



City Council Memorandum

City of Arts & Innovation

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TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 16, 2021

FROM: OFFICE OF HOMELESS SOLUTIONS WARDS: 1

SUBJECT: SUBRECIPIENT AGREEMENT FOR THE HOMELESS HOUSING, ASSISTANCE, AND PREVENTION PROGRAM WITH THE ILLUMINATION FOUNDATION TO PROVIDE \$2,600,000 IN FUNDING FOR THE ACQUISITION AND REHABILITATION OF 3024 FRANKLIN AVENUE TO OPERATE A 50-BED RECUPERATIVE CARE PROGRAM FOR A TERM THROUGH JUNE 30, 2021

ISSUE:

Approve a Subrecipient Agreement for the Homeless Housing, Assistance and Prevention Program with The Illumination Foundation to provide \$2,600,000 in funding for the acquisition and rehabilitation of 3024 Franklin Avenue to operate a 50-bed recuperative care program for a term through June 30, 2021.

RECOMMENDATIONS:

That the City Council:

1. Approve the Subrecipient Agreement for the Homeless Housing, Assistance and Prevention Program with The Illumination Foundation to provide \$2,600,000 in funding for the acquisition and rehabilitation of 3024 Franklin Avenue to operate a 50-bed recuperative care program for a term through June 30, 2021, in accordance with Purchasing Resolution 23256, Section 301(d); and
2. Authorize the City Manager, or his designee, to execute the Subrecipient Agreement for the Homeless Housing, Assistance and Prevention Program with The Illumination Foundation, including making minor and non-substantive changes.

BACKGROUND:

On July 21, 2020, City Council approved an allocation of \$2,600,000 of CARES Act funding to the recuperative care program that would provide ongoing medical care for homeless individuals and would free up hospital beds during the coronavirus pandemic. The project included acquiring and rehabilitating 3024 Franklin Avenue.

In August 2020, The Illumination Foundation opened escrow to acquire 3024 Franklin Avenue and closed escrow on October 13, 2020. The total property acquisition cost was \$1,406,810.59.

On October 6, 2020, City Council approved acquiring the property from The Illumination Foundation at no cost to ensure the property continues to serve homeless individuals. The City would enter into a long-term lease with The Illumination Foundation to operate the recuperative care program with no subsidy from the City.

In October 2020, The Illumination Foundation closed escrow on the property located at 3024 Franklin Avenue and rehabilitation began after the building permits were issued. The project could not be completed by the CARES Act grant deadline of December 31, 2020 due to issues related to the coronavirus pandemic, such as employees contracting the coronavirus and factories producing materials for the project having to shut-down temporarily to prevent the spread of the virus.

To meet the CARES Act grant deadline, the \$2,600,000 allocation was reallocated to other CARES Act funded activities that were approved by City Council.

DISCUSSION:

To complete the rehabilitation of 3024 Franklin and begin operating the recuperative care program, staff is recommending utilizing \$2,600,000 of the Homeless Housing, Assistance and Prevention (HHAP) Program to replace project funding originally allocated through the CARES Act. The HHAP funding for this project will be allocated from the following activities:

- Homeless Prevention (rent arrears): This activity was funded through the CARES Act (\$2,734,770.74) and recently the City received \$9,851,908.30 from the U.S. Department of the Treasury for the emergency rental assistance program to assist with past due rent.
- Rental Assistance Program (forward rent): Funding would be reduced to \$500,000. This activity is also being funded with federal HOME Investment Partnerships Program (\$944,341.98), Emergency Solutions Grant Cares Act (\$214,988.80), and Emergency Solutions Grant FY 2020-2021 (\$109,486).
- Case Management: This activity is being funded through the City's Measure Z Homeless Services budget.
- 24/7 Emergency Shelter Beds: This activity was funded by the County of Riverside.

Staff is requesting City Council consider approving the Subrecipient Agreement for the Homeless Housing, Assistance and Prevention Program with The Illumination Foundation to provide \$2,600,000 in funding for the acquisition and rehabilitation of 3024 Franklin Avenue to operate a 50-bed recuperative care program for homeless individuals that need ongoing medical care. To-date, \$1,406,810.59 has been expended on property acquisition costs and \$52,694.50 on rehabilitation costs. The estimated project completion date is April 30, 2021.

On March, 13 2018 City Council adopted Resolution No. 23387, a resolution of the City Council of the City of Riverside, California, declaring a shelter crisis pursuant to Government Code 8698 ET SEQ. and authorizing certain actions in connection therewith.

On December 5, 2018 City Council declared the establishment of emergency housing at designated public facilities to be of urgent necessity for the preservation of life, health and property pursuant to Charter Section 1109 and waiving competitive procurement requirements. Therefore, Purchasing Resolution 23256, Section 301(d) applies, which states, "A Using Agency operation directly affecting the public health, welfare or safety, the protection of public property, or personal/

confidential information, is so severely impacted by any cause that personal injury or property destruction appears to be imminent and probable unless Goods, Services or Construction designed or intended to mitigate the risks thereof are procured immediately;”

The Purchasing Manager concurs that this purchase is in compliance with Purchasing Resolution 23256, Section 301(d).

FISCAL IMPACT:

The total project cost is \$2,600,000. There is \$1,140,494.91 available in the Development Grants fund, HHAP Emergency Shelter Beds Account No. 9341860-440210; \$1,459,505.09 has already been expended from this account on property acquisition and rehabilitation costs.

Prepared by: Michelle Davis, Housing Authority Manager
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Moises Lopez, Deputy City Manager
Approved as to form: Kristi J. Smith, Interim City Attorney

Attachment: Subrecipient Agreement for the Homeless Housing, Assistance and Prevention Program