



# CITY COUNCIL STAFF REPORT



June 17, 2025

## ITEM TITLE

Housing Services Agreement: Authorize City Manager to Negotiate and Enter into an Agreement with Kingdom Causes dba City Net for Homeless Bridge Shelter Operations

**Report Number:** 25-150

**Location:** Chula Vista Village at Otay – 205 27<sup>th</sup> Street, Chula Vista, CA 91911

**Department:** Housing and Homeless Services

**G.C. § 84308 Regulations Apply:** Yes

**Environmental Notice:** The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act (“CEQA”) State Guidelines. Therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

## Recommended Action

Adopt a resolution authorizing the City Manager to negotiate and enter into an agreement with Kingdom Causes dba City Net for operations and services at the Chula Vista Village at Otay homeless bridge shelter, with a maximum contract term of three years.

## SUMMARY

The proposed action will authorize the City Manager, on behalf of the City of Chula Vista (“City”), to negotiate and enter into an Agreement (“Agreement”), with a term of not more than three (3) years, with Kingdom Causes dba City Net to operate the Chula Vista Village at Otay bridge shelter (“Shelter”).

## ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because the proposed activity will not result in a physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA.

## BOARD/COMMISSION/COMMITTEE RECOMMENDATION

On April 23, 2025 the Housing and Homelessness Advisory Commission (“HAC”), nominated a Commissioner to participate on the selection panel.

## DISCUSSION

The national homelessness crisis affects nearly every community. The potential causes of homelessness are varied and further complicated by the wide range of affected people including, but not limited to, single adult men and women, families, single mothers with children, transitional age youth, seniors, and veterans. The complexity and diversity of its population creates significant challenges for the City of Chula Vista (“City”) as it seeks ways to assist the homeless. This problem is further exacerbated for communities that lack safe sheltering options (beds) as clients navigate and attempt their transition into a more stable living situation. This proposed action will authorize the City Manager, on behalf of the City, to negotiate and enter into an agreement (“Agreement”) with Kingdom Causes dba City Net (“City Net” or the “Shelter Operator”) to continue operations at the Chula Vista Village at Otay homeless bridge shelter.

Unsheltered persons frequently occupy public spaces and other places not meant for human habitation, which poses a significant threat to the health and safety of these individuals who are already vulnerable to illness, crime, malnutrition, and harmful weather exposures (such as excessive heat, excessive cold, rain, and flooding). Thus, the establishment of emergency housing is of urgent necessity for the preservation of life, health, and property.

Identifying shelter options to address the homelessness crisis has been a priority for the City for several years. In an effort to address the lack of available beds and housing options, the City created four programs:

- “Chula Vista Seven” - a project consisting of seven scattered housing units designated for extremely low-income households [0 – 30% of area median income (“AMI”)], which are now occupied by previously homeless families, who are finding their way back to self-sufficiency.
- Hotel/Motel Voucher Program - Understanding the critical need of emergency shelter beds, an alternative was created with voucher program funding, providing up to 28 days of a safe space for our Homeless Outreach Team (“HOT”) Team and clients to work together towards stabilization.
- Tenant-Based Rental Assistance Program - For those requiring longer term housing assistance, HOME Investment Partnerships Program (“HOME”) funds were earmarked to provide up to twenty-four (24) months of rental assistance. Not only have these programs positioned the City of Chula Vista in the right direction but created a clear path of the future goals to develop a more permanent solution in the form of a Bridge Shelter and/or Permanent Supportive Housing.
- Bridge Shelter - On October 26, 2021, the City Council by Resolution No. 2021-211 authorized the purchase of 65 Pallet Shelter Units for the purposes of developing the City’s first Homeless Bridge Shelter (“Shelter”) on a City owned property located at 205 27th Street, Chula Vista, CA 91911. The new shelter, now known as the Chula Vista Village at Otay (“the Village”) opened its doors on May 15, 2023 and has successfully been operating for over two years. The Village provides a year-round (365 days per year) bridge housing program for approximately sixty-five (65) persons, at a time, experiencing homelessness in the City. The Village provides safe, bridge housing, as well as stabilization and supportive services, to prepare them for the most appropriate longer term or permanent housing interventions, contributing to the regional goals of ensuring instances of homelessness are rare, brief, and non-recurring.

All of these programs are fully operational and have proven to be a great resource and solution for many clients.

### **Operator Contract Selection Process**

On October 25, 2021, the City of Chula Vista issued a Request for Proposals (“RFP”), seeking a contractor to operate the Shelter. At that time, the City received three proposals, ultimately selecting Kingdom Cause dba CityNet (“City Net”) via Resolution No. 2022-097 on May 3, 2022. The operator has been in place operating the Village pursuing and accomplishing the goals of the City. As the contract is set to expire, the City issued another RFP on March 21, 2025 to seek proposals from experienced providers. The RFP was posted and made available on the PlanetBids website. At the RFP closing on April 11, 2025, two proposals were received. A review was conducted of all proposals determined to be responsive and a source selection committee (inclusive of City staff, a non-profit community representative and a Housing Advisory Commission commissioner with expertise in homeless services) evaluated, scored and ranked the responses based on the following criteria:

- Operations and Supportive Services
- Program Concept and Case Management Plan
- Program Readiness
- Organizational Experience and Capacity
- Community Considerations and Projected Costs

After a comprehensive review and consideration, the source selection committee recommended the City of Chula Vista enter into negotiations and subsequently award the contract to City Net.

### **Shelter Operator Experience**

City Net is an experienced operator in California for solutions like pallet shelter villages and has a comprehensive understanding of the associated costs and operational needs, such as staffing, security, and equipment. City Net has been the operator of several bridge housing and emergency housing options for people experiencing homelessness, including COVID quarantine facilities, seasonal winter shelters, and emergency bridge housing solutions from encampment clearings. These sites have ranged from 25 residents to over 100, and have been in cities in Orange, Riverside, Sacramento and Santa Barbara Counties. Some of these solutions have been enacted in weeks, under intense community, government, and media scrutiny. In each case, City Net has been able to staff the sites, intake and manage clients, appease community concerns and fears, satisfy city council requirements and visions, and ultimately save the respective cities money.

City Net has successfully built relationships and has made a presence in the San Diego since 2020, with contracts with the City of San Diego and subcontractor with CalTrans. City Net as an organization has built bridges, ties, and trust that the operator of such a site needs to increase the overall cost-effectiveness, community buy-in, and overall project support and success, as it has seen in previous efforts when it employs this staff role and methodology.

## **Program Description**

The Shelter is designed to provide safe housing, basic needs, and access in support of moving individuals out of homelessness and into permanent housing opportunities.

### Operations

The Shelter accommodates indoor, overnight sleeping for up to 65 individuals per evening. Operations at the Village are provided 24 hours a day, seven days a week, 365 days per year. To decrease the impact to the surrounding neighborhood, access to bed availability is handled through a reservation-based system.

No walk-ins for the Shelter, or services are permitted. The Shelter Operator provides on-site staff to track daily bed inventory and communicate daily bed vacancies to the Chula Vista Homeless Outreach Team (“the Team”). Only the Team and City Net can refer individuals to open beds at the Shelter. The Shelter offers priority to Chula Vista homeless residents who have ties to the community.

### Clients

To ensure that the Shelter meet the needs of the community in serving chronic and vulnerable homeless people, clients are admitted with minimal, “very low barrier” requirements, so that chronic and vulnerable homeless people can easily enter and remain in shelter until they can find permanent housing. Each client is screened for sex offender, arsonist and active felony warrant status before admission. As part of the bed reservation system, client screening takes place prior to arrival at the facility.

The Program’s target population is flexible in nature and the shelter may serve more than one subpopulation at a time. The number of beds considered “available” may differ slightly at any given time depending on the population or sub-populations being served. Based on current need, the initial clients accessing the Shelter includes homeless single men and single women, 18 years of age and older. Special, alternate accommodations are made for families who are experiencing homelessness.

### Program Components

The Program is housing-focused, which aims to resolve participants’ homelessness as quickly as possible while also meeting client’s basic needs. This includes appropriate 24-hour residential services and staffing which will conduct intakes, screenings, assessments, case conferencing, and includes the following basic elements and/or services:

- A maximum of 65 beds for persons experiencing homelessness
- At least two meals per day
- Showers, wash stations, restrooms, laundry, and belongings storage for participants, in an environment compliant with the Americans with Disabilities Act (“ADA”)
- Routine operating supplies, including but not limited to hygiene products
- Janitorial and routine maintenance services
- Waste removal and disposal services
- Regularly laundered linens
- Client parking.
- Dog run and kennel

### General Standards

Other key operating elements include but are not limited to:

- Adequate staffing and peer support with appropriate ongoing training for service delivery and data analysis.

- 24-hour security and site control to ensure a safe environment at the Shelter for participants and others who may come in contact with the Shelter, including secure entry/exit for participants monitored by staff.
- A designated point-of-contact who is available at all times to address issues that may arise at the Shelter and coordinate security issues with the Chula Vista Police Department.
- Appropriate policies and procedures for Shelter operations, including intake and guidelines for community living, which are displayed on-site at all times, and various means for participants to provide feedback to and input into the Shelter.
- A written drug- and alcohol-free policy that is posted/displayed at the Shelter at all times, which includes and describe the disciplinary action to result from the illegal use, consumption, distribution, and/or possession of drugs and/or alcohol.
- Required data entry, analysis and reporting in the Regional Task Force on Homelessness (“RTFH”) approved Homeless Management Information System, (“HMIS”) of Program activities as required by RTFH.

### Operating Cost

Historically, the average cost to operate the Village has been approximately \$2.2 Million per fiscal year. This proposal is in line and consistent with prior costs with a first-year budget of \$2,135,000.

### **Conclusion**

Approval of the Agreement authorizes the City Manager or designee to execute the Agreement with City Net as the Shelter Operator for up to three (3) years with a total budget of \$6.6 million. By providing a year-round bridge housing program, the City is assisting those attempting to transition into a more stable living situation.

### **DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of the Political Reform Act (Cal. Gov’t Code §87100, et seq.). Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

### **CURRENT-YEAR FISCAL IMPACT**

There is no current-year fiscal impact to the City’s General Fund as a result of this action. Shelter operations for the current fiscal year will be funded through a combination of Permanent Local Housing Agency (“PLHA”) and Housing Authority funds.

### **ONGOING FISCAL IMPACT**

The initial year of the Agreement will run from July 1, 2025, through June 30, 2026, for a total amount not to exceed \$2,135,000 funded through a combination of PLHA and Housing Authority funds. Ongoing funding to support the remaining two years of the Agreement, for a total amount not to exceed \$6.6 million, will be assessed from a variety of eligible Housing Authority funds.

There is no ongoing fiscal impact to the City's General Fund; all costs will be supported by PLHA and Housing Authority funds.

## **ATTACHMENTS**

None

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