



Staff Report

File #: 22-0044

REQUEST FOR CITY COUNCIL ACTION

DATE: 02/16/2022

TO: Honorable Mayor and City Council Members

FROM: City Manager's Office

SUBJECT:
Second Amendment to City Net Fiscal Year 2022 Homeless Services Agreement.

EXECUTIVE SUMMARY:

Approval of the second Amendment to the City Net Fiscal Year 2022 Collaborative Homeless Services Agreement will address emergency shelter gaps and unmet service needs in Corona's homeless system of services.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the Second Amendment to the City Net Fiscal Year 2022 Collaborative Homeless Services Agreement and increase the Corona scope of services by \$356,329.31 for an increased compensation total of \$1,292,368.31 for the Corona scope of services and a new maximum contract obligation of \$1,784,628.31 for the period of February 16, 2022 through June 30, 2022.
- b. Authorize the City Manager, or his designee, to execute the Second Amendment to the City Net Fiscal Year 2022 Collaborative Homeless Services Agreement.
- c. Authorize the City Manager, or his designee, to approve non-substantive amendments, including term of agreement and line-item adjustments within the approved program budget for the Second Amendment to the City Net Fiscal Year 2022 Collaborative Homeless Services Agreement.

BACKGROUND & HISTORY:

On June 17, 2020, City Council adopted the Homeless Strategic Plan (the Plan) with the following vision:

- Comprehensive, five-year roadmap that will be implemented in phases over time;
- Document that supports a flexible and scalable system of services that can respond to changing needs, issues, and opportunities;
- Requires a Homeless Solutions Annual Action Plan (HSAAP) that is tied to the annual budget process; and
- The HSAAP includes goals, implementing strategies, and specific milestones that guide each phase of Plan implementation.

On August 4, 2021, the City Council approved the Fiscal Year (FY) 2022 HSAAP which guides Phase II of the Homeless Strategic Plan.

The FY 2022 HSSAP includes goals and milestones related to development of low-barrier emergency shelter and expanded outreach and engagement. Accordingly, the programs and services in the proposed 2nd amendment align with Goal 1 to develop emergency shelter services and Goal 2 to expand outreach and engagement services.

ANALYSIS:

The City Net FY 2022 Collaborative Homeless Services Agreement has two scopes of services. One for the City of Corona and one for the City of Norco. The City of Corona scope of services includes homeless street outreach, engagement, case management, motel voucher emergency shelter and Make It Cozy program services. The proposed 2nd Amendment only affects the Corona scope of services.

The existing City of Corona Motel Voucher Emergency Shelter Program provides emergency shelter to Corona homeless with documentable ties to the City in 20 rooms per night. The contract also has a provision that allows expansion of the motel shelter during the winter months.

Due to COVID, rising costs in the housing market and increased food, gas, and other essential living costs as well as other issues impacting the economy, the City of Corona is experiencing an increase in first time homeless as a result of evictions and foreclosures. In addition, there has been increased demand to assist medically compromised homeless seniors and chronically homeless living with drug addiction who require higher levels of care due to chronic health diseases and physical disabilities.

Furthermore, due to challenges with a tight rental market and landlords who are less inclined to accept formerly homeless clients with credit issues, additional case management support, housing navigation, move-in costs, landlord incentives and other best practice support services are needed to successfully transition more of our motel shelter clients to permanent housing. There is also a need for two additional case managers to support outreach and engagement to respond to homeless issues affecting City Departments, businesses, and residents. The proposed amendment also builds in costs to allow our motel shelter program to provide 10 additional rooms per night to accommodate increased demand while our Harrison Shelter is being renovated.

The two existing City Net case managers work Monday through Friday from 7:00 am to 3:30 pm. If the proposed contract amendment is approved by City Council, the two new case managers will work Saturday through Wednesday from noon to 8:30 pm. This service expansion will not only provide some after-hours and weekend coverage, but also provide additional client referral support to our Community Services Department Parks and Library staff.

The second amendment was initially scheduled for the January 5, 2022 Council meeting with a primary focus on adding two new case managers; however, the agenda item was moved to the February 16, 2022 Council meeting to give staff time to work with City Net to develop a budget for expanded motel shelter and supportive services. The 42-day case manager cost difference associated with the Council meeting date change was added the Operations and Program Expenses budget line item of the Amendment to address service and shelter gaps in the City.

Like most nonprofits in the homeless/housing arena, City Net is experiencing challenges with staff turn-over due to the current labor market. To successfully recruit new employees, City Net may sometimes have a need to offer hourly rates that are slightly higher than the rates outlined in the contract. To ensure that shelter operations are not comprised due to staff vacancies and prevent City Net from operating at a loss, the contract amendment includes a new clause that authorizes the City Manager to increase City Net's hourly compensation rates provided that the total amount budgeted for labor shall not be exceeded. Because of periodic staff turnover and vacancies, the approved labor budget line item should be able to support minor changes in the hourly rates of City Net staff. Otherwise, staff would return to Council to request a budget increase if such would become necessary.

FINANCIAL IMPACT:

Approval of the recommended actions will not result in any additional fiscal impacts to the City. Funding for emergency shelter and supportive service programs was included in the Fiscal Year 2022 budget, which was adopted by City Council on June 16, 2021. Furthermore, due to delays in opening the Harrison Emergency Shelter, there is sufficient funding in the Homeless Programs Budget to fund the proposed services.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action involves the amendment of a nonprofit agreement to provide expanded emergency shelter services and supportive services. These services will not have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: KAREN ROPER, HOMELESS SOLUTIONS MANAGER

REVIEWED BY: ROGER BRADLEY, ASSISTANT CITY MANAGER

Attachments:

1. Exhibit 1 - City Net 2nd Amendment to FY 2022 Collaborative Homeless Services Agreement
2. Exhibit 2 - City Net 2nd Amendment Redline Version of Agreement
3. Exhibit 3 - City Net 1st Amendment to FY 2022 Collaborative Homeless Services Agreement