

March 1, 2018

Approval of Contract between San Diego Housing Commission and a Contractor to operate the Transitional Storage Center at 116 South 20th Street, San Diego, California 92113

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2. Authorize the President and Chief Executive Officer (President & CEO), or delegated designee, to execute the Agreement and any and all other documents and agreements that are necessary to implement these approvals;
3. Authorize the execution of a First Amendment to the Memorandum of Understanding between the City of San Diego and the Housing Commission for the City of San Diego Temporary Bridge Shelters to also address the duties of the parties concerning the Center, which is attached hereto as Attachment No. 2, and as it may be amended upon advice of General Counsel for the Housing Commission and the Office of the City Attorney;
4. Authorize the President & CEO to take such actions as are reasonably necessary to implement the approvals referenced in this report;
5. Authorize the amendment of the Housing Commission FY 2018 Budget to allow for the funding of the operation of the Center with Contractor, funding for a construction agreement for initial tenant improvements at the Premises, and funding for the payment of lease payments for the lease to be entered into by the City of San Diego for the Center, with the expressed understanding that the Successor Agency or City of San Diego, as appropriate, will approve the transfer of funds from the Low-Moderate Housing Fund or any other eligible funds, as determined by the City of San Diego, to backfill the costs advanced by the Housing Commission for the Temporary Bridge Shelter Programs, funding of the lease for the Center, and funding for the Agreement – the total expected funding is set forth in Attachment No. 3; and,
6. Authorize the President & CEO to substitute funding sources and/or increase funding amounts for services provided under the Agreement for the operation of the Center, under the construction agreement for initial tenant improvements at the Premises, and for the payment of lease payments for the lease agreement to be entered into by the City of San Diego for the Premises by not more than 20 percent of the original amount allocated herein, if necessary, without further action of the Housing Commission or Housing Authority, but only if and to the extent that such funds are determined to be available for such purposes and when it is determined to be in the best interests of the Housing Commission.

SUMMARY

The Housing Commission administers the agreements for the City of San Diego's (City) Homeless Shelters and Services Programs based on a Memorandum of Understanding (MOU) between the Housing Commission and the City that first took effect on July 1, 2010. Currently, this includes the Transitional Storage Center, operated by Think Dignity, which offers 304 lockers and approximately 130 bins to individuals experiencing homelessness who need space to store their personal belongings.

The proposed actions referenced in this report will allow the Housing Commission to enter into the Agreement with the Contractor in amounts as referenced within this report to provide for the operation of the Center for a period of up to three years from the date of commencement. The action will also provide funding from the Housing Commission to the City to enter into a lease with the owner of the Premises, on terms and conditions referenced within this report.

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Pursuant to the proposed First Amendment to the Memorandum of Understanding between the City of San Diego and the Housing Commission for the City of San Diego Temporary Bridge Shelters to also address the duties of the parties concerning the Transitional Storage Center, the City will:

- a. Provide for weekly Environmental Services cleanings of the exterior of the Premises block a minimum of three times a week; the regularity of cleaning shall be evaluated throughout the term of the operation of the Center and increased or decreased accordingly based on need. Any changes to the cleaning schedule shall be agreed to in writing by both Parties.
- b. Provide the Housing Commission with a legal and San Diego Police Department approved process for disposal of abandoned shopping carts.
- c. Provide regular San Diego Police Department patrols in the vicinity of the Premises.

PROGRAM OVERVIEW

The purpose of this program is to have secure, protected space for homeless individuals (Clients) in the City of San Diego to store their personal belongings on an ongoing basis, and have access to their belongings during hours of operation. Each Client will have access to one storage container free of charge.

Mayor Kevin L. Faulconer announced the plans for the Center in his State of the City Address on January 11, 2018. The Center will help keep homeless San Diegans' belongings off of downtown streets, sidewalks and storefronts by providing a safe place for homeless individuals to keep their belongings as they look for work, attend classes, or meet with a service provider or doctor. The existing Transitional Storage Center operated by Think Dignity has a waiting list of more than 100 homeless individuals, and the 2017 Annual Point-in-time Count of homeless individuals identified more than 3,000 unsheltered homeless San Diegans on any given night.

Contractor's staff (Center Staff), operating the Center, will provide Clients with access to their belongings in a staging area under supervision. Center Staff will develop a system for intake of Clients and inventory of their belongings to provide secure storage and access to those belongings stored at the Center.

As part of the ramp-up process, Contractor will be responsible for purchasing up to 1,000 lockable storage containers with a combination of large rolling storage containers to be placed on the floor, and stackable storage containers to be placed on shelves. Contractor will also be responsible for the safety and security of the storage containers and the contents thereof. Contractor will develop appropriate protocol for Client placement and retrieval of belongings. The Housing Commission reserves the right to retain all lockable storage containers at the conclusion of the Center, at its sole option.

Operation will also require reporting of basic outcomes, including but not limited to: number of daily use by Clients, total number of people served, number and percent of storage containers used.

General Standards

Contractor will ensure:

- Service delivery will be Client-focused. Center Staff and all persons who interact with Clients will be trained on homeless population service provision, positive engagement and general customer service standards that addresses the needs of the target population.

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- Adequate staffing with appropriate ongoing training for service delivery and data collection and analysis.
- 24-hour security to ensure a safe environment at the Center for Clients, volunteers, and others who may come in contact with the Center.
- Designated point-of-contact who is available at all times to address issues that may arise at the Center and coordinate security issues with the San Diego Police Department.
- Compliance with Fire Marshal inspections and recertifications as needed.
- Appropriate policies and procedures are in place for Center operations, including low-barrier Terms of Service, which will be displayed on-site at all times, and various means for Clients to provide input into the Center.
- Data entry, analysis and reporting in the Regional Task Force on the Homeless-approved Homeless Management Information Systems of all Center activities.

Property Management

Contractor will:

- Maintain a secure and healthful environment for delivery of all services.
- Provide for:
 - Operating supplies;
 - Site control;
 - Prompt maintenance and repair;
 - Utilities;
 - Security;
 - Janitorial services;
 - Waste removal and disposal; and
 - Other Center related items, as referenced within the Agreement.
- Provide secure entry/exit for Clients and others to be monitored by Center Staff.
- Provide maintenance and upkeep of forklift, but only if authorized by the Housing Commission.
- Develop a fire escape emergency plan for approval by the Fire Marshal and the Housing Commission.
- Permanently maintain a fire watch. A fire watch, or fire lookout, monitors a building or area at risk of fire. The person or people designated as the fire watch must check for fires and fire threats within the building or area.
- Provide a written drug and alcohol-free policy for staff that is posted/displayed at the Center site at all times; the written policy shall include and describe the disciplinary action to result from the illegal use, consumption, distribution, and/or possession of drugs and/or alcohol.
- Maintain the Center, at all times, in an orderly and vermin-free condition.
- Provide design specification for proposed design of intake area.

The City is currently under negotiations for the lease of the Center.

- Additional terms negotiated in the lease will be added responsibilities of Contractor.
- Contractor will enter into a sub-lease agreement with the City for the Center, setting forth all Contractor maintenance and repair obligations.
- Any and all rental costs (including base rent and operating expenses, but not repair or maintenance costs) in the sub-lease will be borne by the Housing Commission and shall be paid to the City of San Diego for payment of the owner of the Center located on the Premises.

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- Such other and further obligations as are set forth in the Scope of Work referenced within Attachment No. 1.

CONTRACTOR SELECTION PROCESS

On January 26, 2018, the Housing Commission issued a Request for Proposals (RFP) for a Transitional Storage Center, seeking contractors to operate the Center. The RFP was posted and made available for download on the PlanetBids website through both the Housing Commission and the City's portals. Advertisements were placed in the *San Diego Union Tribune*. Additional direct outreach efforts were undertaken to ensure the highest participation level possible. A total of 517 company notifications were sent through the PlanetBids system. A pre-proposal meeting was held on January 31, 2018. Representatives from six companies and not-for-profit agencies were in attendance.

At the RFP closing on February 9, 2018, two proposals were received. Proposals were submitted by MHS and Interfaith Shelter Network. Subsequent to the closing, a responsiveness review was conducted on all proposals received. Both proposals were found to be responsive.

A source selection committee evaluated, scored and ranked the responses based on the following criteria: Experience and Qualifications; Project Approach and Methodology and Cost Proposal. MHS received the highest ranking of all the proposals. Below is a summary of the final proposal rankings

Organization	Ranking
Mental Health Systems, Inc.	1
Interfaith Shelter Network	2

After careful consideration and negotiations, the source selection committee recommends award of this contract to MHS.

AFFORDABLE HOUSING IMPACT

The operation of the Center will allow homeless individuals to store their belongings in a safe location off of the City streets, while these individuals look for employment, housing and services.

FISCAL CONSIDERATIONS

It is anticipated that local funding will be utilized for this project. A budget amendment will reallocate funds from certain uses, including savings realized on start-up and operating costs of the Temporary Bridge Shelters (which are currently funded with local real estate funds), and local bond funds and shall be reallocated to allow for the leasing of the Center and the operation of the Center for a period of up to three years.

The Housing Commission is reallocating funds with the expressed understanding that the Successor Agency or City of San Diego, as appropriate, will approve the transfer of funds from the Low-Moderate Housing Fund or any other eligible funds, as determined by the City of San Diego, to backfill the costs advanced by the Housing Commission.

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EQUAL OPPORTUNITY CONTRACTING

Mental Health Systems is a local nonprofit and is not subject to the requirement to submit a Workforce Report.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

There have been no prior Council or Committee actions concerning this operation contract nor the leasing of the Center by the City of San Diego.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

The Agreement will require the Contractor to provide regular outreach to the Community as set forth within the Agreement.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Homeless individuals and households will benefit from the operation of this Center. The operation of the Center will give homeless individuals a space to store their belongings to allow them to seek gainful employment, housing and necessary services, while not having to worry about the safety of their belongings. In addition, the operation of the Center will help reduce the presence of belongings on the street and will promote better health conditions for citizens of the City of San Diego, including those living on the streets of the City of San Diego.

ENVIRONMENTAL REVIEW

The proposed project and associated actions are categorically exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15301 (Existing Facilities), 15303 (New Construction or Conversion of Small Structures), and 15311 (Accessory Structures), and it has been determined that no exceptions to the exemptions as set forth in CEQA Guidelines Section 15300.2 apply. Processing under the National Environmental Policy Act (NEPA) is not required as there are no Federal funds involved with this action.

Respectfully submitted,



Melissa Peterman
Vice President
Homeless Housing Innovations

Approved by,



Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

Attachments:

1. Draft Agreement
2. Draft Memorandum of Understanding
3. Estimated Costs

Hard copies are available for review during business hours at the security information desk in the main lobby and the fifth floor reception desk of the San Diego Housing Commission offices at 1122

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Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the “Public Meetings” section of the San Diego Housing Commission website at www.sdhc.org.