACT STATEMENT
Housing instability and homelessness disproportionately affect low-income households, seniors on fixed incomes, people with disabilities, and communities of color who face longstanding barriers to stable housing. Expanding the Homeless Diversion Fund helps address these disparities by providing early, flexible support, such as rental assistance or security deposits, that can prevent households from falling deeper into homelessness. By intervening early and working through community-based organizations across the region, this program helps ensure residents facing the greatest barriers have a pathway to remain safely housed.

SUSTAINABILITY IMPACT STATEMENT
N/A

FISCAL IMPACT
Funds for this request are included in the Fiscal Year 2025-26 Operational Plan in the Health and Human Services Agency. If approved, this request will result in costs and revenue of $1.1 million in Fiscal Year 2025-2026. The funding source is existing General Purpose Revenue through the American Rescue Plan Act (ARPA) revenue loss strategy, which will be reallocated from remaining funds in the Building Partnerships Program under the Homeless Services section of the ARPA Framework. Approval of this item will result in no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT
N/A

ADVISORY BOARD STATEMENT
N/A

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BACKGROUND

San Diego County continues to face a homelessness crisis, but for the first time in years the data show real signs of progress. The 2025 Point-in-Time Count found 9,905 individuals experiencing homelessness across the County, a 7% decrease from 2024. Over the past 12 months, the region is finally housing people faster than they are falling into homelessness: an average of 1,187 people per month are getting housed, against 1,089 falling into homelessness for the first time.

Homeless diversion is a critical reason the curve is turning. Diversion connects people at the moment of crisis with problem-solving support and flexible financial assistance — before trauma compounds, before costs multiply, before a short-term emergency becomes a chronic condition. Outreach staff help people think through their options, identify who in their network might help, and connect them with resources like rental assistance, security deposits, moving costs, and utility payments. By reducing inflows into the shelter system, diversion also frees up beds and resources for people with more complex needs.

In 2023, the Board made its first investment in a regional Homeless Diversion Fund, partnering with philanthropic organizations and the Regional Task Force on Homelessness to deploy $1.5 million in flexible diversion funding across 28 community-based organizations countywide. Nearly 600 individuals received services. Ninety-six percent retained stable housing after 12 months, at an average one-time cost of $3,150 per household, compared to more than $20,000 for a typical six-month emergency shelter stay. At its peak, the program accounted for 9% of all exits from homelessness across the region before program funding ran dry.

Today's action expands on that success. The Board is asked to authorize a second round of the regional Homeless Diversion Fund, reallocating $1.1 million from the Building Partnerships Program — a County emergency housing initiative that has seen limited community interest — and directing those funds toward a proven, high-impact diversion effort. Leveraging philanthropic co-investment, the total fund is projected to reach approximately $2 million, helping an estimated 600 households exit homelessness.

The San Diego Housing Commission, which has operated its own diversion program since 2017, will administer the program under a single source contract, bringing the experience, provider and philanthropic funder relationships, and regional networks to scale this work quickly. This contract is exempt from competitive procurement requirements as the San Diego Housing Commission is a governmental agency and is the only provider that can reasonably or adequately provide the required program administration services due to its unique capability, as it has operated its own diversion program since 2017 and already has the experience, the provider relationships, and the networks to scale this work quickly.

SDHC will track program outcomes through the Homeless Management Information System (HMIS), with reporting available to the County monthly, quarterly, or annually. Reports will cover households served, demographics, average income, types and levels of financial assistance provided, and length of homelessness prior to intervention. To assess long-term efficacy, SDHC will cross-check participants at six-month and one-year intervals to identify any reengagement with the homelessness response system, and will conduct direct follow-up with each household at those milestones via their preferred communication method. Together, these data streams will allow SDHC to evaluate stabilization rates, refine interventions for different populations, and demonstrate impact to the County and philanthropic co-investors.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN
This item supports the County of San Diego's 2026–2031 Strategic Plan's Community (Quality of Life) initiative by providing programs and services that enhance the community through increasing the well-being of our residents.

Respectfully submitted,

JOEL ANDERSON
Supervisor, Second District

TERRA LAWSON-REMER
Supervisor, Third District

ATTACHMENT(S)
N/A