



AGENDA REPORT

Community Development

DATE:	April 1, 2025
TO:	Mayor Martinez and Members of the City Council
FROM:	Lina Velasco, Director of Community Development Jesus Morales, Housing Manager Bisa French, Chief of Police Michelle Milam, Crime Prevention Manager
Subject:	Contract Amendment No.1 with Contra Costa County Health for ERF-2R Program Project Management
FINANCIAL IMPACT:	The City Council accepted and appropriated an Encampment Resolution Round 2 (ERF-2R) award totaling approximately ~\$8.6 million. The grant funds include resources for rent assistance and support services, such as case management and housing navigation services. The cost related to the contract amendment will be paid using the project-specific account string: 13861119-400201.
PREVIOUS COUNCIL ACTION:	July 11, 2023, September 12, 2023, July 2, 2024
STATEMENT OF THE ISSUE:	In July 2023, the City Council approved a contract with Contra Costa Health's Health, Housing and Human Services Department (H3) for providing Coordinated Outreach Referral, Engagement (CORE) services for the City. One team is shared between Richmond and San Pablo, and the second team is dedicated to the Encampment Resolution Funding Round 2 project (ERF-2R) program. The proposed contract amendment will add services to the ERF-2R project including a Project Manager and other wraparound services that will provide cross-systems collaboration and service strategies to help people experiencing homelessness within

	encampments in the City to transition to safe and stable housing pathways.
RECOMMENDED ACTION:	APPROVE a contract amendment No.1 with Contra Costa Health's Health, Housing, and Human Services (H3) Department to increase the contract amount by \$2,875,440, for a total contract amount not to exceed \$4,306,079, for a term extending through June 30, 2026, to provide project management, rapid rehousing services, and shelter bed services for the City's Encampment Resolution Funding Round 2 project – Community Development (Lina Velasco/Jesus M. Morales 510-620-6649).

DISCUSSION:

On July 11, 2023, the City Council approved the contract With Contra Costa County Health, Housing, and Human Services (H3) Department for Coordinated Outreach Referral and Engagement (CORE) Homeless Outreach Services. The contract, in an amount not to exceed \$1,403,639, was to provide two CORE teams, the San Pablo/Richmond team, and the Encampment Resolution Funding Round 2 (ERF-2R) CORE team, to do encampment outreach and connect them to services for a three-year term. The City of Richmond Police Department and the City of San Pablo split the costs for the joint city team, and the Housing Division using ERF-2R program funds pays for the Richmond ERF – 2R team. The \$2,875,440 cost of the additional scope of work per contract amendment no.1 will be paid by the Housing Division using the ERF – 2R program grant funds.

On September 12, 2023, the City Council accepted and appropriated an Encampment Resolution Funding Round 2 award totaling approximately \$8.6 million. The grant award includes resources for project management, rent assistance, and support services, such as case management, housing navigation services, and other support. In January 2024, Way 2Love's contract, which had provided project management services for the Encampment Resolution Funding Round 1 project (ERF-1), was amended to continue project management, case management, and housing navigation services for the ERF-2R project. However, on May 15, 2024, the City was notified by Way2Love, Inc. that they would be terminating their Encampment Resolution Funding 2 (ERF-2R) contract with the City to refocus their work around their mission, vision, and core values and that all their services, including those provided by subcontractors, would cease on July 31, 2024.

In November 2023, the City contracted with RCF Connects to provide case management and housing navigation services in collaboration with Way2Love, Inc. RCF Connects has been providing these services in the interim while the City negotiated services with H3 for project management and other supportive services.

In July 2024, the Council authorized the City Manager or designee to negotiate and execute a sole-source contract with the County. City and County staff have been working on the scope of work and budget for the proposed Amendment No.1.

The City is looking for new ways to partner with the County and sees this as an opportunity to learn from their vast experience and build City capacity to do this work more sustainably and efficiently. Partnering with the County will also allow leveraging other county resources.

This partnership will provide the City with an opportunity to:

- 1) Learn from the County staff's expertise and experience in project and program management related to homelessness services
- 2) Potentially serve as a model for City and County partnership in addressing homelessness by pooling resources to fill any potential service gaps
- 3) Enhance data tracking and reporting

The additional services proposed to be added to the scope of work are:

- One ERF-2 Project Manager;
- An additional 2-person CORE team to support ERF-2 clients at a navigation facility;
- Priority for 5 beds at the Brookside Shelter for ERF-2 clients. ERF-2 clients would be provided with case management and housing navigation services provided by the County at no additional cost; and,
- Rapid Rehousing, flex funds, and landlord incentive funds.

The Scope of Work and Budget are detailed in Exhibit A of the proposed contract Amendment No. 1(Attachment 1). The Scope of Work is in addition to the Scope of Work in the original contract (Attachment 2). The additional services will be managed by Community Development's Housing Division.

City staff, along with its service providers, have done their best to administer these programs in thoughtful and effective ways; however, the City continues to be challenged by the limited affordable housing options, and developing income for chronically homeless clients so they can become self-sustainable. This partnership will leverage resources each organization has in hopes that the outcomes will be greater and more sustainable for the clients served.

Faced with high-area rents, a shortfall of affordable housing, and an absence of vouchers, most people who are supported with ERF funds must secure income to sustain their housing. The partnership with the County will provide clients with additional resources facilitated by the contractual relationship with the City and will assist in leveraging County-offered programs.

SYNERGISTIC POLICIES:

On May 23, 2023, the City Council adopted the Homeless Strategic Plan to provide short-term and long-term steps to address homelessness. Within these goals the following short-term and immediate action steps were recommended.

Short-term Action Step 1.4: Expand case management and other care-related individualized services directly in encampments to build connections for unsheltered individuals to have access to an expanded array of opportunities and resources for personal development, wellness and health, and financial means to secure and sustain housing, and ongoing support for long-term stabilization.

Short-term Action Step 5.2 and Priority Action Step 6 - Strengthen collaboration between the City, County and community-based organizations to improve data collection, implement this Strategic Plan, provide services in the city, and apply for funding opportunities. The dedicated City staff person would determine frequency and format of interagency collaboration, which could include systems level partner meetings, a local data workgroup, or direct service coordination.

The proposed contract amendment is aligned with the short-term and immediate action steps and will further the goals and policies identified within the adopted City of Richmond Homelessness Strategic Plan. The City-County partnership also has the potential to serve as a model for other cities and counties.

CONCLUSION:

City staff recommends that the City Council approve the contract Amendment No.1 with Contra Costa Health's Health, Housing, and Human Services Department to provide project management and other support services for people living in Citywide encampments onto paths to safe and stable housing, employment opportunities, and add \$2,875,440 for a total contract amount not to exceed \$4,306,079 for a term extending through June 30, 2026.

DOCUMENTS ATTACHED:

- Attachment 1 – Amendment No.1 to the Contract
- Attachment 2 – Original Contract