



# City Council Memorandum

*City of Arts & Innovation*

---

**TO: HONORABLE MAYOR, CITY COUNCIL, AND HOUSING AUTHORITY COMMISSION**      **DATE: JULY 14, 2015**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT**      **WARD: 1**

**SUBJECT: FIRST AMENDMENT TO THE FIRST AMENDED AND RESTATED OPERATING AGREEMENT WITH PATH OF LIFE MINISTRIES FOR THE HOMELESS SHELTER LOCATED AT 2840 HULEN PLACE**

## **ISSUE:**

The issue for City Council consideration is whether to enter into a First Amendment to the First Amended and Restated Operating Agreement with Path of Life Ministries for the Homeless Shelter located at 2840 Hulen Place.

## **RECOMMENDATIONS:**

That the City Council authorize the City Manager or his designee to execute the First Amendment to the First Amended and Restated Operating Agreement with Path of Life Ministries for the Homeless Shelter located at 2840 Hulen Place.

## **BACKGROUND**

In 2005, Path of Life Ministries (PLM) submitted a funding request to the City for \$585,150 of Community Development Block Grant (CDBG) funds to acquire and rehabilitate 2840 Hulen Place to operate an emergency homeless shelter.

On May 17, 2005, the City approved the request of Path of Life Ministries (PLM) to receive \$585,150 of Community Development Block Grant (CDBG) funds to acquire, rehabilitate and operate an emergency homeless shelter at 2840 Hulen Place.

On June 21, 2005, City Council approved the First Amended and Restated Operating agreement with PLM for the Access/Homeless shelter at 2840 Hulen. The terms of this agreement are for a period of ten (10) years beginning June 30, 2005. The agreement allows for a 50/50 shared equity provision between PLM and the City and includes a provision that after ten (10) years the City can purchase 2840 Hulen Place from PLM for fifty percent (50%) of the fair market value of the property, less any and all contributions that the City has made to the property and to the Emergency Shelter and Cold Weather Shelter Programs, including the initial contribution of \$585,150. If at the end of the term of the Operating Agreement the City determines that it no longer desires to continue participation in the emergency homeless shelter program, PLM can buy out the City's interest by reimbursing the City for any and all contributions the City has made to the property and Emergency Shelter and Cold Weather Shelter Programs.

On June 22, 2015, the First and Amended and Restated Operating Agreement with PLM to operate the emergency shelter at 2840 Hulen Place expired.

Staff is requesting to extend the agreement with PLM to operate the emergency shelter for an additional six (6) month period ending December 31, 2015, with an option to renew for another six (6) months ending June 30, 2016, to provide staff with sufficient time to identify funding resources for the Riverside Homeless Service Campus Tenant Improvements (Project), which include minor interior and exterior rehabilitation of 2840 Hulen Place.

**FISCAL IMPACT:**

There is no General Fund impact associated with this report.

Prepared by:	Emilio Ramirez, Interim Community & Economic Development Director
Certified as to availability of funds:	Brent A. Mason, Finance Director/Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney
Attachment:	First Amendment to the First Amended and Restated Operating Agreement with Path of Life Ministries for the Homeless Shelter