



COUNTY of VENTURA

COUNTY EXECUTIVE OFFICE
SEVET JOHNSON, PsyD
County Executive Officer

Mike Pettit
Assistant County Executive Officer

Scott Powers
County Chief Financial Officer

Danielle Keys
County Human Resources Director
Labor Relations

January 28, 2025

County of Ventura Board of Supervisors

SUBJECT: Approval of the Second Amendment to the Agreement for the County of Ventura to Provide \$1,013,063 in Financial Support to the City of San Buenaventura to Operate "The ARCH" Year-Round Emergency Shelter for Calendar Year 2025

RECOMMENDATIONS:

1. Approve the Second Amendment to the Agreement between the City of San Buenaventura (City) and the County to provide financial support to the City in the amount of \$1,013,063 to the City to operate a permanent, year-round shelter serving homeless individuals and families for Calendar Year 2025, plus justified consumer price index (CPI) increases in subsequent years (attached hereto as Exhibit 1); and,
2. Authorize the County Executive Officer (CEO) or her designee to approve CPI-justified increases in subsequent years and make other non-substantive amendments to the Agreement upon review and approval of County Counsel.

| | FY 2024-25 | FY 2025-26 |
|-----------------|------------|------------|
| Revenues | \$0 | \$0 |
| Costs | \$506,532 | \$506,532 |
| Net County Cost | \$506,532 | \$506,532 |

Funding Source(s): General Fund

Match Requirement: 50/50 cost share with cities

Sufficient appropriations are available in the FY2024-25 adopted budget for the current fiscal year.

BACKGROUND:

As previously reported to your Board on [July 23, 2024](#), (Item #102), costs are escalating at all of our year-round emergency shelters. We notified your Board that the City was going to issue a Request For Proposals (RFP) to procure a shelter operator to operate the City's shelter located at 2323 Knoll Drive, Ventura, California (Shelter), with an effective date of January 1, 2025. Your Board also approved a Second Amendment to the Agreement between the City and the County to share the costs of the Shelter to address the need for supplemental funding to cover those increased costs through December of 2025. However, the City did not execute that Second Amendment, so it has no legal effect. Your Board also requested that the CEO send letters to those cities who partnered with the County in developing the [Updated Ventura County Homelessness Plan](#) (Plan), a copy of which is included as Exhibit 2.

DISCUSSION:

County staff participated in the review and ranking of responses to the City's RFP. The City selected Mercy House to continue as their Shelter operator. Through joint meetings over several months, County and City staff met with Mercy House to identify areas to reduce costs while ensuring effective Shelter operations. Despite these efforts and concessions for cost reductions, the City's new operational contract budget for calendar year 2025 is \$2,026,126, an increase greater than the CPI increases allowed in the [First Amendment to the Agreement](#).

As directed by your Board at the July 23, 2024, meeting, staff have met with the City to emphasize the need to implement outcomes-based contracting as a mechanism for bringing the homelessness system into alignment with the 1:4:10 ratio as described in the Plan. In order to move the system toward equilibrium, lengths of stay at shelters need to be reduced, and exits to permanent placements need to increase. The structure recommended in this revised Second Amendment to our cost-share agreement incentivizes operational improvements in Shelter operations. Compensation is aligned with performance, with up to 5% available at risk should the operator not achieve at least four of the following five performance metrics:

- Length of stay for non-PSH clients of less than 180 days;
- Development of housing plans w/in 30 days of client entry;
- Enrollment in the Coordinated Entry System within a week of admission;
- 30% exits to positive destinations (housing, treatment, etc.)
- Maintain an average of 90% shelter occupancy

The operator's performance will be evaluated monthly. Should less than four of the above goals be attained, they will be paid 95% of that month's invoice. Language has also been added to the Second Amendment to the Agreement to encourage the City's timely payments to Mercy House in order to reduce the organization's carrying costs. Sufficient appropriations are in this year's budget for 50% of the County's share of the Shelter's operating costs for calendar year 2025 (\$1,013,063). The City's new contract with Mercy House represents an

increase of \$175,908 from our current cost-share agreement with the City. The FY2025-26 budget will include a request for appropriations, including potential CPI increases for 2026.

We would like to thank both the City of San Buenaventura and Mercy House for their diligence and commitment to the development of measurable outcomes for inclusion in the City's operating agreement. The parties' collaboration and dedication to negotiating these terms following the City's selection of Mercy House in early November meant fast turnarounds and flexibility to bring this proposal to our elected bodies by the end of the year. It is believed that these metrics will facilitate this Shelter's efficient operations and hold all parties accountable for the expenditure of public funds.

STRATEGIC PLAN:

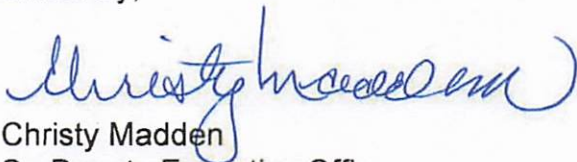
Strategic Priority:

- Address Homelessness and Lift Up the Most Vulnerable

The recommendations presented in this item support providing temporary shelter for the most vulnerable unsheltered residents in our County.

This item has been reviewed by the County Executive Office, the Auditor-Controller's Office, and County Counsel. If you have questions regarding this item, please contact Christy Madden at 805-654-2679.

Sincerely,



Christy Madden
Sr. Deputy Executive Officer



Sevet Johnson, PsyD.
County Executive Officer

- Exhibit 1: Second Amendment to the Agreement with the City of San Buenaventura for Year-Round Emergency Shelter Operations
Exhibit 2: Letter to City of San Buenaventura