



County Executive Office

Memorandum

December 10, 2025

To: Clerk of the Board of Supervisors
From: Michelle Aguirre, County Executive Officer
Subject: Supplemental Request According to Board Rule 21

Digitally signed by
Michelle Aguirre
Date: 2025.12.10
12:29:14 -08'00'

MAguirre

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2025 DEC 11 AM 9:16
CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

5281

The County Executive Office is requesting a Supplemental Agenda Staff Report for the December 1, 2025, Board Hearing.

Agency: County Executive Office, Office of Care Coordination
Subject: Approve Contracts for North Service Planning Area Emergency Shelters
Districts: 4

Reason Item is Supplemental: The Contracts for the North Service Planning Area Emergency Shelters are being presented as supplemental given the extensive contract negotiations and review processes to establish a sole source contract with The Salvation Army and the Amendment to the Contract with Mercy House. This Agenda Staff Report and attachments were finalized after the filing deadline to the Clerk of the Board.

Justification: The Buena Park Navigation Center and Placentia Navigation Center located in the North Service Planning Area are experiencing funding shortfalls that are jeopardizing the continued operations of these critically needed programs for individuals experiencing homelessness. This Agenda Staff Report cannot be moved to another date as there is an urgent need to provide funding and not impact the operations of the navigation centers.

Concur:

Doug Chaffee

Doug Chaffee, Chair of the Board of Supervisors

cc: Board of Supervisors
County Executive Office
County Counsel



SUPPLEMENTAL AGENDA ITEM AGENDA STAFF REPORT

MEETING DATE: 12/16/25

LEGAL ENTITY TAKING ACTION: Board of Supervisors

BOARD OF SUPERVISORS

DISTRICT(S): 4

SUBMITTING AGENCY/DEPARTMENT: County Executive Office

DEPARTMENT HEAD REVIEW: *Maguire*
Digitally signed by Michelle Aguirre
Date: 2025.12.10 12:28:09 -08'00'
Department Head Signature

DEPARTMENT CONTACT PERSON(S): Douglas Becht (714) 834-2323
Zulima Lundy (714) 834-6805

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 BOARD OF SUPERVISORS

SUBJECT: Approve Contracts for North Service Planning Area Emergency Shelters

CEO CONCUR Digitally signed by Michelle Aguirre <i>Maguire</i> Date: 2025.12.10 12:28:32 -08'00' CEO Signature	COUNTY COUNSEL REVIEW Approve agreements as to form Action Digitally signed by Christopher Anderson <i>Christopher Anderson</i> County Counsel Signature	CLERK OF THE BOARD Choose an item. Choose an item.
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Budgeted: No **Current Year Cost:** \$2,448,863 **Annual Cost:** N/A

Staffing Impact: No **# of Positions:** **Sole Source:** Yes

Current Fiscal Year Revenue: N/A

Funding Source: State: 100% (HHAP) **County Audit in last 3 years** No

Levine Act Review Completed: Yes

Prior Board Action: 5/20/2025 #81, 5/6/2025 #41, 2/6/2024 #22, 9/13/2022 #32

RECOMMENDED ACTION(S)

1. Approve Sole Source Contract and authorize the County Procurement Officer or Deputized designee to execute Contract with The Salvation Army for provision of Emergency Shelter Operations and Services at the Placentia Navigation Center, effective December 16, 2025, through June 30, 2026, in an amount not to exceed \$979,545.
2. Authorize the County Procurement Officer or Deputized designee to execute Amendment No. 3 to Contract with Mercy House Living Centers for Emergency Shelter Operations and Services for Individuals in the North Service Planning Area to increase the Contract in an amount not to exceed \$1,469,318, for a revised cumulative total amount not to exceed \$2,219,318, effective October 15, 2022, through June 30, 2027.

SUMMARY:

Approval of the Sole Source Contract with The Salvation Army and Amendment with Mercy House Living Centers for Emergency Shelter Operations and Services will provide individuals experiencing homelessness in the North Service Planning Area of Orange County continued access to emergency shelter operations and services with housing-focused case management.

BACKGROUND INFORMATION:

The Placentia Navigation Center, operated by The Salvation Army, and the Buena Park Navigation Center, operated by Mercy House Living Centers (Mercy House), provide year-round emergency congregate shelter to individuals experiencing homelessness in the North Service Planning Area (SPA). The Placentia Navigation Center and Buena Park Navigation Center provide temporary shelter services with comprehensive onsite case management, with a strong emphasis on connecting participants to permanent housing.

The County of Orange (County) has previously provided funding to the North SPA cities in support of the development and operations of the Placentia Navigation Center and the Buena Park Navigation Center. Additionally, the County’s Office of Care Coordination is currently contracting with Mercy House for operations and services provided at the Buena Park Navigation Center.

At the September 24, 2025, meeting of the CoC Board, representatives from North SPA cities provided public comments expressing concerns that funding shortfalls are jeopardizing the continued operations of these critically needed Navigation Centers for individuals experiencing homelessness. The representatives requested financial support to sustain the operations of both Navigation Centers.

The Orange County Continuum of Care (CoC) Board is supportive of this goal and actively advocating and exploring opportunities to ensure that an appropriate level of resources is directed to serve individuals in need of temporary shelter in the North SPA. At the October 22, 2025, meeting, the CoC Board approved the utilization of up to \$1,448,863 in Homeless Housing, Assistance and Prevention (HHAP) funding allocated to the CoC to maintain operations and ensure continuity of services at the Placentia Navigation Center and Buena Park Navigation Center. The County will utilize an additional \$1,000,000 of HHAP funding from its own allocation to further support ongoing operations and services at both Navigation Centers.

Prior Board of Supervisors (Board) Actions:

Board Date	Contract/Amendment	Term	Maximum Obligation	Action
11/20/2018	Approve CoC Board Homeless Emergency Aid Program (HEAP) funding recommendations for Capital Improvement Projects in the North SPA	N/A	\$15,568,715	Approved as Recommended
4/23/2019	Approve Contracts with City of Placentia and City of Buena Park for capital project to develop the Navigation Centers	January 22, 2019 - January 22 2029	\$12,062,300	Approved as Recommended
3/10/2020	Approve Memorandum of Understanding with City of Buena Park and City of Placentia to establish cooperative funding agreement for operation of Navigation Centers	March 10, 2020 - March 10, 2030	\$12,500,000	Approved as Recommended

7/14/2020	Approve agreement with City of La Habra for North SPA for disbursement of Permanent Local Housing Allocation (PLHA) funds	June 23, 2020 - June 30, 2025	\$7,632,984	Approved as Recommended
12/7/2021	Approve Amendment No. 1 to PLHA agreement with City of La Habra for joint project in North SPA	July 1, 2021 - June 30, 2025	\$3,476,004	Approved as Recommended
9/13/2022	Approve Contract for Emergency Shelter Operations and Services with Mercy House	October 15, 2022 - June 30, 2024	\$300,000	Approved as Recommended
2/6/2024	Approve Amendment No. 1 to renew Contract with Mercy House for a one-year term	July 1, 2024 - June 30, 2025	\$150,000	Approved as Recommended
5/6/2025	Amendment No. 2 to renew Contract with Mercy House for a two-year term	July 1, 2025 - June 30, 2027	\$300,000	Approved as Recommended
5/20/2025	Amendment No. 2 to renew MOU with City of La Habra for PLHA Program	July 1, 2025 - June 30, 2027	\$2,976,667	Approved as Recommended

Scope of Services:

The Contracts for Emergency Shelter Operations and Services (Programs) are designed to provide safe, temporary shelter services for the individuals (adult only households) experiencing homelessness with the goal to ensure a household's experience with homelessness is as brief as possible. The Programs will incorporate evidenced-based approaches such as motivational interviewing, progressive engagement, trauma-informed care, harm reduction and risk management, to address barriers to housing and economic stability.

The Programs will operate in accordance with the County of Orange's Standards of Care for Emergency Shelter Providers (Standards of Care). The Standards of Care are a comprehensive set of administrative, operational, and facility-based standards designed to support the quality and consistency of program operations, evidence-based participant services, core organizational/administrative functions, and facility design/operations.

The Programs include the following services at minimum:

- a. Intake and assessment to understand the history of participation in other homeless service assistance programs, collection of needed demographic information, and determination of what supportive services would be most beneficial for the participants.
- b. Housing-focused case management to support program participants with locating housing options that meet the participant's individual needs.
- c. Housing navigation services to support the participant in identifying available housing units and community resources, completing needed forms and applications for housing, as well as providing support through in-person or teleconference meetings relating to housing search and placements.
- d. Coordinated Entry System (CES) Access Point to support participants in accessing the CES through the completion of an assessment and the collection of required documentation to verify length of homelessness, homelessness status and/or disabling condition.
- e. On an annual basis, at minimum, solicit participant feedback to assess program operation changes to better support and meet the needs of participants and evaluate how to best meet the performance outcomes.

The Office of Care Coordination has worked to incorporate the Homeless Service System Pillars Attestations into the Contracts as detailed in the recommended actions. The agreed upon Scope of Services

outlined in the proposed Contracts are in alignment with the Shelter Pillars' best practices, guiding principles and commitments as detailed in the Homeless Service System Pillar Report.

Performance Metrics:

The table below outlines each providers' specific target population and number of households to be served.

Provider	Target Population	Households to Be Served	Reporting Period
Mercy House	Individuals and adult only households in the North SPA	500 adult only households	July 1, 2025, through June 30, 2027
The Salvation Army	Individuals and adult only households in the North SPA	150 adult only households	December 16, 2025, through June 30, 2026

The outcome measures for the Programs during the Contract terms are detailed below.

- a. 100 percent of participants will have an Individualized Housing and Service Plan (IHSP) within thirty (30) calendar days of program enrollment.
- b. 90 percent of participants will be connected to the CES within thirty (30) days of program enrollment.
- c. At minimum, 25 percent of participants will exit to a permanent housing destination.
- d. At minimum, 15 percent of participants will have a higher income than at program entry due to employment and or mainstream benefits.
- e. Maintain a bed occupancy/utilization of 90 percent or higher through the term of the Contract.

From September 15, 2022, to October 31, 2025, the following performance metrics were achieved by Mercy House at the Buena Park Navigation Center:

Performance Metric	FY22-23	FY23-24	FY24-25	FY25-26
100 percent of Participants with an IHSP within 30 days of their Program Enrollment	65%	51%	76%	76%
90 percent of Participants with an enrollment to CES within 30 days of their Program Enrollment	79%	81%	84%	97%
25 percent of Exits to Permanent Housing	23%	20%	10%	16%
15 percent of Participants with a Higher Income than at Program Entry	12%	7%	5%	7%
90 percent or higher Average Bed Occupancy Rate	105%	86%	97%	96%

The Office of Care Coordination is actively working with Mercy House to discuss the contracted performance metrics where they are currently under performing. Mercy House continues to review practices and implement strategies to improve performance outcomes related to increasing participants' income and providing IHSPs in a timely manner. Mercy House continues to experience challenges in exiting participants to permanent housing destinations given the limited housing resources, however they have already shown improvements in this performance metric from the previous fiscal year.

The Orange County Preference Policy is not applicable to these Contract awards. These Contracts do not include subcontractors or pass through to other contractors. See Attachment B for the Contract Summary Forms. The appropriate due diligence has been conducted and the non-profits has been verified to be in good standing.

The proposed Contract with The Salvation Army is a Sole Source Contract. As the current operators of the Placentia Navigation Center, The Salvation Army is the sole vendor capable of ensuring the continuity of

this temporary shelter resource. The Salvation Army does have 17 pending lawsuits and one judgement with non-government agencies on public record, however none are of any major significance to the County and immaterial to their delivery of the services as described.

The Sole Source Contract with The Salvation Army is being recommended less than 30 days before the contract start date, given that the funding a disruption of key services at the Placentia Navigation Center would jeopardize the stability of people experiencing homelessness who are currently engaged in services. The Salvation Army is uniquely qualified in continuing to serve participants receiving services at the Placentia Navigation Center and working with them to transition to permanent housing solutions.

The Office of Care Coordination requests the Board approve the Sole Source Contract with The Salvation Army and the Amendment of the Contract with Mercy House as referenced in the Recommended Actions above. Approval of Recommended Actions will support the County's effort to build a responsive System of Care that meets the needs of different segments of the homeless population in achieving housing and increased income.

FINANCIAL IMPACT:

The appropriations for the Contracts are included in FY 2025-26 Mid-Year Budget Report (MBAR) adjustment for Budget Control 018 Budget and will be offset by budgeted Transfers In from the Care Coordination Fund, Fund 12L.

The Contracts include provisions allowing the County to terminate the Contracts, reduce the level of services, and/or renegotiate the levels of services provided, as necessary. This includes a notice that allows the County adequate time to transition or terminate services to clients, if necessary.

STAFFING IMPACT:

N/A

ATTACHMENT(S):

- Attachment A – Contract with The Salvation Army
- Attachment B – Contract with Mercy House Living Centers
- Attachment C – County of Orange Standards of Care for Emergency Shelter Providers
- Attachment D – Contract Summary Form for The Salvation Army
- Attachment E – Contract Summary Form for Mercy House Living Centers