



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Leslye Corsiglia

**SUBJECT:** SEE BELOW

**DATE:** May 13, 2014

Approved

Date

5/21/14

**COUNCIL DISTRICT: 6**

**SUBJECT: APPROVAL OF AN AMENDMENT TO THE AGREEMENT WITH  
INNVISION SHELTER NETWORK (IVSN) FOR THE MAINTENANCE  
AND OPERATION OF THE HAVEN DISASTER RELIEF SHELTER**

## RECOMMENDATION

It is recommended that the City Council adopt a resolution authorizing the City Manager to execute a Continuation and Third Amendment to an Agreement with InnVision Shelter Network (IVSN), successor to InnVision the Way Home, for operator services, in an amount not to exceed \$90,000 for maintenance and operation of the Haven Disaster Relief Shelter and Triplex affordable housing units, located at 937 and 943 Locust Street, retroactively from July 1, 2012 to June 30, 2014, with options to extend the Agreement through June 30, 2015.

## OUTCOME

The recommended action would enable IVSN to continue to operate the Haven Disaster Relief Shelter and the Triplex while the City reviews shelter occupancy and operations and a potential repurposing to respond to the needs of the City's homeless residents.

## BACKGROUND

Since 2001, The Haven, located at 937 Locust Street, has provided emergency housing to up to 20 individuals who were displaced from their homes due to a fire or other disaster. The Haven consists of a manager's unit and four fully-furnished apartment units (three 2-bedroom units, one 1-bedroom unit), with private bedrooms and bathrooms. The Haven building also has shared living facilities, including a shared kitchen, dining room, living room, recreation area, and laundry facilities.

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Located next to the Haven is a Triplex, at 943 Locust Street, with three, two-bedroom units. These units provide permanent housing for low-income residents. The residents of the Haven and the Triplex share 10 parking spaces and a small recreation area.

The Haven and Triplex are City-owned housing assets. When acquired by the Housing Department, an affordability restriction was recorded on the properties that restricts occupancy of the Haven to 120% of Area Median Income (AMI) or below (\$88,600 in 2014 for one person). The residents of the Triplex must be low-income individuals, whose incomes do not exceed 60% of AMI (\$56,970 in 2014 for a household of three members).

The City obtained Planned Development (PD) Zoning (PD01-051) for the Haven and the Triplex property in May 2001. The PD Zoning authorizes the site to allow transitional housing for up to 20 disaster victims at one time. The primary users of the Haven have been individuals and families who lost their homes to fire. In 2002, the Haven and Triplex were rehabilitated with a \$1,900,000 grant from the Housing Department and sold to HomeFirst (formerly EHC LifeBuilders). HomeFirst operated the facility until 2008. As part of HomeFirst's financial restructuring plan, ownership of the property was transferred back to the City. The City then conducted a competitive process and selected InnVision the Way Home to operate both the Haven and Triplex.

## **ANALYSIS**

A contract was executed with InnVision the Way Home in 2008 that included four, one-year extensions. Three of those extensions were executed extending the contract through June 30, 2012. InnVision the Way Home merged into InnVision Shelter Network (IVSN), a nonprofit public benefit corporation, in 2012.

Under the contract, InnVision was authorized to deposit the Triplex rent revenue into a maintenance and operations fund and to pay its \$1,500 monthly property management fee and maintenance costs from that fund. Although the contract obligates the City to provide up to \$18,000 per year, the annual rent revenue received from the Triplex tenants covers most of the direct operating expenses for the Property. Therefore, the amount expended by the City's under the existing contract with InnVision has been negligible. However, since the cumulative amount of rent received by InnVision (\$3,600 per month from October 1, 2008, through June 30, 2015) will exceed the City Manager's contract authority, this Agreement is being presented to City Council for approval.

It should be noted that due to City staff transitions associated with budget reductions, the extension between the City and IVSN for FY 2012-13 was not executed. IVSN, as InnVision's successor, continued to perform services per the prior contract during this period. Therefore, the term of the approval of this Continuation and Third Amendment will be retroactive to include fiscal year 2012-13 and 2013-2014.

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### Future Use of the Haven

While the Haven provides an important resource for disaster victims, it is often not occupied at full capacity. In addition, the City and the Red Cross can use low-cost hotels to house disaster victims, which can be a more cost-effective means of providing temporary housing. Therefore, the Housing Department will be conducting a review of this facility to determine if the use should be changed to maximize the value of this City resource. The proposed agreement will contain two, six-month extensions through June 30, 2015. It is anticipated that this contract extension will provide the City with sufficient time to complete its review of this real estate asset while continuing its operations.

### EVALUATION AND FOLLOW-UP

Within the next 12 months, the Housing Department plans to evaluate the property's use and make a determination as to the best use of the site. If at such time the Department proposes a change in use, it will bring forth a recommendation to the City Council.

### PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1,000,000 or greater. (Required: Website Posting)
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. (Required: E-mail and Website Posting)
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. (Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)

This memo does not meet any of the Criteria above; however, it will be posted to the City's website for the June 3, 2014 City Council Agenda.

### POLICY ALTERNATIVES

To arrive at this proposal, staff considered the following options:

**Alternative #1:** *Do not renew the agreement with IVSN for operation of the Haven and close the Haven Disaster Shelter.*

**Pros:** There are no advantages to the City to be gained by not renewing this agreement.

**Cons:** It would be more costly for the City to manage the Haven, and the City does

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not have the expertise needed to properly manage the site. If an agreement with IVSN is not executed, the facility would need to be vacated. Additionally, because this contract is retroactive, a rejection of this request would mean that IVSN would not be reimbursed for work it had already completed.

**Reason for not recommending:** The Haven provides temporary housing for victims of disasters. The agreement with IVSN is necessary to operate this facility.

**COORDINATION**

This Memorandum was coordinated with the Office of the City Attorney.

**FISCAL/POLICY ALIGNMENT**

The recommended action is consistent with the objective of ending homelessness included in the City's *Five-Year Consolidated Plan FY 2010-15* as adopted by the City Council on May 4, 2010.

**BUDGET REFERENCE**

Fund #	Appn.#	Appn. Name	Total Appn.	Amt. For Contract	2013-14 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
346	0562	NP/EQUIP-HOUSING	\$850,634	\$90,000	XI-58	2/11/2014 Ord. 29378

**CEQA**

Not a Project, File No. PP10-066(e), Services that involve no physical changes to the environment..

/s/  
LESLYE CORSIGLIA  
Director of Housing

For questions, please contact Jacky Morales-Ferrand, Assistant Director of Housing, at 408-535-3855.

Attachment

# ATTACHMENT 1

## SITE MAP

