

PERSONAL SERVICES CONTRACT SUMMARY ("PSC FORM 1")

Department: DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING -- Dept. Code: HOM
HOM

Type of Request: ☒ Initial ☐ Modification of an existing PSC (PSC # _____)

Type of Approval: ☐ Expedited ☒ Regular ☐ Annual ☐ Continuing ☐ (Omit Posting)

Type of Service: Master Lease and Property Management

Funding Source: State, Federal, Local

PSC Duration: 5 years

PSC Amount: \$52,000,000

1. **Description of Work**

A. Scope of Work/Services to be Contracted Out:

This request pertains to HSH's COVID-19 response efforts to acquire properties to serve as Permanent Supportive Housing (PSH) options for guests exiting Shelter In Place (SIP) hotels and emergency COVID-19 shelter sites. Acquiring properties to house current SIP guests is a critical component of the City's SIP Rehousing Plan, and for vulnerable guests with comorbidities, successful rehousing could mean the difference between life and death.

Interim Property Management

Property management services and conversion activities which accompany a master lease of the site include:

- Provide immediate building operation services on an interim basis, including property maintenance, security (including front desk coverage), janitorial services, trash removal, and utility account management;
- Coordinate lease up, tenant move-ins, rent collection and lease enforcement; and
- Provide Assessment Management services.

B. Explain why this service is necessary and the consequence of denial:

Acquiring properties to house current SIP guests is a critical component of the City's SIP Rehousing Plan, and for vulnerable guests with co-morbidities, successful rehousing could mean the difference between life and death. Should contracting authority not be granted, the City would incur significant liability in owning property without an appropriate 24/7 management structure in place to address the needs of existing and new residents, provide security and prevent damage to the property, and respond to emergencies should they arise. Any delays in contracting would only exacerbate the City's challenges in housing its unsheltered residents and facilitating permanent placements for SIP hotel residents who must be rehoused on a set timeline. Additionally, delays in moving people from the SIP sites to PSH could impact the state funding received for purchasing and supporting these PSH sites.

- C. Has this service been provided in the past? If so, how? If the service was provided under a previous PSC, attach copy of the most recently approved PSC.

Property management services were previously approved via PSC# 47945 – 21/22.

- D. Will the contract(s) be renewed?

It is possible the Master Lease and Property Management Agreements will be renewed for a time-limited period; however, it is not the City's intent to hold these properties in perpetuity. Following stabilization of each property as a PSH site, it is the City's goal to outline a process by which the properties can be transferred to non-profit ownership and management.

- E. If this is a request for a new PSC in excess of five years, or if your request is to extend (modify) an existing PSC by another five years, please explain why.
not applicable

2. Reason(s) for the Request

- A. Indicate all that apply (be specific and attach any relevant supporting documents):

☒ Immediately needed services to address unanticipated or transitional situations, or services needed to address emergency situations.

☒ Short-term or capital projects requiring diverse skills, expertise and/or knowledge.

- B. Explain the qualifying circumstances:

The emergency nature of the SIP rehousing effort, its scale, and the expedited timeline under which it must be completed, has required that the City purchase the properties directly and own them in the immediate term, while simultaneously conducting solicitations from qualified entities to operate the properties as PSH. These operators include property management entities with expertise managing PSH. While it is unprecedented for the City to purchase hotels and residential properties for use as PSH, the quick and direct City purchase has enabled the City to leverage significant federal and state funding for acquisition. It is not the City's intent to hold these properties in perpetuity; following stabilization of each property as a PSH site, it is the City's goal to outline a process by which the properties can be transferred to non-profit ownership and management. Although the acquired properties will be owned by the City on an interim basis, there are not City staff with the specialized knowledge and training in addressing the priorities of homeless and tenants with physical and behavioral health needs in addition to providing immediate property management services and conversion coordination. Furthermore, the state grants awarded to the City specifically require specialized knowledge and experience working with people who have experienced homelessness. To be competitive for the Homekey funding, the City made a commitment to work with a property management provider with the aforementioned level of experience. It would not be in the City's best interest to create new City classifications to perform this work for an interim period.

3. Description of Required Skills/Expertise

- A. Specify required skills and/or expertise: Experience with: • Operation of a project similar in scope and size to the proposed project; or • Operation of at least two affordable rental housing projects in the last ten years, with at least one of those projects containing at least one unit housing a tenant who qualifies as a member of the served population. Served population includes formerly homeless and income-eligible adults, transitional aged youth (TAY), and family households.

- B. Which, if any, civil service class(es) normally perform(s) this work? 1406, Senior Clerk; 1823, Senior Administrative Analyst; 1824, Pr Administrative Analyst; 2708, Custodian; 4140, Real Property Manager; 4142, Senior Real Property Officer; 4143, Principal Real Property Ofc; 5268, Architect; 5502, Project Manager 1; 5504, Project Manager 2; 7203, Bldg & Grounds Maint Sprv; 7334, Stationary Engineer;
- C. Will contractor provide facilities and/or equipment not currently possessed by the City? If so, explain: No.

4. If applicable, what efforts has the department made to obtain these services through available resources within the City?

None. The emergency nature of the SIP rehousing effort, its scale, and the expedited timeline under which it must be completed, has required that the City purchase the properties directly and own them in the immediate term, while simultaneously conducting solicitations from qualified entities to operate the properties as PSH. These operators include property management entities with expertise managing PSH. While it is unprecedented for the City to purchase hotels and residential properties for use as PSH, the quick and direct City purchase has enabled the City to leverage significant federal and state funding for acquisition. It is not the City's intent to hold these properties in perpetuity; following stabilization of each property as a PSH site, it is the City's goal to outline a process by which the properties can be transferred to non-profit ownership and management. Although the acquired properties will be owned by the City on an interim basis, there are not City staff with the specialized knowledge and training in addressing the priorities of homeless and tenants with physical and behavioral health needs in addition to providing immediate property management services and conversion coordination. Furthermore, the state grants awarded to the City specifically require specialized knowledge and experience working with people who have experienced homelessness. To be competitive for the Homekey funding, the City made a commitment to work with a property management provider with the aforementioned level of experience. It would not be in the City's best interest to create new City classifications to perform this work for an interim period.

5. Why Civil Service Employees Cannot Perform the Services to be Contracted Out

- A. Explain why civil service classes are not applicable.

Although the acquired properties will be owned by the City on an interim basis, there are not City staff with the specialized knowledge and training in addressing the priorities of homeless and tenants with physical and behavioral health needs in addition to providing immediate property management services and conversion coordination, specifically as it relates to addressing the needs and priorities of formerly homeless and extremely low-income households. Furthermore, the state grants awarded to the City specifically require specialized knowledge and experience working with people who have experienced homelessness. To be competitive for the Homekey funding, the City made a commitment to work with a property management provider with the aforementioned level of experience. It would not be in the City's best interest to create new City classifications to perform this work for an interim period. It would also not be practical to create new City classifications to perform this work for an interim basis.

- B. If there is no civil service class that could perform the work, would it be practical and/or feasible to adopt a new civil service class to perform this work? Explain. Although the acquired properties will be owned by the City on an interim basis, there are not City staff with the specialized knowledge and training in addressing the priorities of homeless and tenants with physical and behavioral health needs in addition to providing immediate 24/7 property management services and conversion coordination, specifically as it relates to addressing the needs and priorities of formerly homeless and extremely low-income households. Furthermore, the state grants awarded to the City specifically require specialized knowledge and experience working with people who have experienced homelessness. To be competitive for the Homekey funding, the City made a commitment to work with a property management provider with the aforementioned level of experience. It would not be in the City's best interest to create new City classifications to perform this work for an interim period. It would also not be practical to create new City classifications to perform this work for an interim basis.

6. **Additional Information**

- A. Will the contractor directly supervise City and County employee? If so, please include an explanation.
No.
- B. Will the contractor train City and County employees and/or is there a transfer of knowledge component that will be included in the contract? If so, please explain what that will entail; if not, explain why not.
No. No training required as there are no Civil Service Classifications that have the qualifications listed to perform this work.
- C. Are there legal mandates requiring the use of contractual services?
No.
- D. Are there federal or state grant requirements regarding the use of contractual services? If so, please explain and include an excerpt or copy of any such applicable requirement.
No.
- E. Has a board or commission determined that contracting is the most effective way to provide this service? If so, please explain and include a copy of the board or commission action.
No.
- F. Will the proposed work be completed by a contractor that has a current PSC contract with your department? If so, please explain.
Yes. The proposed work will be completed by service providers who are awarded Master Lease and Property Management agreements through a competitive process, many of whom have active agreements with HSH.

7. **Union Notification:** On 07/29/2022, the Department notified the following employee organizations of this PSC/RFP request:
Architect & Engineers, Local 21; Prof & Tech Eng, Local 21; Professional & Tech Engrs, Local 21; SEIU 1021 Miscellaneous; SEIU Local 1021; Stationary Engineers, Local 39

☐ I CERTIFY ON BEHALF OF THE DEPARTMENT THAT THE INFORMATION CONTAINED IN AND ATTACHED TO THIS FORM IS COMPLETE AND ACCURATE:

Name: Monique Colon Phone: 4153555230 Email: monique.colon@sfgov.org

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FOR DEPARTMENT OF HUMAN RESOURCES USE

PSC# 43675 - 22/23

DHR Analysis/Recommendation:

action date: 08/15/2022

Commission Approval Required
conditions

Approved by Civil Service Commission with

08/15/2022 DHR Approved for 08/15/2022