



City of Arts & Innovation

City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE:** NOVEMBER 1, 2022

FROM: OFFICE OF HOMELESS SOLUTIONS **WARD:** 1

SUBJECT: SECOND AMENDMENT TO LEASE BY AND BETWEEN THE CITY OF RIVERSIDE AND THE REGENTS OF THE UNIVERSITY OF CALIFORNIA TO COMPLETE RENOVATIONS AND IMPROVEMENTS TO THE RIVERSIDE ACCESS CENTER CLINIC SPACE AND NEW ENTRANCE LOCATED AT 2880 HULEN PLACE TO PROVIDE OUTPATIENT MEDICAL SERVICES FOR HOMELESS INDIVIDUALS AND LOW-INCOME HOUSEHOLDS

ISSUE:

Approve a Second Amendment to Lease by and between the City of Riverside and The Regents of the University of California to complete renovations and improvements to the Riverside Access Center clinic space and new entrance located at 2880 Hulen Place to provide outpatient medical services for homeless individuals and low-income households.

RECOMMENDATIONS:

That the City Council:

1. Approve the Second Amendment to Lease by and between The City of Riverside and The Regents of University of California Riverside Medical School California to complete renovations and improvements to the Riverside Access Center clinic space and new entrance located at 2880 Hulen Place to provide outpatient medical services for homeless individuals and low-income households; and
2. Authorize the City Manager, or his designee, to execute the Second Amendment to Lease with The Regents of the University of California, including making minor and non-substantive changes, and to sign all documents and instruments necessary to implement this action, including making minor and non-substantive changes.

BACKGROUND:

On June 2, 2020, the City Council adopted the 2020-2021 HUD Annual Action Plan and authorized the appropriation of Community Development Block Grant (CDBG) funds in the amount of \$567,228.15 for the renovation of the medical clinic space located at 2880 Hulen Place. On February 4, 2022, the CDBG Memorandum of Understanding was executed with The Regents of the University of California, which was amended on August 17, 2022, to reflect the expanded rehabilitation scope of work.

This clinic space at the Hulen Homeless Service Campus has been vacant since the previous tenant (Health to Hope) ceased operations in 2019. The medical school at the University of California Riverside approached the City with a plan to perform health care services at the facility.

On May 13, 2020, the City and The Regents of the University of California entered into a lease for the Riverside Access Center clinic that included the following terms:

- \$1 annual lease payment in exchange for providing outpatient medical services to individuals experiencing homelessness with quarterly reporting;
- Initial two-year term with an optional two-year extension by mutual consent;
- Cover 40% of global building maintenance costs (e.g., security, cleaning, maintenance); and
- Adherence to a globally multi-party campus management plan.

On August 2, 2022, a First Amendment to Lease by and between the City and The Regents of the University of California was executed to extend the lease term to May 11, 2024.

DISCUSSION:

The Regents of the University of California has presented to the City, a plan to perform substantial renovations to the Riverside Access Center clinic space and new entrance in order to better provide services at the facility. The current Lease Agreement permits The Regents of the University of California to use the property as an outpatient clinical care facility and to perform maintenance and make minor repairs in accordance with the needs of the clinic. The Regents of the University of California has proposed using allocated CDBG funding to make substantial changes to the interior of the building, to update the clinic facilities for technological and regulatory needs and add new Americans with Disabilities Act (ADA) compliant pathways along the exterior of the clinic.

Approval of the lease amendment will authorize The Regents of the University of California to facilitate construction of the proposed changes.

STRATEGIC PLAN ALIGNMENT:

This action supports **Strategic Priority 2 – Community Well-Being** and contributes to **Goal 2.5**, Foster relationships between community members, partner organizations, and public safety professionals to define, prioritize, and address community safety and social service needs.

The item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Riverside is transparent and makes decisions based on sound policy, inclusive community engagement, involvement of City Boards & Commissions, and timely and reliable information. This action serves the public interest, benefit the City's diverse populations, and result in greater public good.
2. **Equity** – Project outcomes will benefit the entire community and will enhance services for an underrepresented population.
3. **Fiscal Responsibility** – This item allows the City to utilize a federal grant in partnership

with a local service provider to improve a City facility and service.

4. **Innovation** – This item will allow the City to capitalize on federal funding to meet ongoing and changing needs of low-income and homeless individuals in the community.
5. **Sustainability & Resiliency** – Riverside is committed to using HUD entitlement funds to promote sustainable community and economic development and projects to encourage community engagement and resiliency.

FISCAL IMPACT:

The fiscal impact of this action over the term of the agreement extension is \$567,228.15. The \$567,228.15 in CDBG funding is available in the CDBG Fund, UCR Health - Hulen Renovation Account number 9273400-440120.

Prepared by: Michelle Davis, Housing Authority Manager

Certified as to

availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer

Approved by: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer

Approved as to form: Phaedra A. Norton, City Attorney

Attachment: Second Amendment to Lease by and between the City of Riverside and the Regents of the University of California