



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 15, 2025**

FROM: HOUSING AND HUMAN SERVICES **WARD: 2**

SUBJECT: SUBRECIPIENT AGREEMENT FOR THE HOMELESS HOUSING, ASSISTANCE AND PREVENTION PROGRAM ROUND 2, 3, AND 4 WITH PATH OF LIFE MINISTRIES FOR \$1,958,500 TO COVER THE EMERGENCY SHELTER PROGRAM OPERATION COSTS FOR 45 SINGLE ADULT SHELTER BEDS AND EIGHT (8) TRANSITIONAL AGED YOUTH SHELTER BEDS

ISSUE:

Approve a Subrecipient Agreement for the Homeless Housing, Assistance and Prevention Program Round 2, 3, and 4 Path of Life Ministries for \$1,958,500 to cover the Emergency Shelter Program operation costs for 45 single adult shelter beds and eight (8) transitional aged youth shelter beds.

RECOMMENDATIONS:

That the City Council:

1. Approve a Subrecipient Agreement for the Homeless Housing, Assistance and Prevention Program Round 2, 3, and 4 with Path of Life Ministries to cover the Emergency Shelter Program operating costs for 45 single adult shelter beds and eight (8) transitional aged youth shelter beds.
2. Authorize the City Manager, or designee, to sign the Subrecipient Agreement for the Homeless Housing, Assistance and Prevention Program Round 2, 3, and 4 with Path of Life Ministries, including making minor and non-substantive changes.

BACKGROUND:

Path of Life Ministries (POLM) owns and operates a 90-bed community shelter, a 24-hour operation that includes three meals per day, a secure environment, and case management for each guest at 2840 Hulen Place. The partnership between POLM and the City of Riverside was established in 2005 when the shelter moved into the Hulen Campus, and an agreement and covenant against the property was recorded for 15 dedicated beds for the City of Riverside residents provided free of charge and the City is responsible for providing case management for these 15 individuals.

Below is a breakdown of funding provided to POLM during Fiscal Year (FY) 2024/2025:

Date	Funding Source	Amount	Term
1/9/2025	Community Development Block Grant (CDBG) FY 2023/202024	\$ 67,000	July 1, 2024 – June 30, 2025
3/19/2025	Emergency Shelter Program (ESG) FY 2023/2024	\$ 153,240	July 1, 2023 – June 30, 2024
5/9/2024	Homeless Housing, Assistance and Prevention (HHAP) Round 1 and 3 (37 shelter beds and 8 Youth Set-Aside)	\$1,262,700	July 1, 2024 – June 30, 2025
Total		\$1,482,940	

During FY 2024/2025, POLM conducted the following activities to enhance the Emergency Shelter Program:

1. Collaborated with California Workforce Development Board in a \$3,500,000 grant to improve income for formerly incarcerated citizens in the Inland Region. POLM has assisted 24 shelter guests with a variety of training or certification programs with Center for Employment Training and additional partners.
2. In the onboarding stage with IEHP for an Enhanced Care Management (ECM) contract to address clinical and non-clinical needs of Medi-Cal eligible shelter guests. On-site nurse practitioner, community health worker, and dedicated housing navigation are included. This ECM contract will immediately connect shelter guests to their medical services, including psychiatric and mental health needs. Those enrolled in this service are allowed one full year of enhanced connection to all IEHP providers. POLM has 36 shelter guests enrolled in IEHP ECM, with a goal of 150 patients.
3. Improved the case management staff/guest's ratio from 1/30 to 1/20.
4. Secured primary lease partnerships with a local investment company to secure housing for shelter guests with income. POLM stands as the lessee/tenant thereby taking the risk with the property owner for occupants who do not otherwise qualify to sign a lease agreement. They currently have six (6) units in inventory. These units are active and at full occupancy and provide transitional housing options for more difficult housing scenarios.
5. Re-enter the Rapid Rehousing (RRH) Program opportunities. They elected to suspend these programs three (3) years ago due to ethical concerns over the success of RRH and retraumatizing those who exited back to the outdoors when their RRH funding ended.
 - a. POLM has created a new internal policy to use RRH alongside shelter guests with the greatest potential for self-sustaining housing after 24 months. Their new policy will screen candidates for RRH program success and include intense case management for those enrolled in RRH. POLM is aligning transitional housing inventory with contracted partners to build collective inventory and better outcomes with exit to housing. POLM added their own RRH-funded programs for shelter guests that will serve 40 heads of household in 2025-2027.
6. Working on a more robust partnership with Pacific Grove Hospital for shelter guests who can enroll in Outpatient Behavioral, Counseling and Sobriety Services. This Outpatient Clinic can also offer housing services to those with private insurance or Medi-care.

7. Continue to prioritize Riverside residents or those with strong ties to Riverside for enrollment in the shelter.

DISCUSSION:

The City of Riverside, along with the entire county, is witnessing an increase in homelessness due to affordable housing shortages and other social constructs which compound homelessness. To meet the needs of our houseless neighbors in the City of Riverside by purchasing dedicated emergency shelter beds and assist POLM with their FY 2024/2025 Emergency Shelter Program operations funding gap, staff is recommending allocating \$1,958,500 to cover operations costs for 45 single adult shelter beds from July 1, 2025 to June 30, 2025 and eight (8) transitional aged youth shelter beds from June 1, 2025 to June 30, 2025. This funding allocation will be provided through the City's State HHAP Round 2, 3 and 4 grant funds to ensure the City has dedicated shelter beds, which consist of the following:

No. of Shelter Beds	Population	Funding Mechanism
15	Single adults	Required by recorded covenant
45		Proposed Subrecipient Agreement for FY 2025/2026
8	Transitional aged youth (between ages of 18 and 24)	Proposed Subrecipient Agreement for FY 2025/2026

The proposed Subrecipient Agreement for the HHAP Round 2, 3, and 4 will serve a minimum of 270 single adults and 48 transitional aged youth, based on an average 60-day length of stay. In cases where guests have identified permanent housing and are awaiting a move-in date, the length of stay may be extended up to 90 days to support a successful transition.

Path of Life is the only emergency shelter provider in the City of Riverside that serves single adults. Their specialized focus and expertise uniquely position them to meet this specific community need. Path of Life owns the facility where the shelter is operated, which ensures stable and dedicated shelter space. No other provider owns or controls an appropriate facility within the City capable of housing emergency shelter beds for single adults.

Path of Life is the only organization able to provide the City with dedicated shelter beds reserved specifically for Riverside residents, which is critical to ensuring access and availability. Failure to contract with Path of Life would result in a critical gap in emergency shelter services for single adults, increasing the risk of homelessness and related public safety concerns in the City. The lack of alternative providers would hinder the City's ability to meet urgent housing needs.

Purchasing Resolution 24101, Section 702 states that, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances, (c) When the Procurement can only be obtained from a sole source and the Manager is satisfied that the best price, terms and conditions for the Procurement thereof have been negotiated."

The Purchasing Manager concurs that the recommended actions are in accordance with Purchasing Resolution 24101.

FISCAL IMPACT:

The fiscal impact of this action is \$1,958,500. Funding for FY 2025/2026 is budgeted and available as indicated in the table below.

Table 1. Funding Availability

Fund	Program	Account	Funding Amount
Development Grants	HHAP-3 TAY	9344420-440210	\$316,000
	HHAP-4	9347560-440210	\$1,642,500
TOTAL			\$1,958,500

Prepared by:	Michelle Davis, Housing and Human Services Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Mike Futrell, City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachment:

1. Subrecipient Agreement for the Homeless Housing, Assistance and Prevention Program Round 2, 3, and 4 with Path of Life Ministries
2. Sole Source Justification