



Community Development Agency  
<https://www.santa-ana.org/cd>  
Item # 22

**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**January 19, 2021**

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**TOPIC:** Approve Fourth Amendment to Mercy House Agreement

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**AGENDA TITLE:**

Approve fourth amendment to agreement with Mercy House Living Centers, Inc. in the additional amount of \$153,214.72 for the operation of The Link Shelter (Non-General Fund)

**RECOMMENDED ACTION**

Authorize the City Manager to execute the fourth amendment to the agreement with the Mercy House Living Centers, Inc. to increase funding for the operation of the Link Shelter, in the amount of \$153,214.72 for a total amount not to exceed \$6,551,337.72 subject to non-substantive changes approved by the City Manager and City Attorney.

**DISCUSSION**

On September 18, 2018, the City Council approved an agreement with Mercy House Living Centers, Inc. (Mercy House) to operate an interim Emergency Homeless Shelter in Santa Ana for a period of one year, with the option to renew for up to one additional year. The total maximum amount of the agreement was \$6 million. Since September 2018, the contract was amended to authorize the expenditure of contingency funds, to move contingency funds from Program Year Two to Program Year One, and to renew and extend the contract term.

On February 18, 2020, the City Council approved an amendment to the agreement to increase funding for the operation of The Link shelter (The Link) in the amount of \$398,123, to utilize the new Homeless Emergency Aid Program funds in an amount not to exceed \$2,300,000 to count toward the total amount of \$6,398,123, and to execute an amendment to the Emergency Solutions Grant agreement increasing the amount of the funding for The Link by \$5,910.43 that would also count toward the \$6,398,123 for The Link. The increase in funds requested by Mercy House for unanticipated facility improvements and operation costs covered both Year One deficits and projected costs for Year Two through October 1, 2020.

Until the new permanent shelter opens, The Link will continue operations as usual. Illumination Foundation took over as operator beginning October 15, 2020. To cover the operation costs of the extension for the period of October 1 to October 14, 2020, Mercy House is requesting \$153,214.72..

**FISCAL IMPACT**

Funds in the amount of \$153,214.72 are available in the Homeless Emergency Aid Program Grant, payment to subagent account (No. 12218700-69135) for expenditure in the current fiscal year.

**EXHIBIT(S)**

1. Amendment with Mercy House Living Centers Inc. to operate an Interim Shelter

Submitted By:

Steven A. Mendoza, Assistant City Manager - Community Development Agency

Approved By: Kristine Ridge, City Manager