



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: May 6, 2021

HCR21-047

**SUBJECT:** Approval of Contract Renewal between San Diego Housing Commission (Housing Commission) and Mental Health Systems (MHS) to Operate the City of San Diego's Transitional Storage Center, Currently Known as the Storage Connect Center I, at 116 South 20th Street, San Diego, California 92113 and Approval of the Contract Renewal to operate the City of San Diego's Transitional Storage Center, currently known as the Storage Connect Center II, at Lea Street Terminus, San Diego, California 92105

**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 six-month contracts and the allocation and expenditure of \$985,303 in Homeless Housing, Assistance, and Prevention Program (HHAP) funds to support two Transitional Storage Centers currently known as the Storage Connect Center I, at 116 South 20th Street, San Diego, California 92113, and Storage Connect Center II, at Lea Street Terminus, San Diego, California 92105.

**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 as they look for work, attend classes, meet with a service provider or doctor, or otherwise attend to their personal needs.
- Center I opened on June 13, 2018. Center II opened on November 18, 2019.
- Center I currently provides 500 storage bins that can be utilized at any one time. Center II has budget capacity to provide up to 500 storage bins that can be utilized at any one time.
- Mental Health Systems operates both Center I and Center II.
- Utilizing the Non-Competitive agreement under Procurement Policy 9.4 in lieu of a competitive solicitation ensures the continued operation and provision of uninterrupted services for Center I and Center II while the pandemic continues. Further, issuing a Request for Proposal at a later date will increase the number and quality of responses received due to the ongoing strain on staffing resources identified across the homeless service provider system during the pandemic.
- Upon the execution and approval of the HHAP MOU's first option year, the City of San Diego will commit state HHAP funding in the amount of \$624,971 toward Center I for a six-month term of July 1, 2021, through December 31, 2021. Further, the City will commit HHAP funding in the amount of \$360,332 toward Center II for a six-month term of July 1, 2021, through December 31, 2021.



## REPORT

**DATE ISSUED:** April 29, 2021

**REPORT NO:** HCR21-047

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of May 6, 2021

**SUBJECT:** Approval of Contract Renewal between San Diego Housing Commission (Housing Commission) and Mental Health Systems (MHS) to Operate the City of San Diego's Transitional Storage Center, Currently Known as the Storage Connect Center I, at 116 South 20th Street, San Diego, California 92113 and Approval of the Contract Renewal to operate the City of San Diego's Transitional Storage Center, currently known as the Storage Connect Center II, at Lea Street Terminus, San Diego, California 92105

**COUNCIL DISTRICT:** 8 and 9

### **REQUESTED ACTION**

Authorize the execution of six-month contracts and the allocation and expenditure of \$985,303 in Homeless Housing, Assistance, and Prevention Program (HHAP) funds to support two Transitional Storage Centers currently known as the Storage Connect Center I, at 116 South 20th Street, San Diego, California 92113, and Storage Connect Center II, at Lea Street Terminus, San Diego, California 92105.

### **STAFF RECOMMENDATION**

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

- 1) Approve the execution of a six-month Non-Competitive agreement under Procurement Policy 9.4, with Mental Health Systems (MHS), contingent on necessary City of San Diego (City) approvals, if any, to operate the Transitional Storage Center, currently known as the Storage Connect Center I, located at 116 South 20<sup>th</sup> Street, San Diego, California 92113, for a term of July 1, 2021, through December 31, 2021, with a budget of \$624,971, on terms and conditions as set forth in the Agreement, as it may be amended upon advice of the Housing Commission's General Counsel;
- 2) Approve the execution of a six-month Non-Competitive agreement under Procurement Policy 9.4, with MHS, contingent on necessary City approvals, if any, to operate the Transitional Storage Center, currently known as the Storage Connect Center II, located at Lea Street Terminus, San Diego, California 92105, for a term of July 1, 2021, through December 31, 2021, with a budget of \$360,332, on terms and conditions as set forth in the Agreement, as it may be amended upon advice of the Housing Commission's General Counsel;
- 3) Authorize the Housing Commission's President & CEO, or designee, to take such actions as are reasonably necessary to implement the approvals referenced in this report; and

- 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 of Commissioners (Board), 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 that first took effect on July 1, 2010. The Housing Commission and the City entered into a new MOU for the provision of transitional storage centers (Storage MOU) that took effect on July 1, 2020. The Housing Commission further administers agreements on behalf of the City to operate the Transitional Storage Center programs. The proposed actions referenced in this report will allow the Housing Commission to enter into six-month Agreements to extend program services at the Storage Connect Center I (Center I) and the Storage Connect Center II (Center II) through December 31, 2021.

MHS has operated Center I since May 2018 and Center II since November 2019. 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. Furthermore, the services provided at the site locations have proved critical during the ongoing COVID-19 pandemic.

Utilizing the Non-Competitive agreement under Procurement Policy 9.4 in lieu of a competitive solicitation ensures the continued operation and provision of uninterrupted services for Center I and Center II while the pandemic continues. Further, issuing a Request for Proposal at a later date will increase the number and quality of responses received due to the ongoing strain on staffing resources identified across the homeless service provider system during the pandemic. A demonstrated need exists to continue these critical services without interruption as opposed to possibly transitioning to one or two new providers in July 2021.

## **PROGRAM OVERVIEW**

The purpose of this program is to provide secure, protected space for individuals experiencing homelessness (Clients) in the City 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 storage space of approximately 95 gallons free of charge.

Center I opened on June 13, 2018. Center I helps 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 as they look for work, attend classes, meet with a service provider or doctor, or otherwise attend to their personal needs. The 2020 Annual Point-in-Time Count of individuals experiencing homelessness identified 2,283 unsheltered individuals experiencing homelessness in the City of San Diego on any given night.

On November 18, 2019, Center II opened at the Lea Street Terminus in the 92105 ZIP Code. Center II operates in the same capacity as Center I, providing storage bins to persons experiencing homelessness

April 29, 2021

Approval of Contracts between San Diego Housing Commission and Mental Health Systems to operate the Storage Connect Center I and II

Page 3

in the City. MHS was selected by the City to operate Center II, utilizing the same general standards and property management requirements as Center I. In July 2020, the City transferred the administration of the program and Agreement of Center II to the Housing Commission.

### General Standards

Center I and Center II must be operated according to the General Standards contained in the respective Agreements. In this renewal 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 will be Client-focused and delivered in a culturally competent manner. 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.
- Adequate staffing with appropriate ongoing training for service delivery and data collection and analysis.
- Security to ensure a safe environment at the Center I and II for Clients, volunteers and others who may come in contact with the Center I and II.
- Designated point-of-contact who is available at all times to address issues that may arise at the Center I and II 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 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 II.
- Data entry, analysis and reporting of all Center I and II activities in the Regional Task Force on the Homeless (RTFH) approved Homeless Management Information System (HMIS).

### 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. MHS 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.
- Provide secure entry/exit for Clients and others to be monitored by Staff.
- Provide maintenance and upkeep of forklift for Center I, 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 I and Center II 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 I and Center II, at all times, in an orderly and vermin-free condition.
- The Center I and Center II are to be used as a storage facility only. Operation of the storage facility shall not create any conditions that amount to a public nuisance and shall not be detrimental to the neighborhood by causing increased noise, traffic, lighting, odor, or by violating any applicable ordinance or laws.
- Enter into a sub-lease agreement with the City for the Center I and Center II as determined by the City, setting forth all maintenance and repair obligations.

### **PROGRAM OUTCOMES AND PERFORMANCE STANDARDS**

Center I and Center II are operated by MHS. Center I is open Monday through Friday from 7 a.m. to 7 p.m., and Saturday and Sunday from 8 a.m. to 11 a.m. Center II is open Monday through Friday from 8 a.m. to 5 p.m., and Saturday and Sunday from 8 a.m. to 11 a.m. The tables below provide an overview of data captured from Center I and Center II from July 1, 2020, to February 28, 2021.

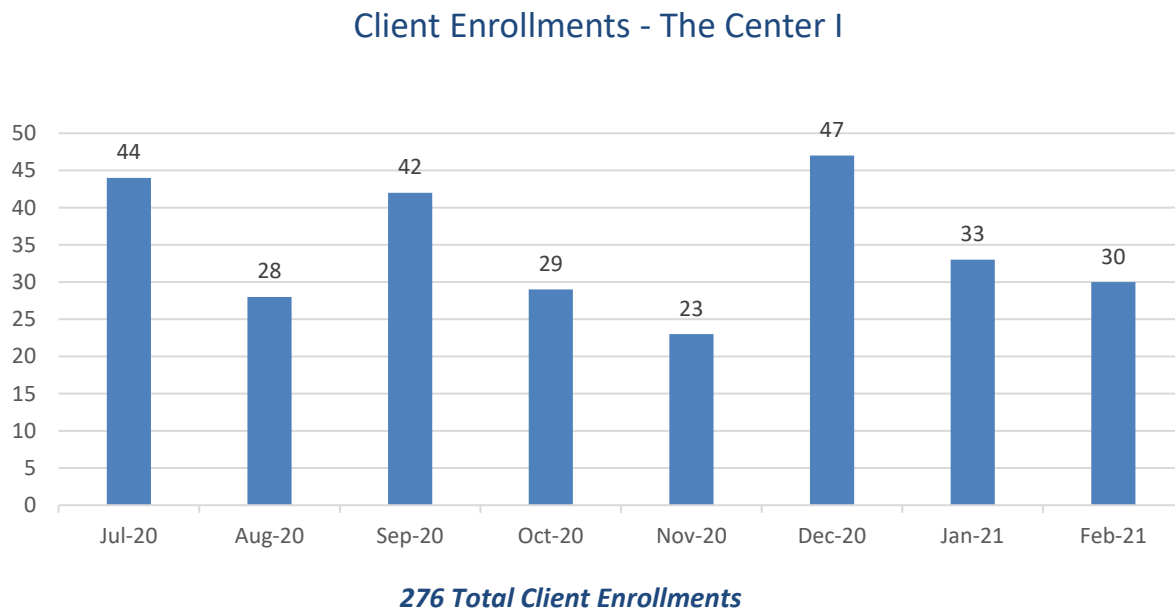
Center I has seven inventory specialists on staff, including two bilingual inventory specialists, conducting client intakes and storage bin assignments, as well as assisting clients with ongoing access to containers in a supervised staging area. Pursuant to the Housing Authority approval of the operating agreement (Resolution No. HA-1777), Center I currently provides 500 storage bins<sup>1</sup> that can be utilized at any one time. As of February 28, 2021, 476 bins were assigned to clients. From July 1, 2020, to February 28, 2021, Center I has enrolled and served 712 distinct, unduplicated clients. A total of 20,064 Client return check-ins have occurred at Center I during this same time period. The average length of use for Clients who have stayed enrolled in the program is 371 days (12 months), while the average length of use for Clients who have exited the program is 265 days (nine months).

Center II has two inventory specialists on staff, including one bilingual inventory specialist, conducting client intakes and storage bin assignments, as well as two bilingual homeless outreach workers, engaging with the unsheltered population to provide links to local community resources and to provide information on the Center II program, to increase program utilization. Center II has budget capacity to provide up to 500 storage bins that can be utilized at any one time. As of February 28, 2021, 122 bins were assigned to clients. From July 1, 2020 to February 28, 2021, Center II has enrolled and served 240 distinct, unduplicated clients. A total of 920 Client return check-ins have occurred at Center II during this same time period. The average length of use for Clients who have stayed enrolled in the program is 138 days (five months), while the average length of use for Clients who have exited the program is 136 days (five months).

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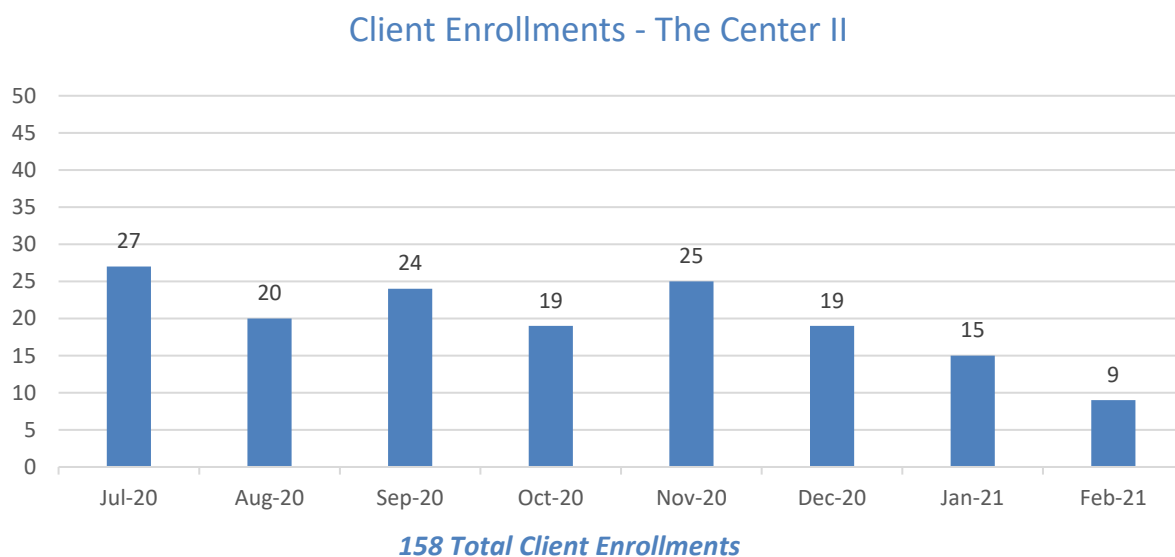
<sup>1</sup> The Housing Authority and the City Council mandated a maximum of 500 storage units in the March 2018 approval for operation of the Storage Connect Center I, through the full contract term, including any renewals and ending June 30, 2021

**Table One: New Client Enrollments- Storage Connect Center I – Duplicated\* (July 1, 2020 – February 28, 2021)**



**\*Data include individuals who enrolled, exited and re-enrolled in the program.**

**Table Two: New Client Enrollments- Storage Connect Center II – Duplicated\* (July 1, 2020 – February 28, 2021)**



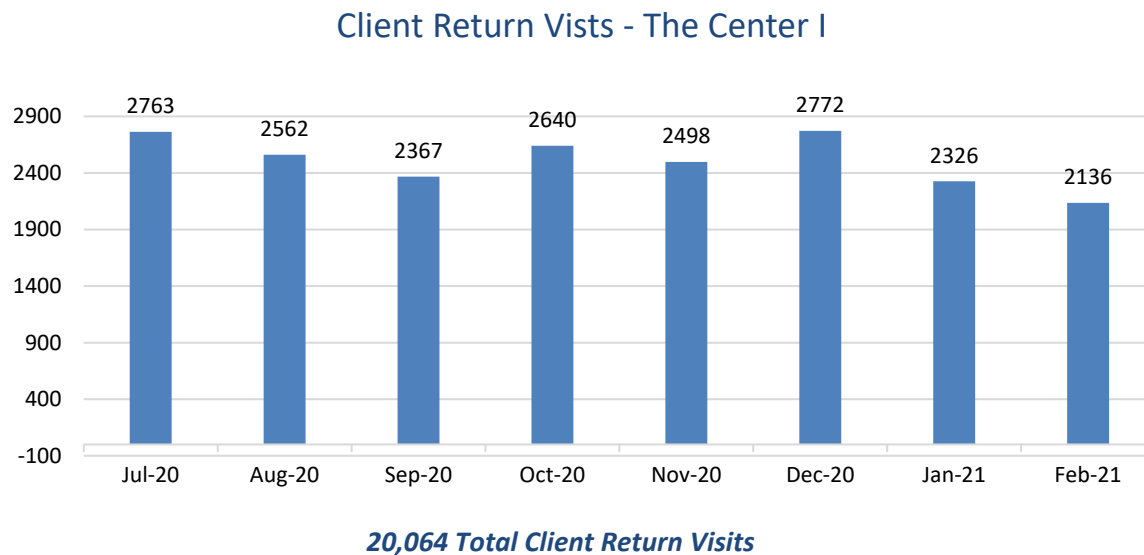
**\*Data include individuals who enrolled, exited and re-enrolled in the program.**

April 29, 2021

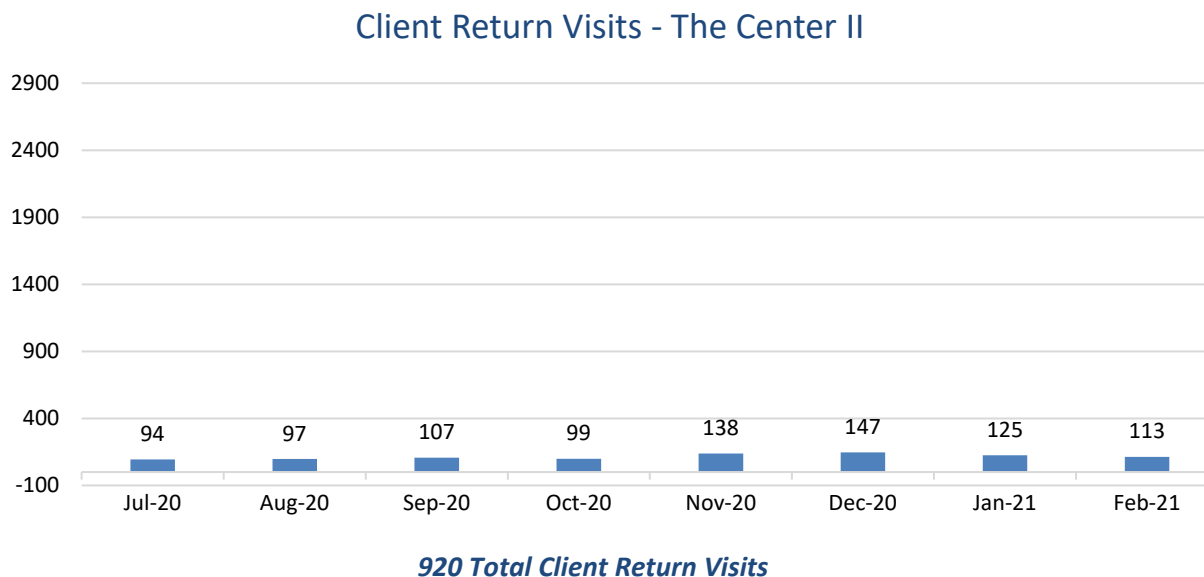
Approval of Contracts between San Diego Housing Commission and Mental Health Systems to operate the Storage Connect Center I and II

Page 6

**Table Three: Client Return Visits to Access Belongings – Storage Connect Center I (July 1, 2020 – February 28, 2021)**



**Table Four: Client Return Visits to Access Belongings – Storage Connect Center II (July 1, 2020 – February 28, 2021)**



April 29, 2021

Approval of Contracts between San Diego Housing Commission and Mental Health Systems to operate the Storage Connect Center I and II

Page 7

**Table Five: Resource Referrals to Program Participants (July 1, 2020– February 28, 2021)**

RESOURCE TYPE	Storage Connect Center I	Storage Connect Center II
Basic Needs	49	81
Food Assistance	49	81
Health Care	40	77
Shelter	43	82
Housing Search and Information	40	79
At Risk/Homeless Housing Related Assistance Programs	35	76
Income Support and Employment	46	80
Mental Health and Substance Use Disorder Services	37	81
Transportation	39	76
<b>TOTAL RESOURCE REFERRALS</b>	<b>378</b>	<b>713</b>



**Table Six: Special Population Served (July 1, 2020 – February 28, 2021)**

<b>SPECIAL POPULATIONS SERVED</b> July 1, 2020- February 28, 2021	<b>Storage Connect Center I</b>	<b>Storage Connect Center II</b>
Total Persons Served	<b>712</b>	<b>240</b>
Transitional Age Youth (18-24)	20	9
	<b>3%</b>	<b>4%</b>
Individuals Age 55+	261	113
	<b>37%</b>	<b>47%</b>
Chronically Homeless Persons	277	83
	<b>39%</b>	<b>35%</b>
Persons with a Disability (any)*	283	168
	<b>40%</b>	<b>70%</b>
Persons with a Physical Disability*	207	91
	<b>29%</b>	<b>38%</b>
Persons with a Mental Health Problem*	230	95
	<b>32%</b>	<b>40%</b>
Persons with a Drug and/or Alcohol Use Disorder*	118	56
	<b>17%</b>	<b>23%</b>
Veterans	46	11
	<b>6%</b>	<b>5%</b>

\*Data is self-reported by Program Participant and Participant may report more than one indicator of vulnerability.

### **STORAGE CENTERS ACTIVITY OVERVIEW**

Center I and Center II maintain Community Engagement/Good Neighbor Plans developed to address and mitigate community concerns. Center staff for both locations operate as community ambassadors in the neighborhoods surrounding the Centers. From July 1, 2020, to February 28, 2021, Center I staff conducting outreach have engaged with a total of 215 unsheltered individuals by offering referrals to local community resources such as mental health services, medical services and food resources, and also provided individuals with information about Center I and the procedure for accessing the waiting list for Center I. Center II has two full-time homeless outreach workers on staff who have engaged with a total of 1,458 unsheltered individuals, from July 1, 2020, to February 28, 2021, by offering referrals to local community resources such as mental health services, medical services and food resources. These staff also provided individuals with information about Center II and the procedure for enrolling in the program.

Staff from each site continue to act as ambassadors to residents and community members so community members can provide input on areas of need, raise any concerns they may have, and obtain general information about how to contact the facility operator or City services, such as SDPD,

April 29, 2021

Approval of Contracts between San Diego Housing Commission and Mental Health Systems to operate the Storage Connect Center I and II

Page 9

Environmental Services Department, and the Mayor's office or the Housing Commission.

SDPD coordinates ongoing law enforcement and security presence with the security agency for both of the Centers on a daily basis and supports the security company in managing the security needs in the direct vicinity of the sites while SDPD focuses on the surrounding neighborhood.

### **AFFORDABLE HOUSING IMPACT**

The operation of Center I and Center II allows individuals experiencing homelessness to store their belongings in a safe location off of the City streets, while these individuals look for employment, housing and services or otherwise attend to their personal needs.

### **FISCAL CONSIDERATIONS**

Upon the execution and approval of the HHAP MOU's first option year, the City of San Diego will commit state HHAP funding in the amount of \$624,971 toward Center I for a six-month term of July 1, 2021, through December 31, 2021. Further, the City will commit HHAP funding in the amount of \$360,332 toward Center II for a six-month term of July 1, 2021, through December 31, 2021.

### **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 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,

April 29, 2021

Approval of Contracts between San Diego Housing Commission and Mental Health Systems to operate the Storage Connect Center I and II

Page 10

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 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. If all options are exercised, the Storage MOU will continue through June 30, 2023.

### **COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS**

Prior to the opening of Center I, MHS sought the input of residents in the neighborhoods surrounding Center I to ensure a successful partnership with the community. The Homeless Storage Neighborhood Advisory Committee (HSNAC) was formed, and a meeting is held monthly with representatives from MHS, the Housing Commission, SDPD, the City's ESD, and the Mayor's office. The meetings provide community members with an opportunity to share their concerns and ideas with MHS, the City, and the Housing Commission, and also allow the project's partners to share information and provide updates to the community.

The Housing Commission provides a dedicated phone line that community members can utilize to report concerns or ask questions about program operations. MHS, the Housing Commission, and City services will continue to partner and collaborate with the HSNAC to ensure Center I takes 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.

For Center II, MHS will continue to engage the community surrounding the Lea Street Terminus location and will collaborate with residents, neighborhood advisory groups, and SDPD as necessary to ensure information and updates are shared regularly and to maintain transparency. The Housing Commission has incorporated Center II into the dedicated phone line to provide the same opportunity to these residents to report concerns and ask questions.

### **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 seek gainful employment, housing and necessary services, or otherwise attend to their personal needs, while not having to worry about the safety of their belongings. 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.

April 29, 2021

Approval of Contracts between San Diego Housing Commission and Mental Health Systems to operate the Storage Connect Center I and II

Page 11

## **ENVIRONMENTAL REVIEW**

### **The 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 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.

Respectfully submitted,

Approved by,



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

Jeff Davis  
Deputy Chief Executive Officer  
San Diego Housing Commission

Docket materials are available online in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).