



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: November 12, 2021

HCR21-109

SUBJECT: Approval of the Contracts between the San Diego Housing Commission and Mental Health Systems to Operate the City of San Diego's Transitional Storage Centers, also known as Storage Connect Centers

COUNCIL DISTRICT(S): 8 and 9

ORIGINATING DEPARTMENT: Homeless Housing Innovations Division

CONTACT/PHONE NUMBER: Lisa Jones (619) 578-7696

REQUESTED ACTION:

Authorize the execution of competitively awarded contracts with Mental Health Systems for a six-month term from January 1, 2022, to June 30, 2022, and the allocation and expenditure of \$985,303 in Homeless Housing, Assistance, and Prevention Program (HHAP) funds to support two Transitional Storage Centers, known as Storage Connect Center I, at 116 South 20th Street, San Diego, California 92113, and Storage Connect Center II, at 5453 Lea Street, San Diego, California 92105, with two one-year options to renew.

EXECUTIVE SUMMARY OF KEY FACTORS:

- Center I and Center II help keep homeless San Diegans' belongings off of downtown streets, sidewalks and storefronts by providing a safe place for individuals experiencing homelessness to keep their belongings.
- Center I opened on June 13, 2018. Center II opened on November 18, 2019.
- Center I currently provides 500 storage containers that can be utilized at any one time. Center II has provides 257 storage containers with the budget capacity to provide up to 500 storage containers that can be utilized at any one time.
- Mental Health Systems (MHS) operates both Center I and Center II.
- On July 15, 2021, the San Diego Housing Commission (Housing Commission) issued a Request for Proposals for the operation of Center I and Center II. One proposal was received for Center I, and one proposal was received for Center II.
- As the sole respondent, MHS was evaluated and deemed qualified to continue to provide the requested service by operating the two centers.
- The City of San Diego committed State Homeless Housing, Assistance and Prevention Program (HHAP) funds toward operations of Center I and Center II. Future funding for option years is contingent upon the City allocating funds for this purpose.



REPORT

DATE ISSUED: November 4, 2021

REPORT NO: HCR21-109

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of November 12, 2021

SUBJECT: Approval of the Contracts between the San Diego Housing Commission and Mental Health Systems to Operate the City of San Diego's Transitional Storage Centers, also known as Storage Connect Centers

COUNCIL DISTRICT: 8 and 9

REQUESTED ACTION

Authorize the execution of competitively awarded contracts with Mental Health Systems for a six-month term from January 1, 2022, to June 30, 2022, and the allocation and expenditure of \$985,303 in Homeless Housing, Assistance, and Prevention Program (HHAP) funds to support two Transitional Storage Centers, known as Storage Connect Center I, at 116 South 20th Street, San Diego, California 92113, and Storage Connect Center II, at 5453 Lea Street, San Diego, California 92105, with two one-year options to renew.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Approve the execution of a six-month initial contract, with two one-year options to renew, with Mental Health Systems (MHS) to operate the City of San Diego's Transitional Storage Center known as Storage Connect Center I, located at 116 South 20th Street, San Diego, California 92113, for a term of January 1, 2022, through June 30, 2022, with a prorated annual budget of \$624,971, with two, one-year options to renew;
- 2) Approve the execution of a six-month initial contract, with two one-year options to renew, with MHS to operate the Transitional Storage Center known as Storage Connect Center II, located at 5453 Lea Street, San Diego, California 92105, for a term of January 1, 2022, through June 30, 2022, with a prorated annual budget of \$360,332, with two, one-year options to renew;
- 3) Authorize the Housing Commission's President & Chief Executive Officer (President & CEO), or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form and format approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals;
- 4) Authorize the Housing Commission's President & CEO, or designee, to substitute funding sources and/or increase compensation by not more than 20 percent of the total agreement amounts for the proposed agreements, if necessary, without further action by the Housing Commission Board or Housing Authority, but only if and to the extent that funds are determined

to be available for such purposes.

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 of San Diego (City) that first took effect on July 1, 2010. The Housing Commission and City entered into a separate MOU for the City's Temporary Bridge Shelter Programs, which was approved by the Housing Commission Board of Commissioners on November 3, 2017, as well as the Housing Authority and City Council (City Council) on November 14, 2017. On March 20, 2018, the City Council authorized the execution of a First Amendment to the MOU (Resolution R-311627) to also address the duties of the parties concerning the Storage Connect Center (the Center) located at 116 South 20th Street, San Diego, CA 92113. The Housing Commission and City bifurcated the Temporary Bridge Shelter MOU and entered into a separate MOU for the City's Transitional Storage Center Programs, which was approved by the Housing Commission Board of Commissioners on June 12, 2020, as well as the Housing Authority and City Council on June 16, 2020.

The Housing Commission administers the agreements on behalf of the City to operate the Transitional Storage Center programs, known as Storage Connect Center I (Center I) and Storage Connect Center II (Center II). The Housing Commission began administering the agreement for Center I in June 2018 and began administering the agreement for Center II in July 2020. The proposed actions referenced in this report will allow for the continued operation of Center I and Center II, which currently run from July 1, 2021, through December 31, 2021. The time of performance for the competitively awarded contracts will be an initial six-month term from January 1, 2022, through June 30, 2022, with two one-year options to renew.

PROGRAM OVERVIEW

The purpose of Center I and Center II is to provide secure, protected space for individuals experiencing homelessness (Clients) in the City to store their personal belongings on an ongoing basis, and help keep homeless San Diegans' belongings off City streets, sidewalks and storefronts by providing a safe place for individuals experiencing homelessness to keep their belongings as they attend to their personal needs, which may include working on housing options, looking for work, attending classes, meeting with service providers, seeking medical care, or other activities such as accessing cleaning or washing facilities. Each Client has access to storage space of approximately 95 gallons free of charge. Staff provides Clients with access to their belongings in a staging area under supervision during hours of operation.

Center I staff is responsible for administering a minimum of 500 lockable rolling storage containers located at Center I. Center II staff is responsible for administering 257 storage containers with the capacity to administer up to 500 storage containers. As of mid-October 2021, Center I had 463 storage containers occupied out of 500, and Center II had 229 storage containers occupied out of 257. Center staff is responsible for the security of the storage containers and the contents thereof. Center staff uses appropriate protocols and procedures for placement and retrieval of Client belongings.

Operator Experience

Center I opened on June 13, 2018, and Center II opened on November 18, 2019. Both Center I and Center II operate in the same capacity, providing storage bins to persons experiencing homelessness in

the City. As the current operator of each storage center, MHS has gained extensive experience, demonstrated the capacity to administer the storage centers effectively, and continues to meet contract requirements such as minimum outcomes measures and compliance thresholds.

Beginning in early March 2020, the Housing Commission began sending regular updates to homeless shelters and services providers, including Center I and II, on ongoing activities of the Regional Task Force on Homelessness (RTFH), the Housing Commission, City of San Diego, and County of San Diego to mitigate the spread of COVID-19. Center I and Center II modified their methods of operation by adding social distancing measures at the facilities, which included limiting the number of Clients to 10 at a time in the Client waiting area and placing markers on the ground to inform Clients where to stand to access their belongings from their storage bin. In addition to social distancing, Clients were allowed to provide verbal consent while filling out intake paperwork to reduce close contact with staff. Center I and Center II enhanced their cleaning and sanitation practices and administered the COVID-19 health screening questionnaire with each Client and staff entering the facility. Center I and Center II also provided information to Clients on how to access the COVID-19 vaccine.

The City of San Diego, RTFH, and Housing Commission staff continue to provide guidance to Center I and Center II as needed during this time to support alignment with County Public Health and Centers for Disease Control and Prevention (CDC) guidance to protect the health and safety of staff and clients, which includes continuing monitoring for symptoms for staff and clients, requirement of enhanced sanitation and cleaning practices, and utilization of personal protective equipment.

In addition to the mitigation efforts for COVID-19, both Centers work with Clients to address the spread of other communicable diseases. These efforts include posters with information on how to properly wash or clean your hands inside the Client restrooms, handwashing stations, and hand sanitizing stations. Staff also provide information to Clients verbally, and information is posted on flyers located on-site, which provide information on other infectious diseases about symptoms, vaccination, prevention and control.

General Standards

Center I and Center II must operate according to the General Standards contained in the respective Agreements. In this contract term for Center I and Center II, MHS will continue to be held to the expectations detailed in the Scope of Work. At both sites, MHS will ensure:

- Service delivery is Client-focused and delivered in a culturally competent manner. Center staff are trained on Trauma Informed Care, Motivational Interviewing, Harm Reduction, and general customer service standards that address the needs of the target population.
- Adequate staffing with appropriate ongoing training.
- Compliance with Fire Marshal inspections and recertifications as needed.
- Appropriate policies and procedures are in place for 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 I and Center II.
- Data entry, analysis and reporting of all Center I and Center II activities in the RTFH-approved Homeless Management Information System (HMIS).
- The Contractor is required to develop and maintain Community Engagement/Good Neighbor practices for the area surrounding the Program Site, including but not limited to:

1. Methodologies for maintaining a clean and safe environment;
2. Strategies for building positive relationships with the surrounding community/neighborhood, and proactively addressing potential or actual community concerns;
3. Providing opportunities for electronic and/or written community feedback; and
4. Demonstrates community input has been reviewed and incorporated into operations plan, as appropriate.

Property Management

As the operator of the Center I and Center II, MHS must provide property management services to ensure a safe, secure, and healthy environment. At both sites, MHS will:

- Designate a point-of-contact who is available at all times to address issues that may arise at each site.
- Provide security and site oversight to ensure a safe environment at each site for Clients, volunteers, and others who may enter the site. Staff must be trained on all emergency protocols, including how to alert and evacuate all participants in the event of a fire or emergency.
- Maintain a secure and healthful environment.
- Maintain the facility, at all times, in an orderly and vermin-free condition.
- The premises are to be used as a storage facility only. Operation of the storage center shall not create any conditions that amount to a public nuisance and shall not be detrimental to the residential neighborhood by causing increased noise, traffic, lighting, odor, or by violating any applicable ordinance or laws.

CONTRACT SELECTION PROCESS

On July 15, 2021, the Housing Commission issued a Request for Proposals (RFP) for the operation of the two Transitional Storage Centers, seeking a contractor to operate the storage centers. The RFP was posted and made available for download on the PlanetBids website through the Housing Commission's and the City's portals. Through the PlanetBids system, 2,158 vendors were notified (173 from the Housing Commission's portal and 1,985 from the City's portal). A pre-proposal meeting was held on July 22, 2021. Representatives from two agencies were in attendance at the meeting.

At the RFP closing on August 12, 2021, one proposal was received for the Center I and one proposal was received for the Center II from MHS, the sole respondent to the RFP. Subsequent to the closing, a responsiveness review was conducted, and the proposals were determined to be responsive. A source selection committee evaluated, scored, and ranked the responses based on the following criteria: Operations, Program Concept, Organizational Experience, Capacity, Community Considerations, Equity and Inclusion, and Cost Proposal. The selection committee also conducted an interview with the respondent on September 14, 2021. As the sole respondent to the Transitional Storage Centers RFP, and a respondent that was evaluated and deemed qualified to provide the requested service, MHS was selected to continue as the storage centers' operator.

AFFORDABLE HOUSING IMPACT

The operation of Center I and Center II allows individuals experiencing homelessness to store their belongings in a safe location off City streets, while these individuals attend to personal needs, which may include working on housing options, looking for work, attending classes, meeting with service providers, seeking medical care, or other activities such as accessing cleaning or washing facilities.

FISCAL CONSIDERATIONS

The City of San Diego (City) committed State HHAP funding in the amount of \$624,971 toward Center I for a six-month term of January 1, 2022, through June 30, 2022. Further, the City will commit HHAP funding in the amount of \$360,332 toward Center II for a six-month term of January 1, 2022, through June 30, 2022. Future funding for option years is contingent on the City allocating funding for this purpose.

EQUAL OPPORTUNITY CONTRACTING

MHS is a local nonprofit and is not subject to the requirement to submit a Workforce Report.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

The Housing Authority and City Council took action to approve the initial operator agreement, the first amendment to the MOU between the Housing Commission and the City for the Temporary Bridge Shelters and Transitional Storage Center, and the amendment to the Fiscal Year (FY) 2018 budget on March 20, 2018, and commitment of FY 2019 budgeted funds to support the ongoing lease costs for the lease between the City and the owner for the site location (Resolution No. HA-1777).

On February 8, 2019, the Housing Commission approved the execution of the first one-year renewal option of the Agreement with MHS to operate Center I for a term of July 1, 2019, through June 30, 2020, with a corresponding budget of \$1,190,828.40.

The recommendations were presented to the Housing Authority for review on March 12, 2019. The Housing Authority approved the execution of the first one-year renewal option of the Agreement with MHS (Resolution No. HA-1804), contingent on the successful presentation of a plan by the City of San Diego to the City Council, regarding identification of an additional storage center site as well as a proposal for a comprehensive community engagement strategy for the implementation of the identified site. The City completed this request and sent a status update Memo to the Council in June 2019. The first one-year renewal option of the Agreement was subsequently executed with MHS.

The MOU for oversight and administration of the Bridge Shelters and the Storage Connect Center from July 1, 2019, through June 30, 2020, was approved by the Housing Authority (Resolution HA-1817) and City Council (Resolution R-312514) on June 11, 2019.

On June 12, 2020, the Housing Commission approved the execution of the second one-year renewal option and fourth amendment of the Agreement with MHS to operate Center I for a term of July 1, 2020, through June 30, 2021, with a corresponding budget of \$1,249,942. The Housing Commission approved the execution of a one-year Agreement with MHS to operate Center II for a term of July 1, 2020, through June 30, 2021, with a corresponding budget of \$720,664.

On June 16, 2020, the Housing Authority approved the second one-year renewal option for the operation of Center I, and the initial contract between MHS and the Housing Commission for the operation of Center II. Both agreements were executed with MHS.

On June 16, 2020, the Housing Authority approved (Resolution HA-1862) a separate MOU between the Housing Commission and the City for the provision of the Transitional Storage Centers from July 1,

2020, through June 30, 2021, with two additional one-year options to extend. On July 15, 2021, the City executed the first one-year option to extend the MOU for the term of July 1, 2021, through June 30, 2022.

On June 11, 2021, the Housing Commission approved the execution of a six-month Non-Competitive agreement under Procurement Policy 9.4, with Mental Health Systems to operate Center I for a term of July 1, 2021, through December 30, 2021, with a corresponding budget of \$624,971. The Housing Commission approved the execution of a six-month Non-Competitive agreement under Procurement Policy 9.4, with Mental Health Systems to operate Center II, with a corresponding budget of \$360,332.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

Prior to the opening of the Center I in June 2018, the operator, MHS, sought the input of residents in the neighborhoods surrounding the Center I to encourage a successful partnership with the community. A Community Advisory Committee formed and a meeting is held monthly with representatives from MHS, the Housing Commission, SDPD, the City's Environmental Services Department, the Mayor's office, and San Diego County Behavioral Health Services in attendance. In June 2021, community members from the neighborhood surrounding Storage Connect Center II, located in the Chollas Creek area, started attending the virtual community meeting. The monthly community meetings now include residents and community members from both Centers.

The meetings provide community members with an opportunity to share their concerns and ideas with MHS, the City, and the Housing Commission, and allow the project's partners to share information and provide updates to the community. This includes notifying the community when contract terms are renewed or contract-related action items are brought to the Housing Commission Board or Housing Authority for approval. At the community meeting on October 13, 2021, Housing Commission staff informed the community group members that the Housing Commission will be requesting approval of the contract between the Housing Commission and MHS to continue to operate Center I and Center II at the Housing Commission's Board meeting on November 12, 2021, and the Housing Authority meeting on November 16, 2021. Information about how to provide public comment at both meetings was provided to the community members via email after the meeting in October. In addition, the next community meeting will take place on November 10, 2021, and the Housing Commission will provide information again about the Housing Commission Board meeting and the Housing Authority meeting and how to provide public comment.

The Housing Commission provides a dedicated phone line that community members can utilize to report concerns or ask questions about program operations. Since the opening of Center I in June 2018, the phone line has received 10 calls. Only one of those calls was received in the last six months, in July 2021. The majority of calls are not related to the storage centers specifically but are related more to other issues that may be connected to unsheltered homelessness in the neighborhood or the need for environmental services cleaning. As needed, Housing Commission staff follows up with MHS and other appropriate City departments to address any needs quickly. MHS, the Housing Commission, and City services will continue to partner and collaborate with the Community Advisory Committee to ensure the Centers take into consideration the needs and expectations of the surrounding community while continuing to serve individuals and families experiencing homelessness in the City of San Diego.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Individuals and households experiencing homelessness benefit from the operation of Center I and Center II. The operation of the Centers gives individuals experiencing homelessness a space to store their belongings to allow them to attend to personal needs, which may include working on housing options, looking for work, attending classes, meeting with service providers, seeking medical care, or other activities such as accessing cleaning or washing facilities. In addition, the operation of the Centers helps reduce the presence of belongings on the street and promotes 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

Center I

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. The parties agree that the provision of any federal funds for the future funding of option years is conditioned on the City of San Diego's final NEPA review and approval.

Center II

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. The parties agree that the provision of any federal funds for the future funding of option years is conditioned on the City of San Diego's final NEPA review and approval.

Respectfully submitted,



Lisa Jones
Executive Vice President, Strategic Initiatives
San Diego Housing Commission

Approved by,



Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission

Docket materials are available in the in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org.