



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 25, 2024**

FROM: HOUSING AND HUMAN SERVICES **WARDS: ALL**

SUBJECT: SUBRECIPIENT AGREEMENT FOR THE HOMELESS HOUSING, ASSISTANCE AND PREVENTION PROGRAM ROUND 3 WITH MERCY HOUSE LIVING CENTERS FOR THE OPERATIONS OF THE BRIDGE HOUSING PROGRAM, A 23 BED NON-CONGREGATE SHELTER FOR AN AMOUNT NOT TO EXCEED \$1,595,452.48

ISSUE:

Approve a Subrecipient Agreement for the Homeless Housing, Assistance and Prevention Program Round 3 with Mercy House Living Centers for the operations of the Bridge Housing Program, a 23 bed non-congregate shelter for an amount not to exceed \$1,595,452.48.

RECOMMENDATIONS:

That the City Council:

1. Approve a Subrecipient Agreement for the Homeless Housing, Assistance and Prevention Program Round 3 with Mercy House Living Centers for the operations of the Bridge Housing Program, a 23 bed non-congregate shelter for an amount not to exceed \$1,595,452.48; and
2. Authorize the City Manager, or designee, to execute the Subrecipient Agreement for the Homeless Housing, Assistance and Prevention Program Round 3 with Mercy House Living Centers for the operations of the Bridge Housing Program, including making minor and non-substantive changes.

BACKGROUND:

On October 13, 2013, the City of Riverside acquired 2881 Hulen Place, a 4,568 square foot commercial/industrial building situated on an 11,326 square foot lot, for \$420,000 using Community Development Block Grant (CDBG) funds to add homeless services to the Hulen Homeless Service Campus.

On August 19, 2019, the Office of Homeless Solutions released a Request for Management Proposals for the management of a 23-bed bridge housing facility located at 2881 Hulen Place. The Office of Homeless Solutions received two (2) responses, which were deemed responsive. An evaluation committee consisting of three (3) members evaluated the responses based upon approach, methodology, pricing, qualifications, experience with projects of similar size and scope, and professional references, the City deemed Mercy House Living Centers (Mercy House) as the

most qualified responsible proposer, with the highest score of 85.67.

In 2021, 2881 Hulen Place was habilitated for the Bridge Housing Program, a 23 bed non-congregate shelter. The total cost to rehabilitate the property was \$1,504,832 using the following funding sources.

| Funding Source | Amount |
|--|--------------------|
| County of Riverside Homeless Emergency Aid Program (HEAP) | \$ 903,902 |
| Homeless Housing, Assistance and Prevention (HHAP) Round 1 | \$ 250,930 |
| CDBG | \$ 350,000 |
| Total | \$1,504,832 |

On March 29, 2022, the City entered into a Bridge Housing Operation Agreement with Mercy House for \$1,242,118 for the operations of the Bridge Housing Program at 2881 Hulen Place for the term of February 1, 2022 to May 31, 2023, which was funded with through the U.S. Department of Housing and Urban Development 2019-2020 Emergency Solutions Grant – Cares Act (ESG-CV) Round 2.

On June 23, 2023, the City entered into a Subrecipient Agreement for HHAP Round 2 with Mercy House for the operations of the Bridge Housing Program for \$876,608.52 for the term of June 1, 2023 to February 29, 2024.

From February 1, 2022 to May 31, 2024, Mercy House was able to assist 146 individuals with bridge housing coupled with case management. Of the 146, the 33 (23%) individuals exited to permanent housing, 5 (3%) exited to temporary housing, and 2 (1%) exited to an institution. Bridge housing guests are successful in exiting to permanent housing when rental assistance or shared housing opportunities are available.

DISCUSSION:

Staff is requesting City Council to consider a Subrecipient Agreement for the HHAP Round 3 with Mercy House to continue operating the Bridge Housing Program for \$1,595,452.48 for March 1, 2024 to March 31, 2025. The program operator will continue to provide 24-hour shelter services, case management, and housing navigation services to assist clients with obtaining their vital documents, enrolling them into the Coordinated Entry System, referring clients to employment programs or assist with applying for social security income, and conduct individual service plans and make referrals based on the goals identified in the client’s service plan. The housing navigator will also discuss shared housing opportunities as a temporary housing option until an affordable housing unit becomes available where program participants can live independently.

Since the last procurement process was done in 2019, staff is requesting to enter into a Subrecipient Agreement with Mercy House and staff will work on releasing a new Request for Proposals for the Bridge Program operator for the next twelve-month term.

Purchasing Resolution 24101, Section 703 states that “Grant Purchases. When the Procurement Services are to be procured through the use of Federal and State grant funding, procurement shall be done in accordance with the procedures herein. If the receipt of grant funding is conditioned upon requirements and procedures more strict than as set forth herein, the procedures necessary for the receipt of the grant funding shall be followed. Certain federally funded Procurements are subject to sections 200.317 through 200.327 of Title 2 of the Code of

Federal Regulations (CFR). Federally funded Procurement shall follow applicable CFR provisions, except where this Resolution provides for a stricture procedure, then the provisions of this Resolution shall apply. The Using Agency is responsible for compliance with all aspects of grant requirements and shall inform the Manager of any and all grant requirements which affect the expenditure of grant funds and the procurement of Goods, Services, or Construction with grant funds.”

The Purchasing Manager concurs that the recommended action complies with Purchasing Resolution 24101, Section 703.

STRATEGIC PLAN ALIGNMENT:

The Project supports **Strategic Priority 2 – Community Well-Being**, specifically, Goal 2.2 – 2 – to collaborate with partner agencies to improve household resiliency and reduce the incidence of homelessness.

1. **Community Trust** – Activities and actions by the city serve the public interest, benefit the City’s diverse population and result in greater public good.
2. **Equity** – All individuals served through the Bridge Housing Program will be treated with dignity, respect, and compassion regardless of the circumstances, ability or identity.
3. **Fiscal Responsibility** – There is no fiscal impact to the City General Fund associated with this item as the operations is being funded with grant funds.
4. **Innovation** – This action item provides the City with the ability to support innovative programs that address gaps in our homeless system of care.
5. **Sustainability & Resiliency** – This action item will help equip program participants with the tools needed to achieve housing stability and self-sufficiency.

FISCAL IMPACT:

The fiscal impact of this action is \$1,595,452.48. Funds are budgeted and available in the Development Grants Fund, HHS Grants, HHAP 3 Grant/Interim Shelter Account No. 9344460-440210.

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| 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: | Phaedra A. Norton, City Attorney |

Attachment: Subrecipient Agreement for the Homeless Housing, Assistance and Prevention Program Round 3 with Mercy House Living Centers