

October 19, 2023

Agenda Item 3.B

RECOMMENDATION

**Staff recommends that the Tracy Homelessness Advisory Committee recommend that City Council adopt a Resolution: 1) Authorizing the acceptance of a grant award from Health Plan of San Joaquin in the amount of \$595,000 to partially fund the continued operation of the Tracy Interim Shelter Site; and 2) Appropriating the total grant funds to the Mobility and Housing Department, Homeless Services Division budget.**

EXECUTIVE SUMMARY

This item provides Council with an opportunity to receive a grant award in the amount of \$595,000 from Health Plan of San Joaquin for the Tracy Interim Shelter Site project (renamed Phase III and Phase IV of the Temporary Emergency Housing Facility). This grant is funded by Health Plan of San Joaquin County and is in support of providing additional housing options within specific geographic areas that do not currently have projects that support those experiencing homelessness and who are also Medi-Cal beneficiaries.

BACKGROUND AND LEGISLATIVE HISTORY

The Tracy Interim Shelter Site project (renamed Phase III and Phase IV of the Temporary Emergency Housing Facility) was authorized in August 2022 under an emergency shelter declaration to advance the needs to house the unsheltered in Tracy. On August 16, 2022, staff recommended that City Council reject the single bid received for the Temporary Emergency Housing Facility Project on Arbor Avenue, Site Improvements Construction Package 2 (renamed Phase II), CIP 71112, and authorize staff to re-advertise the project and rebid of the project. As this created a delay, the City Council adopted Resolution No. 2022-121 ("Resolution"), which reaffirmed an emergency shelter crisis as the City of Tracy continues to experience an increasing number of unsheltered individuals. Under this authorization, the City Manager entered into a five-year lease agreement for Modular Units and an Administration Unit, that will provide approximately 48 beds for individuals; and a one-year lease for generators. This project has been renamed Phase III of the Temporary Emergency Housing Facility. In addition, the City Manager purchased eight Custom Containers to provide approximately 38 beds for individuals. This project has been renamed Phase IV of the Temporary Emergency Housing Facility.

In May of 2023, Health Plan of San Joaquin met with the City's Homeless Services Manager to discuss additional funding availability for our Tracy Interim Shelter project. Health Plan of San Joaquin requested a proposal outlining the additional funding needs for the Tracy Interim Shelter Site project (renamed Phase III and Phase IV of the Temporary Emergency Housing Facility). In early June of 2023 the City was notified of the additional award in the amount of \$595,000 to fund additional needs at the Tracy Interim shelter site.

### ANALYSIS

The Tracy Interim Shelter Site (renamed Phase III and Phase IV of the Temporary Emergency Housing Facility) project is part of the overall shelter campus project, parts of which are in various phases of design, development, and/or construction. This grant funding will be used to cover capital expenses, including the eight custom container units, existing modulars, and operating costs that will ultimately house up to 38 individuals. This project is intended to provide a site for those seeking shelter within the City limits. To that end, the City of Tracy will collaborate with the Health Plan of San Joaquin to provide additional resources and support to the City's unsheltered population as they are housed. Approval of this item will accept the grant.

### FISCAL IMPACT

The Mobility and Housing Department, Homeless Services Division will receive \$595,000 in grant funds from the Health Plan of San Joaquin to fund the Tracy Interim Shelter Site. The \$595,000 grant is to be appropriated to the FY2022-23 Homeless Services division operating budget. No City match is required.

<u>Vendor</u>	<u>Summary</u>	<u>Not to Exceed Amount</u>
<u>PowerGen</u>	Generator monthly rentals and maintenance through May 2024	\$40,000
SC Fuels	February 2023 through May 2024 fuel costs	\$250,000
United Fence Services	Temporary fencing until permanent fencing installed	\$200,000
United Site Services	Temporary Rental of Restroom for Phase IV through May 2024	\$105,000
	<b>TOTAL</b>	<b>\$595,000</b>

### CEQA DETERMINATION

A CEQA determination is not required for this item.

### STRATEGIC PLAN

This agenda item supports City Council's Homelessness Strategic Plan.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Tracy Homelessness Advisory Committee recommend that City Council adopt a Resolution: 1) Authorizing the acceptance of a grant award from Health Plan of San Joaquin in the amount of \$595,000 to partially fund the continued operation of the Tracy Interim Shelter Site; and 2) Appropriating the total grant funds to the Mobility and Housing Department, Homeless Services Division budget.

ATTACHMENTS

Attachment A – City of Tracy MOU Health Plan of San Joaquin

Prepared by: Virginia Carney, Homeless Services Manager

Reviewed by: Sara Cowell, Director of Finance  
Bijal Patel, City Attorney  
Brian MacDonald, Interim Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
HEALTH PLAN OF SAN JOAQUIN  
AND  
CITY OF TRACY**

**Attachment A**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made and entered into the 14th day of September 2023 by and between the SAN JOAQUIN COUNTY HEALTH COMMISSION, operating and doing business as HEALTH PLAN OF SAN JOAQUIN (“HPSJ”), a local initiative established under Section 5-7100 of the Ordinance Code of San Joaquin County, with a principal place of business at 7751 South Mantney Road, French Camp, CA 95231-9802 and City of Tracy (“City”), with a principal place of business at 333 Civic Center Plaza, Tracy, CA 95376.

The purpose of this MOU is to establish guidelines for a cooperative working relationship between HPSJ and City for successful implementation of incentive payments linked to the Housing and Homelessness Incentive Program (“HHIP”).

Whereas, as part of efforts to meet HHIP priorities and measures, HPSJ will partner with local partners and organizations which deliver housing, or supportive services to Medi-Cal members who are homeless or at risk of homelessness.

Whereas, City provides housing, or supportive services to address homelessness or housing insecurity for HPSJ Medi-Cal members.

Whereas, City’s project(s) have been identified as an investment activity based on the City’s HHIP initial project submission.

Whereas, HPSJ is responsible for oversight and administration of payments to City consistent with the terms of the HHIP.

NOW, THEREFORE, IT IS AGREED between the parties as follows:

1) EFFECTIVE DATE AND TERM

- a. This MOU shall be effective July 14, 2023, and will continue through and including March 31, 2024 or dates determined by the Department of Health Care Services (“DHCS”), unless otherwise terminated by either party to this MOU as prescribed in paragraph 8.

2) SCOPE OF WORK

- a. City is responsible for the implementation of and compliance with the HHIP project description set forth in its Exhibit A, which is herein incorporated by reference, including reporting of incremental achievement of milestones and objectives. City shall promptly notify HPSJ of any material change in information submitted in support of the project(s) or the HHIP application, including changes in organizational leadership, business operations, and financial standing. HPSJ is responsible for overseeing the project(s), specifically to monitor and verify milestone achievement and administering payments consistent with the terms of the project(s) or the HHIP application, any terms imposed as a condition of state or federal approval of the HHIP, and any subsequent DHCS guidance related to HHIP.

3) RESPONSIBILITIES OF CITY

City shall provide the following:

- a. Assist HPSJ in identifying key details for investments including but not limited to populations served, services and activities, community needs, required funding, lead entities, milestones, and timing.
- b. Commit to identified HHIP projects, complete required application and documents and accept incentive funding for specified investments in support of the provision of housing and homelessness related services to HPSJ Medi-Cal members.
- c. Utilize HHIP incentive funding solely for identified and agreed upon investments and activities and for carrying out project activities and milestones as set forth in approved projects.
- d. Cooperate and facilitate engagement and implementation activities in support of HHIP goals and measures.
- e. Perform tasks necessary to projects or milestones for HHIP. City shall document and provide HPSJ with information necessary to demonstrate incremental progress in for HHIP goals and measures in a file or format as specified by HPSJ.
- f. Promptly notify HPSJ of any material change in information including changes in organizational leadership, business operations, and financial standing.
- g. Make efforts to establish data sharing agreements as applicable to enable timely exchange of member information and delivery of services.
- h. City shall ensure eligibility to receive the funds and non-duplication with other federal or state funding sources.
- i. Agree to comply with all applicable state and federal laws and regulations, MOU requirements, DHCS guidance, including All Plan Letters (“APLs”) and Policy Letters (“PLs”), and contractual terms and conditions as imposed by DHCS.

- j. City shall make all premises, facilities, equipment, books, records, papers, and contracts, computer systems available for inspection, examination or copying for purposes of an audit or monitoring.

4) RESPONSIBILITIES OF HPSJ

HPSJ shall provide the following:

- a. Support partnerships between social service agencies, counties, and public health agencies, and public and community-based housing agencies in support of the HHIP goals and as efforts to address homelessness.
- b. Oversee project(s), including monitoring and verifying milestone achievement and administering payments consistent with the terms of the project(s) or the HHIP submission, and any subsequent state, federal, or DHCS guidance.
- c. Collect and evaluate information related to City's project(s) for the purposes of ensuring progress toward City's goals and objectives, program achievement and reporting to DHCS.
- d. HPSJ will report to the DHCS on the project status in accordance with required HHIP submissions and deliverables and as required by DHCS.
- e. HPSJ is responsible for the administration of HHIP funds as set forth in section 5 below.

5) FUNDING

- a. HPSJ will make incremental payments on agreed upon projects or investments as provided in Exhibit A. HPSJ will initiate processing of payments to City upon receipt of all required documents and updates.
- b. The specified projects will be deemed complete and fully funded only when milestones as set forth in Exhibit A have been met.
- c. There is no guarantee of funding. Funding paid by HPSJ to City may be subject to recoupment for reasons including but not limited to: failure to participate, failure to engage in minimum level of efforts, or any overpayment as identified by HPSJ. Upon receipt of HPSJ's written notification that such failures or overpayment have occurred, City shall promptly return the funds noted for recoupment in the notification, unless City disputes the recoupment, in which case the parties shall engage in good faith negotiations for a period of thirty (30) days to resolve such issues.
- d. HPSJ may adjust milestone measurement and related payments as needed and may delay payment for non-reporting or non-compliance with program terms. HPSJ will not make any milestone payment until all past due reporting is complete.

- e. Proposed funding as outlined within Exhibit A is based on information known and available to HPSJ and may be modified in accordance with payments made by DHCS and new developments.

6) LIAISON

HPSJ and City will each designate a liaison(s) to serve as a point of contact of activities performed related to this MOU.

7) MOU MONITORING

HPSJ and City will meet on a mutually agreed upon frequency, or upon request to monitor the performance of parties' responsibilities related to this MOU.

8) REPRESENTATIONS

Both parties to this MOU make the following representations, which are agreed to be material to and form a part of the inducement for this MOU:

- a. HPSJ and City have the support staff and facilities necessary to provide the services described in this MOU; and
- b. HPSJ and City have the expertise and authority to provide the services described in this MOU.

9) ASSIGNMENT

This MOU is not assignable.

10) COMPENSATION

Each party will be responsible for its own costs and fees.

11) INDEMNIFICATION

Each party agrees that it shall indemnify, defend and hold harmless the other party, its agents, elected officials, officers, volunteers, authorized representatives, and employees from any and all losses, liabilities, costs, expenses, charges, damages, claims, liens, and causes of actions, or whatsoever kind of nature, including, but not limited to, reasonable attorney's fees, which are in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, through any act, omission, fault, or negligence, whether active or passive, of said party or said party's officers, agents, employees, or authorized representatives, which relates in any manner to this MOU, any work to be performed by said party arising from the operation of this MOU, of any authorized delegated to said party

under this MOU, except those injuries or damages that are the result of willful acts or the sole negligence of the other party, its officers, agents, or employees.

## 12) TERMINATION

This MOU may be terminated for the following reasons:

- a. **For Cause.** If any party materially breaches the terms of this MOU, the other party shall have the following alternative remedies:
  - i. Immediately terminate the MOU, if the non-breaching party reasonably believes the breach cannot be cured.
  - ii. Provide the breaching party with written notice of non-breaching party's intent to terminate the MOU, unless the breach is cured to the non-breaching party's satisfaction within thirty (30) days. The parties shall engage in good faith negotiations to resolve such issues during such 30-day period.
  - iii. All other remedies provided by law.
  - iv.
- b. **For Convenience.** Either party to this MOU may for any reason or no reason terminate this MOU at any time by giving the other party thirty (30) days written notice of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination.
- c. **Non-Appropriation.** HPSJ reserves the right to terminate this MOU in the event insufficient funds are appropriated or budgeted for this MOU in any fiscal year. Upon such termination, thirty (30) days written notice will notify parties that such an action is required by HPSJ.

If this MOU is completely or partially terminated, the records or data relating to the work terminated shall be transferred to HPSJ within five working days and be permanently removed from City's electronic system to the extent permitted by law.

## 13) NOTICES

Notices to be given by one party to the other under this MOU shall be given in writing by email, personal delivery, by certified mail, return receipt requested, or express delivery service at the addresses specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received four (4) days after deposit. A party may change the address to which notice is to be given by giving notice as provided above.

**If to City, to:**

Attn: Midori Lichtwardt  
City of Tracy

**If to HPSJ, to:**

Attn: Chief Compliance Officer  
Health Plan of San Joaquin



333 Civic Center Plaza  
Tracy, CA. 95376  
email: [Midori.lichtwardt@cityoftracy.org](mailto:Midori.lichtwardt@cityoftracy.org)

7751 South Manthey Road  
French Camp, CA 95231-9802  
email: [PrivacyOfficer@hpsj.com](mailto:PrivacyOfficer@hpsj.com)

14) SOLE MOU

This document, including all attachments hereto, contains the entire MOU between the parties relating to the services, rights, obligations and covenants contained herein and assumed by the parties respectively. No inducements, representations or promises have been made, other than those recited in this MOU. No oral promise, modification, change or inducement shall be effective or given any force or effect.

15) MODIFICATIONS OF MOU

This MOU may be modified in writing only, signed by the parties in interest at the time of the modification.

16) CONFIDENTIALITY

- a. The HPSJ and City collaboration in support of project(s) may require the exchange of confidential or proprietary information (“Confidential Information”) as may be identified by either party. HPSJ and City agree to abide by processes and requirements applicable to the exchange of either’s respective confidential information, in accordance with applicable state or federal law, including but not limited to the California Public Records Act. City shall adhere to all HIPAA regulations outlined in HIPAA Business Associate Agreement.
- b. The parties shall comply and require its officers, employees, agents, and/or subcontractors to comply with the provisions of Welfare and Institutions Code Section 10850 which requires the confidentiality of applications and records concerning individuals receiving public social services to ensure that:
  - i. The applications and records of all individuals made or kept by a public officer or agency in connection with the administration of the provisions of the Welfare and Institutions Code relating to any form of public social services for which grants in aid are received by the State or Federal government will be confidential and will not be open to examination for any purpose not directly connected with the administration of public social services or as required by law; and
  - ii. No person will publish or disclose, or use or permit, or cause to be published, disclosed, or used, any confidential information pertaining to an applicant or recipient of public social services.

- iii. The parties shall inform all officers, employees, agents and/or subcontractors of the above requirements and that any person knowingly and intentionally violating the provisions of State law is guilty of a misdemeanor.

17) GOVERNING LAW

Both parties shall observe and comply with all applicable County, State and Federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which are hereby made a part hereof and incorporated herein by reference. The parties further agree this MOU shall be governed by California law.

18) NONDISCRIMINATION

Both Parties shall observe and comply with all applicable county, state and federal laws, ordinances, rules, and regulations now in effect or hereafter enacted, each of which are hereby made a part hereof and incorporated herein by reference. These laws include, without limitation, those pertaining to nondiscrimination and confidentiality of personal health information.

19) CONFLICTS OF INTEREST

Both parties shall observe and comply with all Government Code sections and the following:

- a. The parties have read and are aware of the provisions of Sections 1090 et seq. and 87100 et seq. of the Government Code relating to conflict of interest of public officers and employees and agree to be bound thereby. The parties certify that they are unaware of any financial or economic interest of any public officer or employee relating to this MOU. It is further understood and agreed that if such a financial interest does exist at the inception of this MOU, the parties may immediately terminate this MOU by giving written notice thereof.
- b. The parties certify that its employees and officers of its governing body shall avoid any actual or potential conflicts of interest and that no officer or employee who exercises any functions or responsibilities in connection with this MOU shall have any personal financial interest or benefits which either directly or indirectly arises from this MOU.
- c. The parties shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose that could result in private gain or that gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family or business ties.

20) SIGNATURE AUTHORITY

Each party represents that they have full power and authority to enter into and perform this MOU, and the person signing this MOU on behalf of each party has been properly authorized and empowered to enter into this MOU.

*[Signatures to Follow]*

IN WITNESS TO WHICH, each party to this MOU has signed this MOU upon the date indicated, and agrees, for itself, its employees, officers, partners and successors, to be fully bound by all terms and conditions of this MOU.

**San Joaquin County Health Commission,  
dba Health Plan of San Joaquin**

**City of Tracy**

**By:**

**By:**

**Name:**

**Name:**

**Title:**

**Title:**

**Date:** Click or tap to enter a date.

**Date:**

[reminder of this page left blank intentionally]

**EXHIBIT A**

<b>Business Partner (Legal Name)</b>	City of Tracy
<b>Business Partner Tax Identification Number:</b>	94-6000442
<b>Copy of W-9 (Y/N)</b>	Y
<b>Project Name &amp; Description:</b>	Arbor Avenue Shelter Site  Interim Shelter site to include 5 modular buildings, 4 of which are dormitory in nature with one administrative building which will house operations and support services.
<b>Project Timeline/Milestones</b>	<b>August – September 2022:</b> Groundwork to prepare for Arbor Avenue site. (Completed) <b>September 2022:</b> Solicitation of provider/operator for Arbor Avenue site. (Completed) <b>October 2022 – November 2022:</b> Additional work to resolve additional fuel costs, fencing, lighting, gravel and operators. <b>November 4, 2022:</b> Opening of Temporary Emergency Housing Facility (Completed) <b>Quarter 4 2023:</b> Continuation of construction work for permanent site <b>Quarter 4 2023:</b> Anticipate final installation of custom containers and construction efforts for Phase IV
<b>Proposed Funding:</b>	\$595,000
<b>Distribution of Proposed Funding:</b>	Q42023: \$595,000

\_\_\_\_\_  
CITY ATTORNEY'S OFFICE

**TRACY CITY COUNCIL**

**RESOLUTION NO. \_\_\_\_\_**

---

**Adopt a Resolution: 1) Authorizing the acceptance of a grant award from Health Plan of San Joaquin in the amount of \$595,000 to partially fund the continued operation of the Tracy Interim Shelter Site; and 2) Appropriating the total grant funds to the Mobility and Housing Department, Homeless Services Division budget.**

**WHEREAS**, on May 16, 2023, the City of Tracy Homeless Services Manager met with the Health Plan of San Joaquin and discussed the housing needs of the unsheltered throughout the City, and the Health Plan of San Joaquin requested a proposal for the Tracy Interim Shelter Site; and

**WHEREAS**, on May 16, 2023, the City of Tracy submitted a proposal and budget to the Health Plan of San Joaquin in the amount of \$595,000; and

**WHEREAS**, on June 1, 2023, Health Plan of San Joaquin notified the City of Tracy that the proposal submitted was selected for grant funding; and

**WHEREAS**, the Tracy Interim Shelter Site (renamed Phase III and Phase IV of the Temporary Emergency Housing Facility) project is part of the overall shelter campus project, parts of which are in various phases of design, development, and/or construction; and

**WHEREAS**, the grant funding will be used to cover operating costs associated with monthly fuel and generator costs and temporary restrooms and fencing of Phase III and IV of the Temporary Emergency Housing Facility that will ultimately house up to 38 additional individuals, and the project is intended to provide a site for those seeking shelter within the City limits; and

**WHEREAS**, the City of Tracy will collaborate with the Health Plan of San Joaquin to provide additional resources and support to the City's unsheltered population as they are housed; and

**WHEREAS**, City match is not required;

**WHEREAS**, The Tracy Homelessness Advisory Committee heard this item on October 19, 2023 and recommended that the City Council adopt the proposed Resolution; now, therefore, be it

**RESOLVED**: That the City Council hereby accepts the grant award from Health Plan of San Joaquin in the amount of \$595,000 to partially fund operation costs of the Tracy Interim Shelter Site (renamed Phase III and Phase IV of the Temporary Emergency Housing Facility, CIP 71112); and be it

**FURTHER RESOLVED**: That the City Council hereby appropriates \$595,000 of the total grant funds to the Mobility and Housing Department, Homeless Services Division.

\* \* \* \* \*

The foregoing Resolution 2023-\_\_\_\_\_ was adopted by the City Council on November 7, 2023,  
by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

\_\_\_\_\_  
NANCY D. YOUNG  
Mayor of the City of Tracy, California

ATTEST: \_\_\_\_\_  
ADRIANNE RICHARDSON  
City Clerk and Clerk of the Council of the  
City of Tracy, California