



WASHOE COUNTY

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STAFF REPORT

BBOARD MEETING DATE: *May 21, 2024*

DATE: April 22, 2024

TO: Board of County Commissioners

FROM: Ryan Gustafson, Director, Human Services Agency
(775) 785-8600, RGustafson@washoecounty.gov

THROUGH: Kate Thomas, Assistant County Manager

SUBJECT: Recommendation to approve Lease Agreement between IRG Plaza, LLC and Washoe County for an eleven-year lease agreement (June 1, 2024 - June 30, 2035) for an original term of 13 months with a total not to exceed [lease cost of \$446,333; deposit of \$40,000; maintenance and service related costs approximately \$276,792] for the period of June 1, 2024 – June 30, 2025 (FY25); with an annual escalation of three-percent (3%) each subsequent fiscal year (12 month period, July 1 – June 30) beginning with a total not to exceed [\$424,360] for FY26, for occupancy at 777 W. 5th Street, Reno NV (APN #007-242-2) to support the residential needs of Men’s CrossRoads; and Approve Amendment #2 to the contract with Reno Initiative for Shelter and Equality (RISE) to serve as the program Operator of Men’s CrossRoads, authorizing an increase of [\$64,583] for a not to exceed total of [\$874,903] for FY24 and approve the RISE renewal for FY25 in an amount not to exceed [\$1,585,320] for the term of July 1, 2024 through June 30, 2025; and if approved, further authorize the Purchasing and Contracts Manager to execute the amendment. (All Commission Districts)

SUMMARY

Recommendation to approve Lease Agreement between IRG Plaza, LLC and Washoe County for an eleven-year lease agreement (June 1, 2024 - June 30, 2035) for an original term of 13 months with a total not to exceed [lease cost of \$446,333; deposit of \$40,000; maintenance and service related costs approximately \$276,792] for the period of June 1, 2024 – June 30, 2025 (FY25); with an annual escalation of three-percent (3%) each subsequent fiscal year (12 month period, July 1 – June 30) beginning with a total not to exceed [\$424,360] for FY26, for occupancy at 777 W. 5th Street, Reno NV (APN #007-242-2) to support the residential needs of Men’s CrossRoads; and Approve Amendment #2 to the contract with Reno Initiative for Shelter and Equality (RISE) to serve as the program Operator of Men’s CrossRoads, authorizing an increase of [\$64,583] for a not to exceed total of [\$874,903] for FY24 and approve the RISE renewal for FY25 in an amount not to exceed [\$1,585,320] for the term of July 1, 2024 through June 30, 2025;

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and if approved, further authorize the Purchasing and Contracts Manager to execute the amendment.

Washoe County Strategic Objective supported by this item: Vulnerable Populations

PREVIOUS ACTION

On October 25, 2022, the Board awarded Request for Proposal (RFP) 3171-22 to New Hope Placement, L.L.C., d.b.a. Well Care Services to provide housing, property management and supportive services to the Men's Crossroads Program, a Washoe County Human Services Agency (HSA) lead initiative providing a tiered/modified housing-first approach, through effective programming services and community collaboration; the program has operated since 2011 and provides supportive housing and other services to men within the community's indigent population. The Board approval allowed a retroactive agreement dated October 1, 2022 through June 30, 2023 with the option to renew. The agreement was subsequently renewed via a contract amendment which extended the contract through June 30, 2024.

On September 20, 2022, the Board approved an agreement with Reno Initiative for Shelter and Equality (RISE) to serve as the Operator of the CrossRoads Program for Women and Children retroactive to September 1, 2022 through June 30, 2023 in a prorated amount not to exceed [\$614,433.00] for the initial term of the agreement and an amount not to exceed [\$737,320.00] annually thereafter. The approval included a limited provision for two (2), one (1) year renewal options. One renewal option remains available for services in FY25, during which, the department will be required to release a formal procurement in the form of a Request for Proposal (RFP) for services in FY26 and thereafter.

On August 27, 2019, the Board awarded Request for Proposal (RFP) #3082-19 for Operator of CrossRoads Men's Supportive Community to Catholic Charities of Northern Nevada (CCNN), for the term of nine (9) months commencing October 1, 2019 to June 30, 2020 with the provision for four (4), one (1) year renewals, in an amount not to exceed [\$1,494,596] for the first nine months and an amount not to exceed [\$1,992,795] annually.

On October 23, 2018, the Board approved a sole source agreement between Catholic Charities of Northern Nevada (CCNN) and Washoe County in an amount not to exceed [\$1,402,862] for the term of the agreement to provide housing, property management and supportive services at multiple sites for the Crossroads Program retroactive to July 1, 2018 through June 30, 2019 with the option to renew for two (2) additional one (1) year periods.

BACKGROUND

The County is responsible under NRS 428.010 to provide care, support and relief to the resident poor, indigent, incompetent, and those incapacitated by age, disease or accident, when those persons are not supported or relieved by their relatives or guardians, by their own means, or by state hospitals, or other state, federal or private institutions or agencies.

The Men’s CrossRoads Program provides an alcohol and drug free living arrangement for men transitioning out of homelessness. Participants in the program receive several supportive services to sustain a successful transition from substance abuse and homelessness to a productive, independent, and fulfilling lifestyle. The previous men’s CrossRoads Operator, Well Care Services, provided all program operating staff, case management, and other support services as well as food, housing, furnishings, and property management services to the Men’s CrossRoads program via a single contract agreement. This agreement will conclude June 30, 2024 and the Human Services Agency is seeking approval to establish two new agreements to support the Men’s CrossRoads program. The first agreement will be for the property needed to support housing, and the second agreement will be for the staffing needed for program operations and support. The costs for the two new contracts will not exceed the total funding of the previous single agreement, and as such, adequate funding and authority exists within the FY24 and FY25 budgets.

If approved, the first agreement is for a property lease to serve as the housing for the sober-living portion of the program. In collaboration with the Community Services Division (CSD), WCHSA identified the property at 777 W. 5th Street, Reno NV (APN #007-242-2), with 33 units, as an appropriate property type and location to serve the housing needs of the CrossRoads participants. The property was evaluated by CSD personnel who concurred with the use of this location. A proposed lease structure was drafted and is included with this staff report. Washoe County code requires BCC approval to execute a lease agreement. If approved, the lease agreement will begin on June 1, 2024 to allow time for the transition of staff and up to 70 participants from the existing location to the new location.

If approved, the second agreement will be with Reno Initiative for Shelter and Equality (RISE) to serve as the Operator of the Men’s CrossRoads Program. RISE currently provides operating and staffing support under two agreements, one for Our Place and one for Women’s CrossRoads. A contract amendment to the current Women’s CrossRoads program agreement with RISE is required to initiate the mirrored operating and staffing services for Men’s CrossRoads. The proposed contract amendment is included with this staff report. Washoe County code Chapter 15 and the Washoe County Purchasing Manual require BCC approval to execute this contract amendment.

FISCAL IMPACT

Sufficient funding and budget authority for the property lease and contractual adjustment exists for FY24 expenditures within the Human Services Agency, Indigent Fund (F221), FY24 adjusted budget in cost center 210100 (Indigent Assistance) in GL# 710500 (Other Expense). Budget authority for FY25 expenditures is included in the Homelessness Fund (F223) FY25 recommended budget in cost center 223220 (HSA Crossroads) and GL# 710100 (Professional Services). The \$40,000 lease deposit will be recognized in GL# 160210.

RECOMMENDATION

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It is recommended to approve Lease Agreement between IRG Plaza, LLC and Washoe County for an eleven-year lease agreement (June 1, 2024 - June 30, 2035) for an original term of 13 months with a total not to exceed [lease cost of \$446,333; deposit of \$40,000; maintenance and service related costs approximately \$276,792] for the period of June 1, 2024 – June 30, 2025 (FY25); with an annual escalation of three-percent (3%) each subsequent fiscal year (12 month period, July 1 – June 30) beginning with a total not to exceed [\$424,360] for FY26, for occupancy at 777 W. 5th Street, Reno NV (APN #007-242-2) to support the residential needs of Men’s CrossRoads; and Approve Amendment #2 to the contract with Reno Initiative for Shelter and Equality (RISE) to serve as the program Operator of Men’s CrossRoads, authorizing an increase of [\$64,583] for a not to exceed total of [\$874,903] for FY24 and approve the RISE renewal for FY25 in an amount not to exceed [\$1,585,320] for the term of July 1, 2024 through June 30, 2025; and if approved, further authorize the Purchasing and Contracts Manager to execute the amendment.

POSSIBLE MOTION

Should the Board agree with staff’s recommendation, a possible motion would be, *“Move to approve Lease Agreement between IRG Plaza, LLC and Washoe County for an eleven-year lease agreement (June 1, 2024 - June 30, 2035) for an original term of 13 months with a total not to exceed [lease cost of \$446,333; deposit of \$40,000; maintenance and service related costs approximately \$276,792] for the period of June 1, 2024 – June 30, 2025 (FY25); with an annual escalation of three-percent (3%) each subsequent fiscal year (12 month period, July 1 – June 30) beginning with a total not to exceed [\$424,360] for FY26, for occupancy at 777 W. 5th Street, Reno NV (APN #007-242-2) to support the residential needs of Men’s CrossRoads; and Approve Amendment #2 to the contract with Reno Initiative for Shelter and Equality (RISE) to serve as the program Operator of Men’s CrossRoads, authorizing an increase of [\$64,583] for a not to exceed total of [\$874,903] for FY24 and approve the RISE renewal for FY25 in an amount not to exceed [\$1,585,320] for the term of July 1, 2024 through June 30, 2025; and if approved, further authorize the Purchasing and Contracts Manager to execute the amendment.”*