



Staff Report

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**File #:** 21-0543

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**REQUEST FOR CITY COUNCIL ACTION**

**DATE:** 06/16/2021

**TO:** Honorable Mayor and City Council Members

**FROM:** Management Services Department

**SUBJECT:**

Approval to renew the Memorandum of Understanding between the City of Corona and the City of Norco and the homeless services agreement with City Net.

**EXECUTIVE SUMMARY:**

The City Council will consider approving the renewal of a Memorandum of Understanding (MOU) between the City of Corona and the City of Norco for collaborative homeless services and the City Net agreement for outreach, engagement, case management, motel shelter and other homelessness program services.

**RECOMMENDED ACTION:**

**That the City Council:**

- a. Authorize the City Manager or his designee to renew and execute the Fiscal Year 2022 Memorandum of Understanding between the City of Corona and the City of Norco for collaborative homeless services for a maximum amount of up to \$537,011.
- b. Authorize the City Manager or his designee to approve non-substantive amendments, including line-item adjustments within the approved program budget of the Fiscal Year 2022 Memorandum of Understanding between the City of Corona and the City of Norco.
- c. Authorize the Finance Director to appropriate a maximum amount of up to \$537,011 to the homeless program and increase revenue estimates to a maximum amount of up to \$537,011 in the General Fund in the Fiscal Year 2022 budget.
- d. Authorize the City Manager or his designee to renew and execute the Fiscal Year 2022 Professional Services Agreement between the City of Corona and Kingdom Causes, Inc. DBA City Net, a California Domestic Nonprofit Corporation (City Net) to authorize City Net to

provide services to the City of Corona in the amount of \$859,388 and the City of Norco for a maximum amount of up to \$537,011 for a total maximum obligation of up to \$1,396,399.

- e. Authorize the City Manager or his designee to approve non-substantive amendments, including line-item adjustments within the approved program budgets for the Fiscal Year 2022 Professional Services Agreement between the City of Corona and Kingdom Causes, Inc. DBA City Net, a California Domestic Nonprofit Corporation (City Net) for provision of services to the City of Corona and the City of Norco.
- f. Authorize the City Manager or his designee to renew and execute the Fiscal Year 2022 License Agreement between the City of Corona and Kingdom Causes, Inc. DBA City Net, a California Domestic Nonprofit Corporation (City Net) to continue the operation of the Make It Cozy Program located at 849 W. Sixth Street in Corona.

### **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;
- The HSAAP includes goals, implementing strategies, and specific milestones that guide each phase of Plan implementation.

On July 15, 2020, the City Council approved the Fiscal Year (FY) 2021 HSAAP which guides Phase I of the Homeless Strategic Plan. On November 18, 2020 and April 7, 2021, City Council received an update on achievement of goals and milestones in Phase I of the Plan. At the time of these updates, the City of Corona had already achieved significant progress towards accomplishment of Phase I goals and milestones.

The FY 2021 HSSAP includes goals and milestones related to partnerships with neighboring cities. Specifically, Goal 5 of the HSSAP directs staff to “Develop and Participate in Sub-Regional Partnerships and Collaboratives with Neighboring Cities.” In support of this goal, on April 7, 2021, the City Council approved a Memorandum of Understanding (MOU) for Collaborative Homeless Services with the City of Norco and amendments to the City Net agreements to incorporate the Norco Outreach, Case Management and Motel Shelter Programs. The MOU with the City of Norco includes a 10% administrative fee that is paid to the City of Corona for managing Norco’s homeless programs through the City Net contract. The benefits of the Corona/Norco partnership are as follows:

- Corona's existing contracts with City Net were easily amended to include Norco's scope of services;
- This model expanded services into the City of Norco so that Norco's homeless neighbors are served in their city of residence;
- This model benefits the City of Corona as homeless census data and calls for assistance confirm that Norco's homeless neighbors sometimes come to the City of Corona for services and shelter;
- This model benefits a small City like Norco by coming under the umbrella of Corona's well-established outreach/engagement and motel emergency shelter framework;
- This model sets the standard for a mutually beneficial partnership for collaborative homeless services and hopefully inspires other cities to work with each other to develop collaborative homeless services;
- This partnership results in the achievement of Goal 5 in the City's Homeless Strategic Plan.

**ANALYSIS:**

The partnership with the City of Norco was launched on April 8, 2021. The program has been extremely successful. Norco's motel shelter program was at capacity in two weeks after the program was launched and City Net continues to actively engage Norco's homeless neighbors in the Santa Ana Riverbed and on the streets throughout the City. Because the needs of Norco's homeless population exceed the capacity of the current four-room motel shelter program, the Norco City Council will be considering two different budget options on July 7, 2021. Both budget options will cover the entire term of FY 2022; however, the two options will provide costs for current and expanded services as follows:

1. FY 2022 Option #1 - \$537,011 would increase Norco's motel shelter program from 4 to 8 rooms per night. This option includes a 10% administrative fee paid to the City of Corona in the amount of \$44,751, which would be programmed into the Homeless Solutions Program budget.
2. FY 2022 Option #2 - \$268,505 would maintain Norco's motel shelter program at the current level of 4 rooms per night. This amount includes a 10% administrative fee paid to the City of Corona in the amount of \$22,375, which would be programmed into the Homeless Solutions Program budget.

Since the Norco City Council will not be taking action on these budget options until July 7, 2021, staff is requesting that the City Council authorize the City Manager to renew and execute the MOU with the City of Norco up to the maximum of \$537,011. The FY 2021 MOU with Norco is attached to this agenda item for reference. Once the Norco City Council takes action on July 7th, one of the two budget options will be incorporated into the MOU, and it will be finalized for FY 2022. To ensure continuity of care, the Norco MOU will be retroactive to July 1, 2021, the beginning of the new fiscal

year.

In addition, there are currently multiple agreements and amendments with City Net for outreach, engagement, case management, motel emergency shelter, and the Make It Cozy Program which includes a License Agreement for warehouse space located at 849 W. Sixth Street in Corona. The existing FY 2021 City Net agreements are attached to this agenda item for reference. To align the multiple City Net agreements to FY 2022 and to improve contract administration, the City Net agreements will be combined into one FY 2022 renewal agreement as follows:

1. City Net Scope of Services for the City of Corona
2. City Net Scope of Services for the City of Norco
3. City Net License Agreement for the Make It Cozy Warehouse Space

The Fiscal Year 2022 City Net services for the City of Corona include continuation of the motel program which provides 20 emergency shelter motel rooms per night, two full time case managers that provide outreach, engagement and case management services five days per week, and the Make It Cozy Warehouse Program that facilitates community donations of furniture and move-in kits for clients graduating from the shelter program into permanent housing.

All of the programs and services proposed in this agenda staff report are consistent with the goals and implementing strategies in the City of Corona Homeless Strategic Plan.

#### **FINANCIAL IMPACT:**

The MOU with the City of Norco will provide funding for additional costs incurred with City Net. Fiscal impact will be one of the two following budget options based upon the Norco City Council's action on July 7, 2021:

1. Option #1 - Appropriate \$537,011 and increase revenue estimates by the same amount. This amount includes a 10% administrative fee paid to the City of Corona in the amount of \$44,751 which will be programmed into the Homeless Solutions Program budget.
2. Option #2 - Appropriate \$268,505 and increase revenue estimates by the same amount. This amount includes a 10% administrative fee paid to the City of Corona in the amount of \$22,375 which will be programmed into the Homeless Solutions Program budget.

<b>GENERAL FUND</b>	
Budget Workshop May 18, 2021- FY 2022 Estimated Revenue Over Expenditures	\$ 14,593,660
Previously Approved/Revised Budget Adjustments (Net)*	(38,983)
Homeless Solutions Program - Revenue Estimate (Maximum)	537,011
Homeless Solutions Program - Appropriation (Maximum)	(537,011)
<b>Adjusted Estimated Revenue Over Expenditures</b>	<b>\$ 14,554,677</b>
<b>Less Measure X Reserves</b>	<b>(13,144,418)</b>
<b>Revised Estimated Revenue Over Expenditures</b>	<b>\$ 1,410,259</b>
Budget Balancing Measures Reserve - Estimated 06/30/2021	27,665,595
Estimated FY 2022 Change in Budget Balancing Measures Reserve	1,410,259
<b>Estimated Budget Balancing Measures Reserve - 06/30/22</b>	<b>\$ 29,075,854</b>

\*Includes other General Fund items on the June 16, 2021 Council Meeting.

### **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 common sense 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 renewal of a Memorandum of Understanding with the City of Norco to continue collaborative homeless services and renewal of a City Net agreement to provide homeless services in the City of Corona and the City of Norco. Approval of these agreements and provision of expanded homeless 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 - FY 2021 Corona/Norco MOU for Collaborative Homeless Programs and Services
2. Exhibit 2 - FY 2021 City Net Outreach & Case Management - Norco
3. Exhibit 3 - FY 2021 City Net Motel Program - Norco
4. Exhibit 4 - FY 2021 City Net Outreach and Case Management - Corona
5. Exhibit 5 - FY 2021 City Net Motel Program and Make It Cozy License Agreement - Corona