

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: KELLI KUYKENDALL, HOUSING AND COMMUNITY SERVICES
MANAGER
SUBJECT: COVID-19 RELATED HOMELESS SERVICES – EXTENSION OF
NON-CONGREGATE SHELTER PROGRAM

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that Council, by two resolutions: 1) approve a Sixth Amendment to Grant Agreement for COVID-19 Homeless Services with Catholic Charities of the Diocese of Santa Rosa for the existing Non-Congregate Shelter Program currently located at the Sandman Hotel to extend the term through June 30, 2021 and to increase the not-to-exceed amount by \$669,090; 2) authorize the City Manager or his designee to negotiate and execute agreement(s) with Sandman Hotel, or other alternate or supplemental shelter locations and/or hotels approved by the City, for up to six months provided that such agreement(s) do not exceed \$2,224,759 (including a \$100,000 budget for cleaning/damage contingencies) and the agreement(s) are in a form approved by the City Attorney; and 3) appropriate a combined total amount not-to-exceed \$2,893,849 from General Fund unassigned reserves to cover costs for the Non-Congregate Shelter Program or other COVID-19 related homeless services for up to six months (January 1, 2021 to June 30, 2021).

EXECUTIVE SUMMARY

Beginning in March 2020, in response to the COVID-19 pandemic, the City entered into a series of agreements with 3421 Cleveland Owner LLC (Sandman Hotel) and Catholic Charities for the provision of Non-Congregate Shelter (NCS) for “at risk” sheltered and unsheltered individuals. These agreements were initially approved under the City Manager’s emergency authority and later by the City Council. The existing Grant Agreement for COVID-19 Homeless Services with Catholic Charities (Grant Agreement), which includes NCS and the Safe Social Distancing Program (SSDP) in a section of the parking lot at the Finley Community Center, and the Purchase Order with the Sandman Hotel expire on December 31, 2020. The SSDP concluded on November 13, 2020. Staff is seeking approval to extend the Grant Agreement with Catholic Charities for management of the program through June 30, 2021 in an amount not to

exceed \$669,090. Staff also seeks Council authorization for the City Manager or his designee to negotiate and execute agreement(s) for up to six months (January 1, 2021 to June 30, 2021) with the Sandman Hotel or similar alternative providers where the combined total amount of the agreement(s) does not exceed \$2,224,759 and such agreement(s) are in a form approved by the City Attorney's Office. Staff estimates the combined total for the NCS Program (hotel and services) at \$2,893,849. This will provide for the continued operation of NCS or other COVID-19 related homeless services subject to orders of the Sonoma County Health Officer and for such a time as the City deems necessary to address COVID-19 related health and safety risks in the community. Additionally, this will allow the provision of NCS at the Sandman Hotel, or other alternate or supplemental shelter locations and/or hotels approved by the City.

BACKGROUND

1. Beginning in March 2020, in response to the COVID-19 pandemic, the City entered into a series of agreements with the Sandman Hotel and Catholic Charities for the provision of NCS for "at risk" sheltered and unsheltered individuals. These agreements were initially approved under the City Manager's emergency authority and later by the City Council as detailed below in the Prior City Council Review section of this report.
2. The existing Grant Agreement with Catholic Charities provides funding for the provision of NCS and the SSDP via monthly amendments for up to six months (July 1, 2020 through December 31, 2020). The Fifth Amendment to Grant Agreement and the Purchase Order with the Sandman Hotel expire on December 31, 2020. The current request proposes continuation of the NCS and not the SSDP as this program concluded on November 13, 2020.
3. Staff is seeking approval to extend the Grant Agreement via a Sixth Amendment through June 30, 2021 in an amount not to exceed \$669,090. Staff is also seeking authority for the City Manager or his designee to negotiate and execute agreement(s) to extend the term with the Sandman Hotel or other similar provider for up to six months (January 1, 2021 to June 30, 2021) where the total amount does not exceed \$2,224,759 and where such amendments are in a form approved by the City Attorney's Office. The not-to-exceed amount for the Sandman Hotel includes a \$100,000 contingency for any necessary replenishment of the City's deposits for cleaning or damage.
4. This will provide for the continued operation of NCS or other COVID-19 related homeless services subject to orders of the Sonoma County Health Officer and for such a time as the City deems necessary to address COVID-19 related health and safety risks in the community. Additionally, this will allow for the provision of

NCS at the Sandman Hotel, or other alternate or supplemental shelter locations and/or hotels approved by the City.

PRIOR CITY COUNCIL REVIEW

On March 3, 2020, Council, by Resolution No. RES-2020-035, ratified the proclamation of existence of local emergency by the City Manager in his capacity as Director of Emergency Services relating to the threat to community health posed by COVID-19.

On July 7, Council, by Resolution No. RES-2020-109, approved a Grant Agreement for COVID-19 Homeless Services with Catholic Charities of the Diocese of Santa Rosa, including the provision of NCS and the SSDP, through July 31, 2020 in an amount not-to-exceed \$254,810, and delegated authority to the City Manager or his designee to amend the Agreement for up to six months (July 1, 2020 to December 31, 2020) at equivalent budget levels for a total not-to-exceed amount of \$1,528,860.

On July 21, 2020, Council, by Resolution No. RES-2020-122, appropriated funding from the General Fund reserves for costs related to emergency events during Fiscal Year 2019/2020, including COVID-19. This included costs related to the NCS Program (hotel rooms and services) for the period March 20, 2020 to June 26, 2020, totaling approximately \$1,154,003.

On October 27, 2020, Council, by Resolution No. RES-2020-175, ratified the original Purchase Order/Rider and four related Letter Agreements under the City Manager's emergency authority with the Sandman Hotel from March 20, 2020 to October 27, 2020, and authorized the City Manager to negotiate and execute agreement(s) to further extend the term of existing hotel rooms and/or expand the number of hotel rooms at the Sandman Hotel through December 31, 2020, subject to an aggregate not-to-exceed amount of \$2,011,232.

ANALYSIS

1. The Sixth Amendment to the Grant Agreement with Catholic Charities provides a total not-to-exceed amount of \$669,090 for the provision of NCS or other COVID-19 related homeless services for the period January 1, 2021 to June 30, 2021. This is based on an estimated monthly cost of \$111,515 as well as the NCS operating budget during the March 2020 to December 2020 timeframe. The Sixth Amendment includes a detailed scope of services and budget, included as exhibits to the amendment, attached, and allows for termination prior to June 30, 2021 if the City deems the services are no longer necessary.
2. Staff seeks authorization for the City Manager to negotiate and execute an extension with the Sandman Hotel or other similar provider through June 30, 2021, provided the not-to-exceed amount does not exceed \$2,224,759. This is based on the City's current room rate of \$129/night for 91 rooms which amounts

to a weekly rate of approximately \$82,173. The City previously paid one-time fees for cleaning (\$500/room) and damage waiver (\$1,000/room), totaling \$45,500 and \$91,000, respectively. Extensions at the Sandman Hotel or other similar location will be evaluated by the City on a monthly basis for up to six months with a total not-to-exceed amount \$2,224,759. This amount includes an additional \$100,000 budgeted for contingencies, such as replenishment of the City's damage and cleaning deposits with the hotel.

3. With the ongoing COVID-19 outbreak and the City's need to address COVID-19 related health and safety risks in the community and to maintain social distancing at shelter facilities, the City has continued use of all 91 hotel rooms and the Sandman Hotel has not asked the City to vacate the rooms.
4. For the period January 1, 2021 to July 31, 2021, staff estimates the combined total amount for the NCS Program (hotel and services) at \$2,893,849. Staff is currently evaluating the reduction of hotel rooms with the completion of the emergency shelter expansion at the Samuel L. Jones Hall Homeless Shelter as well as potential reimbursement through the Federal Emergency Management Agency (FEMA), which could result in cost savings to the City's General Fund.
5. The Council previously approved agreements and appropriated funds related to the provision of COVID-19 homeless services for the period March 2020 to December 2020, totaling approximately \$3,779,047 for the NCS Program. Approval of this request will allow for the continued operation of the NCS Program or other COVID-19 related homeless services, providing shelter and services for those individuals at greatest risk to COVID-19 for up to six months (January 1, 2021 to June 30, 2021), totaling approximately \$2,893,849. For the period March 2020 to June 2021, staff estimates the combined total amount for the NCS Program at \$6,672,896.

FISCAL IMPACT

If approved, this action will provide a total amount not-to-exceed \$2,893,849 from the City's General Fund unassigned reserves (COVID-19 Key 02209) for the period January 1, 2021 to June 30, 2021. If the full amount of appropriations are not used, the funds will be returned to the General Fund Reserves. Additionally, staff has submitted an application to FEMA seeking reimbursement through its Public Assistance Program.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable

NOTIFICATION

Not applicable

ATTACHMENTS

- Resolution/Exhibit A (Sixth Amendment to Grant Agreement)

CONTACT

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