

# Agenda Report

April 24, 2023

**TO:** Honorable Mayor and City Council

**FROM:** Department of Housing

**SUBJECT: CONTRACT AUTHORIZATION WITH STEP UP ON SECOND STREET, INC. TO PROVIDE SUPPORTIVE SERVICES TO ELIGIBLE PARTICIPANTS RECEIVING TENANT-BASED RENTAL ASSISTANCE**

## **RECOMMENDATION:**

It is recommended that the City Council:

- 1) Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines per Section 15061 (b) (3), the "common sense" provision that CEQA only applies to projects that may have an effect on the environment;
- 2) Authorize the City Manager to enter into a contract with Step up on Second Street, Inc., as the result of a competitive selection process as specified by Section 4.08.047 of the Pasadena Municipal Code, for a total not-to-exceed amount of \$175,000 with an initial grant term beginning in calendar year 2023 and ending January 31, 2024 to provide intensive case management supportive services to eligible participants receiving a Continuum of Care tenant-based rental assistance voucher. Competitive bidding is not required pursuant to City Charter Section 1002(F), contracts for professional or unique services; and
- 3) Authorize the City Manager to execute contract amendments for five consecutive years with additional funding not-to-exceed \$175,000 each year with the grant term beginning February 1, 2024 as set forth in the agenda report.

## **BACKGROUND:**

On January 31, 2023 the City submitted a formal grant amendment request to the U.S. Department of Housing and Urban Development (HUD) to allocate funding for supportive services under an existing Continuum of Care (CoC)-funded grant that provides tenant-based rental assistance to households who formerly experienced

homelessness in Pasadena. In recent years, the City has been limited in its ability to fill vacancies in the CoC Rental Assistance program due to not having a dedicated supportive services provider. Without intensive case management services available, high acuity individuals with significant barriers to maintaining their housing independently may not be successful in the program. The commitment to fund supportive services will improve bed utilization and reliably support housing stability among all participants on an ongoing basis. The term of the subject HUD grant begins February 1 of each calendar year and renews annually.

### **Request for Proposals**

The Department of Housing issued a Request for Proposals (RFP) in November, 2022, and undertook a competitive selection process to select a qualified non-profit agency to provide intensive case management services (ICMS) for existing and new program participants in need of additional support as well as landlords working with the rental assistance program. Interested agencies were able to submit a proposal for any amount up to \$175,000 and the funding is eligible to be renewed annually contingent on being awarded by HUD. Competitive bidding is not required pursuant to City Charter Section 1002(F), contracts for professional or unique services.

This funding opportunity was open to non-profit organizations and homeless service providers that are experienced in providing ICMS to people experiencing homelessness. The RFP was posted to OpenGov, the City's e-procurement system and was advertised to over 25 agencies providing homeless services in the Pasadena area.

Three proposals were received as follows:

Proposer	Amount
1. Armenian Relief Society	\$127,850
2. The FID Group dba Friends In Deed	\$140,246
3. Step Up on Second Street, Inc.	\$175,000

On March 22, 2023, an evaluation panel comprised of three non-conflicted city staff met to evaluate the three proposals received and assigned each a score with a maximum of 100 points. Agencies were able to submit a proposal for any amount up to \$175,000, which was the maximum funding available under this RFP. Scores are summarized in Evaluation Matrix, Attachment A.

### **Funding Recommendations and Contract Term**

It is recommended that the ICMS contract be awarded to Step Up on Second Street, Inc. ("Step Up") as the highest scoring proposal. Step Up has extensive experience serving high acuity participants and is dedicated to supporting housing retention. Staff are confident Step Up's demonstrated qualifications will ensure these services are provided well in the community. Step Up scored the most points in the Cost Proposal category even though their total cost was higher than the proposals submitted by the

Armenian Relief Society and Friends In Deed. This is because lowest proposal cost was not the sole factor in the Cost Proposal scoring. Points in this category were also assigned for budget detail, accuracy, and feasibility. Among the three proposers, Step Up submitted a comprehensive budget that was evaluated as the most responsive to the desired scope of program services set forth in the RFP.

Upon the city's receipt of the HUD grant, staff will move forward with executing the Step Up contract with a start date beginning in calendar year 2023. The initial contract term will be for less than 12 months through January 31, 2024 to align with the term of the HUD grant. The City Manager will have the authority to execute amendments for five consecutive years beginning February 1, 2024 with an additional year of funding in an amount not to exceed \$175,000 for each term in accordance with the funding allocation contained in the master grant agreement between HUD and the City.

**COUNCIL POLICY CONSIDERATION:**

The proposed actions support the City Council Strategic Planning Three-Year Goals in the area of supporting and promoting the quality of life and the local economy. Approval of the recommended action will provide essential intensive case management supportive services for people who formerly experienced homelessness in Pasadena. Approval of this contract is in accordance with the Pasadena Continuum of Care system, General Plan Housing Element, Five-Year Consolidated Plan, and Five-Year Public Housing Authority Plan.

**ENVIRONMENTAL ANALYSIS:**

The actions proposed herein are exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "common sense" provision of CEQA which applies to projects which may have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The approval of a contract to provide intensive case management services for eligible households receiving tenant-based rental assistance will not have a significant effect on the environment and, hence, is not subject to CEQA.

**FISCAL IMPACT:**

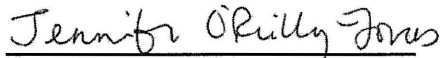
Approval of the recommended action will have no direct fiscal impact as the grant funds are currently included in the Department's adopted Fiscal Year 2023 Operating Budget.

Respectfully submitted,



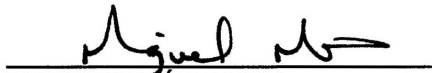
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Approved by:



MIGUEL MÁRQUEZ  
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Attachment A: Evaluation Matrix