



## EXECUTIVE SUMMARY

MEETING DATE: April 12, 2024

HCR24-039

SUBJECT: Approval of the Operating Agreements between the San Diego Housing Commission and Hope the Mission to Operate the City of San Diego's Storage Connect Centers

COUNCIL DISTRICT: 8 and 9

ORIGINATING DEPARTMENT: Homelessness Innovations

CONTACT/PHONE NUMBER: Casey Snell (619) 578-7691

### REQUESTED ACTION:

Authorize the execution of competitively awarded contracts with Hope the Mission to operate two Transitional Storage programs known as Storage Connect Center I and Storage Connect Center II for a 13-month term, from June 1, 2024, to June 30, 2025, and the allocation of \$1,241,100 and \$602,700, respectively, with two one-year options to renew. The requested actions are contingent on the City of San Diego making funds available through its annual fiscal year budgeting process and exercising the first of three one-year options to renew the Master Memorandum of Understanding between the City of San Diego and the San Diego Housing Commission for the administration of homelessness programs.

### EXECUTIVE SUMMARY OF KEY FACTORS:

- The Storage Connect Centers provide secure, protected space for individuals experiencing homelessness (Program Participants) in the City to store their personal belongings and help keep their belongings off City streets, sidewalks and storefronts 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.
- Staff at Storage Connect Center I (SCCI) at 116 South 20th Street, San Diego, CA 92113, is responsible for administering a minimum of 500 lockable rolling storage containers, of which 473 were occupied as of mid-March 2024. Staff at SCCII at 5453 Lea Street, San Diego, CA 92105, is responsible for administering 300 storage containers, of which 279 were occupied as of mid-March.
- On January 10, 2024, the San Diego Housing Commission (Housing Commission) issued a Request for Proposals (RFP) for the operation of the two storage centers. The Housing Commission received one proposal each for SCCI and SCCII from Hope the Mission, the sole respondent to the RFP.
- Hope the Mission was evaluated and deemed qualified to provide the requested service.
- Hope the Mission is a nonprofit organization with 14 years of experience providing housing and supportive services for adults and families experiencing homelessness in the greater Los Angeles area. Their current programmatic portfolio includes a navigation center, two access centers, a day labor resource center, a multidisciplinary outreach team, a mental health program, and rapid rehousing programs.
- To ensure uninterrupted services for Program Participants, the Housing Commission's Homelessness Innovations Department is facilitating the transition of the program operator from the current provider, TURN Behavioral Health Services (BHS) to Hope the Mission. The transition plan includes Hope the Mission starting 30 days before the end of the current contract term.
- The requested actions to approve the execution of contracts with Hope the Mission to operate SCCI and SCCII are contingent on the City of San Diego making funds available through its annual fiscal year budgeting process and exercising the first of three one-year options to renew the Master Memorandum of Understanding between the City and the Housing Commission for the administration of homelessness programs.



## REPORT

**DATE ISSUED:** April 4, 2024

**REPORT NO:** HCR24-039

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of April 12, 2024

**SUBJECT:** Approval of the Operating Agreements between the San Diego Housing Commission and Hope the Mission to Operate the City of San Diego's Storage Connect Centers

**COUNCIL DISTRICT:** 8 and 9

*Advance notice of San Diego Housing Commission hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(A)-(B).*

### **REQUESTED ACTION**

Authorize the execution of competitively awarded contracts with Hope the Mission to operate two Transitional Storage programs known as Storage Connect Center I and Storage Connect Center II for a 13-month term, from June 1, 2024, to June 30, 2025, and the allocation of \$1,241,100 and \$602,700, respectively, with two one-year options to renew. The requested actions are contingent on the City of San Diego making funds available through its annual fiscal year budgeting process and exercising the first of three one-year options to renew the Master Memorandum of Understanding between the City of San Diego and the San Diego Housing Commission for the administration of homelessness programs.

### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions:

- 1) Approve the execution of a 13-month initial contract, with two one-year options to renew, with Hope the Mission to operate the City of San Diego's Storage Connect Center I program at 116 South 20<sup>th</sup> St., San Diego, CA 92113, for a term of June 1, 2024, through June 30, 2025, with an annual budget of \$1,241,100. The requested action is contingent on the City of San Diego making funds available through its annual fiscal year budgeting process and exercising the first of three one-year options to renew the Master Memorandum of Understanding between the City of San Diego and the Housing Commission for the administration of homelessness programs.
- 2) Approve the execution of a 13-month initial contract, with two one-year options to renew, with Hope the Mission to operate the City of San Diego's Storage Connect Center II program at 5453 Lea St., San Diego, CA 92105, for a term of June 1, 2024, through June 30, 2025, with an annual budget of \$602,700. The requested action is contingent on the City of San Diego

making funds available through its annual fiscal year budgeting process and exercising the first of three one-year options to renew the Master Memorandum of Understanding between the City of San Diego and the San Diego Housing Commission for the administration of homelessness programs.

- 3) Authorize the Housing Commission's President and Chief Executive Officer (President and 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, provided that a copy of the documents, signed as to form by General Counsel, are submitted to each Housing Commissioner.
- 4) Authorize the Housing Commission's President and CEO, or designee, to substitute funding sources and/or increase compensation by not more than 20 percent of the total agreement amount for the proposed agreement, if necessary, without further action by the Housing Commission Board or the Housing Authority of the City of San Diego, but only if and to the extent that funds are determined to be available for such purposes.

### **SUMMARY**

The Housing Commission and City consolidated and replaced five existing Memoranda of Understanding (MOUs), including the Transitional Storage Program, into a Master MOU for the administration of homelessness services programs, which the Housing Authority and City Council approved on June 26, 2023 (Housing Authority Resolution HA-1987 and City Council Resolution R-315018). If all three options are exercised, the MOU will end on June 30, 2027.

The Housing Commission administers the agreements on behalf of the City to operate the Transitional Storage Center programs, including Storage Connect Center I (SCCI) and Storage Connect Center II (SCCII). The Housing Commission began administering the agreement for SCCI in June 2018 and for SCCII in July 2020. The time of performance for the competitively awarded contracts will be an initial 13-month term, from June 1, 2024, through June 30, 2025, with two one-year options to renew.

### **PROGRAM OVERVIEW**

The purpose of the Storage Connect Centers is to provide secure, protected space for individuals experiencing homelessness (Program Participants) in the City to store their personal belongings on an ongoing basis and help keep their belongings off City streets, sidewalks and storefronts by providing a safe place 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 Program Participant has access to storage space of approximately 95 gallons free of charge. Staff provides Program Participants with access to their belongings in a staging area under supervision during hours of operation.

SCCI staff is responsible for administering a minimum of 500 lockable rolling storage containers, and SCCII staff is responsible for administering 300 storage containers. As of mid-March 2024, 473 out of 500 storage containers at SCCI were occupied, and 279 out of 300 storage containers at

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SCCII were occupied. Center staff is responsible for the security of the storage containers and the contents thereof.

### Program Components

- Housing First programs with low barriers to entry and operations.
- Basic services, including a storage container free of charge on an ongoing basis and access to restrooms.
- Utilization of trauma-informed care, motivational interviewing and a harm reduction model.
- Facilitation of coordination with and referrals to local, state, and federal programs, as well as nonprofits and social service agencies, as appropriate.
- Provision of information to Program Participants about where they can access other homelessness services.

### Operator Experience

Hope the Mission, previously known as Hope of the Valley Rescue Mission, is a nonprofit organization with 14 years of experience providing housing and supportive services for adults and families experiencing homelessness in the greater Los Angeles area. Hope the Mission's administrative office is in North Hills, California, but the geographic area they serve includes Los Angeles, San Fernando Valley, Antelope Valley, San Bernardino, and with the award of the Storage Connect Centers contracts, San Diego.

Their current programmatic portfolio includes a navigation center, two access centers, a day labor resource center, a multidisciplinary outreach team, a mental health program, and rapid rehousing programs. Hope the Mission also operates interim housing sites that include seven tiny home villages, three adult congregate shelters, a family residential shelter, a transition-age youth residential shelter, two Homekey hotel family shelters, a male re-entry shelter, three RV encampments interim housing programs, and a men's recovery residential program.

Hope the Mission is a contracted provider for the Los Angeles Homeless Services Authority, Economic and Workforce Development Department, LA Department of Health Services, and the City of San Bernardino. Hope the Mission is a subcontracted provider for Los Angeles Family Housing and Village Family Service. Hope the Mission also has service contracts and MOUs with partnering nonprofit organizations, including Tarzana Treatment Centers, House of Ruth, San Fernando Valley Community Mental Health Center Inc., El Proyecto WorkSource, and Northeast Valley Health Corp.

Currently, Hope the Mission is working on a design-build project in Lancaster, California, that is funded through California Department of Housing and Community Development (CA HCD) for the conversion of two hotels to a 152-bed shelter. Additionally, CA HCD has awarded Hope the Mission \$19,789,357 in the third round of Homekey funding for the purchase, design-build, and operation of a

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58-unit hotel to provide permanent supportive housing and \$32,068,000 for the purchase, design-build, and operation of a 111-unit hotel to provide a shelter.

### Transition Plan

To ensure uninterrupted services for Program Participants, the Housing Commission's Homelessness Innovations Department is facilitating the transition of the program operator from the current provider, TURN Behavioral Health Services (BHS), to Hope the Mission. The transition plan includes Hope the Mission starting 30 days before the end of the current contract term. The transition period will allow TURN BHS to work with Hope the Mission on transferring provision of services and management of the physical site locations. The transition plan will ensure a smooth and seamless handover, minimizing disruptions and maintaining program services continuity.

The transition plan includes but is not limited to:

- A plan for recruiting, onboarding, and/or training staff.
- A plan for ordering of start-up supplies and/or equipment, if applicable.
- A plan for rapid approval and execution of an agreement with the Housing Commission to ensure no gaps in service to clients.
- A plan for rapid approval and execution of occupancy agreements with the City for the program sites, setting forth all maintenance and repair obligations in compliance with state prevailing wage requirements.
- Designation of a point-of-contact who is available at all times to address issues that may arise at the program sites.
- A plan to ensure that the program sites are safe and fit for human occupancy at all times in accordance with applicable law(s), including the provision of routine janitorial services.
- A plan to provide security to ensure a safe environment at the program sites.
- Updated program details and services in the 2-1-1 San Diego database.
- Procedures for data entry, analysis, and reporting in the Homeless Management Information System (HMIS), approved by the Regional Task Force on Homelessness (RTFH), of all Program activities, as RTFH standards and policies require, including obtaining licenses and training for all HMIS users.
- Community Engagement/Good Neighbor Plan for the areas surrounding the program sites.
- Written policies and procedures for service delivery and program operations for both program sites in adherence to the operating agreements.

### **CONTRACT SELECTION PROCESS**

On January 10, 2024, 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, 1,090 vendors were notified (120 from the Housing Commission's portal and 970 from the City's portal). A pre-proposal meeting was held on January 17, 2024. Representatives from three agencies attended the meeting.

At the RFP closing on February 12, 2024, SDHC received one proposal each for SCCI and SCCII

from Hope the Mission, 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: Program Operations, Program Services, Organizational Experience and Capacity, Community Considerations, Equity and Inclusion, and Cost Proposal. The selection committee also conducted an interview with the respondent on March 7, 2024. As the sole respondent to the Storage Centers RFP, and a respondent that was evaluated and deemed qualified to provide the requested service, Hope the Mission was selected as the storage centers’ operator.

**FISCAL CONSIDERATIONS**

Funding and costs associated with the first month of the contract will have no impact on the Housing Commission approved Fiscal Year 2024 budget. The City of San Diego (City) is anticipated to commit funding for the initial 13-month term (June 1, 2024, through June 30, 2025). Funding for initial and option years is contingent on the City allocating funding for this purpose.

<b>Storage Connect Center I</b>			
<b>Funding By Use</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
Start-up Costs	\$55,000	N/A	N/A
Operating Budget	\$1,127,000	\$1,127,000	\$1,127,000
Housing Commission Administrative Costs	\$59,100	\$56,350	\$56,350
<b>Total</b>	<b>\$1,241,100</b>	<b>\$1,183,350</b>	<b>\$1,183,350</b>

<b>Storage Connect Center II</b>			
<b>Funding By Use</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Start Up Costs	\$43,000	N/A	N/A
Operating Budget	\$531,000	\$531,000	\$531,000
Housing Commission Administrative Costs	\$28,700	\$26,550	\$26,550
<b>Total</b>	<b>\$602,700</b>	<b>\$557,550</b>	<b>\$557,550</b>

**HOUSING COMMISSION STRATEGIC PLAN**

This item relates to Strategic Priority Area No. 4 in the Housing Commission’s Strategic Plan for Fiscal Year (FY) 2022 – 2024: Advancing Homelessness Solutions – Supporting the City of San Diego Community Action Plan on Homelessness.

**AFFORDABLE HOUSING IMPACT**

The operation of SCCI and SCCII 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.

### **EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE**

Hope the Mission is a nonprofit and is not subject to the requirement to submit a Workforce Report. Hope the Mission's staff undergoes comprehensive training on racial bias and cultural competency to deliver services equitably. Their proposal addressed many aspects of diversity, equity and inclusion related to their program. Staff has requested a DEI policy statement to be submitted prior to final contract execution.

### **AD HOC COMMITTEE ON HOMELESSNESS AMONG BLACK SAN DIEGANS ACTION PLAN**

The Housing Commission supports and is committed to applying the action items identified in the regional Ad Hoc Committee on Homelessness Among Black San Diegans' (Ad Hoc Committee) Action Plan. The staff-recommended actions proposed for Housing Commission Board consideration in this report relate to Ad Hoc Committee Action Item No. 2, Inclusive Procurement. The Housing Commission included a requirement in the RFP for prospective firms to include a description of how they would address racial equity and inequities for the target population(s), including any local disproportionate impact of homelessness by race and other protected classes. The requirement was a part of the scored evaluation criteria.

### **PREVIOUS COUNCIL and/or COMMITTEE ACTION**

On March 20, 2018, the Housing Authority (Resolution HA-1777) and City Council (Resolution R-311627) 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 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 of SCCI.

On February 8, 2019, the Housing Commission approved the execution of the first one-year renewal option of the agreement with Mental Health Systems, subsequently known as TURN BHS, to operate SCCI 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 Mental Health Systems (Resolution 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 City Council in June 2019. The first one-year renewal option of the agreement was subsequently executed with Mental Health Systems.

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.

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On June 12, 2020, the Housing Commission approved the execution of the second one-year renewal option and fourth amendment of the agreement with Mental Health Systems to operate SCCI 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 Mental Health Systems to operate SCCII 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 (Resolution HA-1862) approved the second one-year renewal option for the operation of SCCI, and the initial contract between Mental Health Systems and the Housing Commission for the operation of SCCII. Both agreements were executed with Mental Health Systems.

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 Board approved the execution of a six-month Non-Competitive agreement under Procurement Policy 9.4, with Mental Health Systems to operate SCCI 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 SCCII, with a corresponding budget of \$360,332.

On November 12, 2021, the Housing Commission Board approved the execution of a six-month competitively awarded initial contract from January 1, 2022, through June 30, 2022, with two one-year options to renew, for SCCI and SCCII, with a prorated budget of \$624,971 and \$360,332, respectively. On December 6, 2021, the Housing Authority approved the execution of a six-month initial contract from January 1, 2022, through June 30, 2022, with two one-year options to renew, for SCCI and SCCII (Resolution HA-1930).

The execution of a Master MOU between the Housing Commission and the City for the provision of homelessness services programs from July 1, 2023, through June 30, 2024, with three additional one-year options to extend, was approved by the Housing Commission Board on June 15, 2023, and by the Housing Authority (Resolution HA-1987) and City Council (Resolution R-315018) on June 26, 2023.

### **KEY STAKEHOLDERS and PROJECTED IMPACTS**

Individuals and households experiencing homelessness benefit from the operation of SCCI and SCCII. The operation of the storage 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 storage centers helps reduce the presence of belongings on the street and promotes better health conditions for



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citizens of the City of San Diego, including those living on the streets in the City of San Diego.

**ENVIRONMENTAL REVIEW**

The proposed activities are categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities), which allows the operation, repair, maintenance permitting, leasing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. The Storage Connect Centers Program will operate at two site both at existing facilities and there will be no change or expansion in use. Processing under the National Environmental Policy Act (NEPA) is not required as no federal funds are involved in 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,

*Casey Snell*

Casey Snell  
Interim Senior Vice President of Homelessness Innovations  
San Diego Housing Commission

Approved by,

*Jeff Davis*

Jeff Davis  
Deputy Chief Executive Officer  
San Diego Housing Commission

Hard copies are available for review during business hours at the information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 Docket materials are also available in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).