



# CITY OF OCEANSIDE

HOUSING AND NEIGHBORHOOD SERVICES DEPARTMENT

## COMMITTEE ON VETERANS' AFFAIRS SUBCOMMITTEE ON ECONOMIC OPPORTUNITY OVERSIGHT HEARING

### “All Hands on Deck: Ending Veteran Homelessness in San Diego”

May 4, 2023

San Diego County is a proud military community. It's home to over 250,000 veterans, one of the nation's largest concentrations. Marine Corps Base Camp Pendleton is a significant part of this military community in the region. Directly north of the City of Oceanside, Oceanside has significant community ties to the military base. Camp Pendleton has over 42,000 active duty personnel (73% living off base), a daytime population of 70,000 military and civilian personnel, and more than 77,000 retired personnel residing in the San Diego region. Many of these active, retired, and discharged service-members and their families make Oceanside their home.

### Point-in-Time Data: Veterans

Many of our veterans discharged from military service have found themselves at greater risk of homelessness. According to the Regional Task Force on Homelessness (RTFH), there are nearly 1,000 veterans experiencing homelessness in our region right now. Point-in-Time data for 2022 show that in Oceanside, there are 71 unsheltered veterans. While the number may appear to be small, this data is reflective of a single count of sheltered and unsheltered people experiencing homelessness on one given night. What is important to note in the data is a trend that followed significant efforts in the region to end veteran homeless but yet a **dramatic increase in Oceanside in unsheltered veteran homelessness from 2020 to 2022, 66 persons or 1,320% increase**. The San Diego Region, however, saw a 30% decrease from the 2022 to 2020 PIT count.<sup>1</sup> The region, as a whole, has seen a steady decline in veteran homelessness since 2015.

**City of Oceanside  
Point-in-Time Count Data**

Year	Unsheltered Persons			Sheltered Persons			TOTAL	Overall Change
	Total	Veterans	%	Total	Veterans	%		
2018	326	33	10%	157			483	
2019	290	15	5%	202			492	2%
2020	242	5	2%	166	48	29%	408	-17%
2021								
2022	318	71	22%	196	17	9%	514	26%

<sup>1</sup> Regional Community Action Plan to Prevent and End Homelessness in San Diego. San Diego Regional Taskforce on Homelessness, September 2022. pp. 55-56.

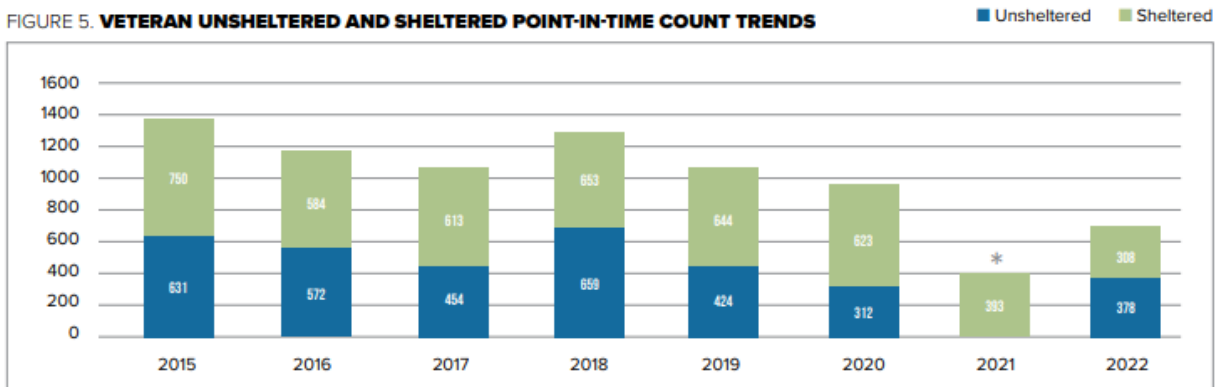
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Due to the pandemic and putting health and safety above all else, the Regional Taskforce on the Homeless (RTFH) and its board of directors decided not to conduct its annual Point-in-Time Count (PITC) of unsheltered San Diegans for 2021.

FIGURE 5. VETERAN UNSHELTERED AND SHELTERED POINT-IN-TIME COUNT TRENDS



Note: In 2021 the CoC did not conduct an unsheltered PIT Count due to COVID-19. The 2021 PIT Count only included the sheltered count. Veteran homelessness has steadily decreased over the last several years as a result of increased focus on the issue, local initiatives, and increased funding from the VA, particularly in housing first interventions including the HUD VASH and SSVF programs.

## Addressing Housing Needs

The San Diego region's Continuum of Care (CoC), as the collective impact body on homelessness in San Diego, adopted in September 2022, a single plan with a shared vision and direction for the region, the Regional Community Action Plan to Prevent and End Homelessness in San Diego, authored by the Regional Taskforce on Homelessness (RTFH). As part of its 5-year People Goals, the region is working towards ending veteran homelessness with its participation in the national Built for Zero initiative with Community Solutions. While over the years, the region has made strides in reducing veteran homelessness, the County of San Diego Board or Supervisors approved in February 2023 the development of a plan over the next 1 ½ years to bring veteran homelessness to functional zero.

Through a comprehensive, urgent, deliberate, and collaborative approach, stakeholders from the County, local municipalities, RTFH, the VA, and others will build a framework to achieve Functional Zero (FZ) to Leave No Veteran Homeless in the San Diego region. As a part of this effort and with the growth of veteran homelessness in contradiction to the region, the City of Oceanside, as a Housing Authority (OHA) with the availability of 100 HUD-Veterans Affairs Supportive Housing (HUD-VASH) Housing Choice Vouchers (HCV), is examining additional and measurable actions it can take in addressing the housing needs of our unsheltered veterans.

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## Housing Choice Voucher (HCV)

Oceanside is one of three Public Housing Authorities (PHAs), along with the San Diego Housing Commission and County of San Diego, to administer a HUD VASH program in the region in partnership with the Veterans Administration (VA). As Oceanside increased its HUD-VASH program to 100 vouchers, **utilization of the VASH program dropped from a high of 75% utilization to approximately 55% currently and historically.**

**Tenant Based HUD VASH – Oceanside**

Allocation	Leased Up		In Pipeline		Allocation Remaining	
100	55	55%	5	5%	40	40%

## Housing Costs and FMRs

One of the significant challenges in implementing one of the most beneficial affordable housing programs (Housing Choice Voucher) for economically challenged households, while leveraging the private market, is current market conditions. To keep pace with the rental market and ensure voucher holders have meaningful choice about where they live, Oceanside has increased its payment standards up to 115% of the Fair Market Rents (FMRs) by utilizing current available waivers, set to expire in December 2023, for its regular HCV program and the maximum allowed of 120% of FMR for our HUD-VASH program. Oceanside utilizes zip code-level Small Area Fair Market Rents (SAFMRs) that better reflect rents in individual neighborhoods within its City limits.

Fair Market Rent (FMR) is the basis for determining the “payment standard” amount for the maximum monthly subsidy for an assisted family in the federal HCV program. FMR calculations are HUD's best efforts to estimate gross rent paid by recent movers into standard quality housing units in regions utilizing U.S. Census information from the American Community Survey (1-year and 5-year) and applying inflation and trend factors based upon the Consumer Price Index (CPI). For FY 2023 only, with the lack of availability of 1-year data because of the impacts of COVID-19 on data collection, HUD temporarily revised calculations to the FMR introducing private sector rent data. While such data may not provide the transparency and soundness needed in FMR calculations, private sector data can be timelier and more reflective of rapidly changing rents in certain geographic areas than the resulting delay in the measurement of rent increases by estimating rent inflation in the CPI. As a result, nationally, FMRs increased by an average of approximately 10 %. The table below demonstrates the change in the FMRs for FY 2023 in Oceanside, ranging from a 7 to 13% increase. Whereas, in previous years utilizing census data and CPI adjustments, rents in Oceanside have been more conservative and flat at 1 to 5% increases.

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## San Diego-Carlsbad, CA MSA Small Area FMRs By Unit Bedrooms

### Fair Market Rents (40th PERCENTILE RENTS) | HUD USER

Zip Code	Unit Size	2018	2019	% Increase in FMR	2020	% Increase in FMR	2021	% Increase in FMR	2022	% Increase in FMR	2023	% Increase in FMR
92054	Studio	\$1,230	\$1,350	10%	\$1,420	5%	\$1,470	4%	\$1,530	4%	\$1,700	11%
	One	\$1,370	\$1,520	11%	\$1,580	4%	\$1,630	3%	\$1,690	4%	\$1,870	11%
	Two	\$1,770	\$1,970	11%	\$2,060	5%	\$2,110	2%	\$2,170	3%	\$2,380	10%
	Three	\$2,550	\$2,820	11%	\$2,930	4%	\$2,970	1%	\$3,010	1%	\$3,250	8%
	Four	\$3,130	\$3,460	11%	\$3,620	5%	\$3,650	1%	\$3,690	1%	\$3,960	7%
	Five	\$3,599	\$3,979	11%	\$4,163	5%	\$4,197	1%	\$4,243	1%	\$4,554	7%
92058	Studio	\$1,330	\$1,450	9%	\$1,520	5%	\$1,550	2%	\$1,630	5%	\$1,840	13%
	One	\$1,480	\$1,620	9%	\$1,700	5%	\$1,720	1%	\$1,800	5%	\$2,030	13%
	Two	\$1,920	\$2,110	10%	\$2,210	5%	\$2,230	1%	\$2,310	4%	\$2,580	12%
	Three	\$2,770	\$3,020	9%	\$3,140	4%	\$3,140	0%	\$3,210	2%	\$3,530	10%
	Four	\$3,390	\$3,710	9%	\$3,880	5%	\$3,860	-1%	\$3,930	2%	\$4,290	9%
	Five	\$3,898	\$4,266	9%	\$4,462	5%	\$4,439	-1%	\$4,519	2%	\$4,934	9%

[CPI for All Urban Consumers \(CPI-U\)](#)

2.4%

1.5%

5.2%

7.7%

In areas such as California and particularly the San Diego County region, the value of the HCV still has difficulty meeting the rapidly changing rent market and where extremely low and very low-income renters have limited opportunities in available housing and often compete against moderate and upper-income households with great credit and qualifying income.



San Diego County saw rent growth over the past year at 3.8%, which continues to outpace the State average of 2.3% and the national average of 3.3%. (ApartmentList.com). For Oceanside, the median rent according to Zillow is \$3,400. Oceanside has seen a \$100+ increase in median rents from the previous month, and an \$800 increase since 2022.

For the HUD-VASH program, utilizing a 120% of FMR for the payment standard is effective in bridging the gap between market pricing and the voucher value. When coupled with the temporary change in the FMR methodology, the gap can be closed. **The OHA would further encourage the reform of the FMR methodology to incorporate private sector rental data beyond FY 2023.**

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SECTION 8 - EXISTING HOUSING ALLOWANCES EHV/VASH VOUCHER PAYMENT STANDARDS						
Locality: <b>OCEANSIDE</b> - Effective Date: <b>12/1/2022</b>						
	<b>Studio</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>	<b>5 BR</b>
<b>92054/92057</b>	\$2,040	\$2,244	\$2,856	\$3,900	\$4,752	\$5,465
<b>92056/92058</b>	\$2,208	\$2,436	\$3,096	\$4,236	\$5,148	\$5,920

### Outreach and Collaboration

As the use of the VASH vouchers is reliant upon direct referrals from the Department of Veterans Affairs (VA) and case management and clinical services provided by the VA, a collaborative relationship with the VA is the most impactful in gaining higher utilization of the vouchers. The VA San Diego Healthcare System has taken a leadership role in the region, with local VA staff serving as members of the CoC Advisory Board and co-chair of the CoC Veterans Consortium Committee and active in the region's Built for Zero initiative. The VA works collaboratively with the RTFH on efforts to better track data on the inflow and outflow of veterans in the Homeless Management Information System (HMIS). While the efforts of the VA are proactive and committed to Built for Zero initiatives, these efforts are focused on the region.

As smaller jurisdiction, with only 4% of the region's VASH vouchers, within a large geographic area of very diverse demographics and communities, the City of Oceanside has experienced being "last to the party." In regional collaborations and discussions, such as discussions of the HMIS data system for veteran's data, quarterly check-ins have occurred with the San Diego Housing Commission and the County of San Diego but are just now being established with Oceanside.

<b>Jurisdiction</b>	<b>VASH Vouchers</b>	
San Diego Housing Commission	1,310	56%
County of San Diego	949	40%
Oceanside Housing Authority	100	4%
<b>TOTAL</b>	<b>2,359</b>	<b>100%</b>

Limited collaborative efforts are also experienced in the direct referrals, considered to be a slow trickle, to Oceanside despite the growth of unsheltered veterans in Oceanside and the ongoing availability of nearly half its VASH vouchers. Bi-weekly and monthly meetings have been established with VA staff to assist in coordination and to maximize voucher utilization. Despite the coordination meetings, Oceanside's efforts of incentivizing landlords, and implementing higher payment standards, VASH voucher utilization rates remain low with minimal referrals forwarded. The OHA will continue not only to do case conferencing with the VA on current participants but work collaboratively to understand administrative bottlenecks and resource limitations that may be affecting the referral process.

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OHA utilizes its own network of four Oceanside Community Resource Centers located in low opportunity areas staffed by the City and various social service providers including Vista Community Clinic, North County Lifeline, the NAACP, Interfaith Community Services and others and the Library with a staff dedicated outreach on community resources to bring awareness of resources available inclusive of the homeless veteran population. Staff and providers are available to assist households in navigating processes and completing applications.

With the VA and its staff and the network of Supportive Services for Veteran Families (SSVF) program, VA funded rapid re-housing and homelessness prevention assistance for eligible Veterans, and Grant and Per Diem Case Management program partners based in central San Diego, coupled with a large geographic area of great demographic and cultural diversity to be served, economics, convenience, and logistics become a barrier to serve the entire region with equity and utilization of VASH vouchers becomes San Diego centric. The three main providers that operate the SSVF programs locally are Veterans Community Services, Veterans Village of San Diego, and People Assisting the Homeless (PATH). While San Diego has a diverse array of VA Grant and Per Diem (GPD) and VA Contracted Residential (CRS) programs, which include beds for low-demand shelter, recuperative care, bridge housing, clinical substance use treatment, and service-intensive transitional housing, the majority of these programs are focused in San Diego and not always easily accessible from the North County, a nearly hour commute each way on the best day.

In the Oceanside community, the infrastructure for veteran services is present with services offered through the VA medical center at Rancho Del Oro and the recent addition of the Steven A. Cohen Military Family Clinics at Veterans Village of San Diego. In addition, the VA has more recently entered into a contract with PATH to add necessary resources to serve a broader veteran community.

If the goal in housing veterans is through a path of greater ease and to count the successes as a region on the whole, then referrals that are San Diego-centric may be acceptable. If we are also working towards full utilization of all available housing resources and greater housing stability and sustainability, attention should be focused on other principles of the Housing First model, consumer choice and self-determination in terms of housing choice and social and community integration. People thrive when provided with support systems. Veterans should be served and allowed choices to remain and/or be housed in communities, such as Oceanside, where they feel connections of family and friends and familiarity with the neighborhood from their previous military service. Social and community integration can be greater when people are familiar, comfortable, and supported by their environment versus referred to other areas of the region simply because of availability of resources or forgo services to be in their community of choice.

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### Areas of improvement that are needed to achieve success in leveraging housing resources:

- Greater **availability and funding of case managers and housing navigators located and focused in various areas of the region** with the goal of gaining a better understanding and familiarity of the diverse communities and resources available to provide the necessary client-driven support system and meeting participants where they are;
- An increase in **access/flow/communications/awareness of resources and availability of HUD-VASH in the North County** to provide consumer choice and self-determination;
- **Consistent, open, and inclusive communication and collaboration** with all stakeholders, from the three PHAs, the VA, community-based outreach clinics (CBOCs), and VA contracted service providers to ensure efficacy and efficiency in the delivery of services.

### Availability of Housing at Affordable Levels

Consumer choice, self-determination, and housing sustainability are dependent upon the availability of housing and its affordability. **Efforts to stimulate development and expand our available housing stock by increasing the cap on Project Based Vouchers (PBVs) and resources for affordable housing production are necessary to meet demand.**

In order to address the needs of its extremely-low and very low-income residents, the use of PBVs is critical to the funding stack for the financial feasibility of housing at this affordability level. Housing at this level is nearly only possible to fund using PBVs. Recently, the City committed 59 PBVs to this type of housing, Greenbrier Village, which also targets homeless veterans (5 VASH vouchers) and transitional-age youth (8 TAY). This is only the second affordable housing development the City has committed PBVs. Oceanside is committed to utilizing its full 20% of the program cap for PBVs and an additional 10% for permanent supportive housing for the homeless to support housing affordability. In the next few months, the City anticipates opening its first 24/7 low-barrier navigation center to provide shelter for its homeless population. Without permanent supportive housing as the next step in the continuum, a model of sustainable housing for the unsheltered is unrealistic.

Increases in financial resources available for affordable housing production and preservation, such as the volume cap for Tax Credits and HOME funds as a major financing mechanism and a source of local contribution to housing, is also recommended. Homelessness is about the lack of affordable housing. While mental health and addiction issues are high contributing factors to homelessness and chronic homelessness, studies have demonstrated a direct correlation in higher instances of homelessness within communities with higher housing costs.

Low-Income Housing Tax Credits (LIHTC) remain the premier source of funding in the capital stack for the production of housing opportunities. In 2021, \$191.4 million in nine percent (9%) annual federal LIHTCs were awarded to 106 proposed housing projects. As in previous years, the 9% LIHTCs remained competitive and oversubscribed with 182 applications. The ability to provide various levels of housing affordability using LIHTC through income averaging, setting the maximum income and rent limit at 80% AMI and the average of all restricted units at no more

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than 60% AMI, give local jurisdictions and housing developers flexibility in meeting the various needs of its community and an ability to meet the varying levels of financial resources veterans have available. Social and community integration can be facilitated when varying demographics, particularly economic levels, can come together.

In past tax credit rounds, the average income for LIHTC awarded projects was approximately 36% of the AMI. The City of Oceanside was successful this year in partnering with an affordable housing developer to receive 9% tax credits coupled with 59 PBVs, five of which are VASH, to provide these units as permanent supportive housing (Greenbrier Village).

As a smaller jurisdiction, Oceanside relies on funding sources such as HOME to meet the critical housing needs of its community through the production of housing, homeownership opportunities, and tenant-based rental assistance. Oceanside provided \$3.5 million of its HOME funds to assist with the 59-unit Greenbrier development. To bridge the gap between those waiting on our HCV program, the City also utilizes HOME funds to provide tenant-based rental assistance.

### Thinking outside of the Traditional with Alternative Housing

As housing affordability and the production of affordable housing are long-term solutions, alternative types of housing should be considered to address affordability and increasing needs for disabilities and aging. Clarifying and establishing payment standards for the HCV program for differing types of housing, such as assisted living facilities, independent living facilities/group homes, and shared housing, could meet both the physical and financial needs of veterans.

### Conclusion

Continued work by the San Diego region’s Continuum of Care (CoC) with the Built for Zero initiative with Community Solutions and current collaborative work in building a framework Countywide to achieve functional zero for unsheltered veterans within the next 1 ½ years incorporates many of the recommendations cited. Lines of efforts being worked on by stakeholders from the County, local municipalities, RTFH, the VA, and others to build a framework to achieve functional zero include:

- Building Community Partnerships
- Data Management
- Housing Solutions
- Support Services
- Veteran Homeless Outreach
- Funding
- Prevention and Sustainment



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