
File ID: 2026-00718

4/28/2026

[Contract Supplement] Roseville Road South Campus Operations [Two-Thirds Vote Required]

File ID: 2026-00718

Location: 3900 Roseville Road, District 2

Recommendation: Pass a **Motion** by two-thirds vote: 1) waiving the requirement for 10-day posting of agreements over \$1 million under City Code section 4.04.020(C) and Council Rules of Procedure Chapter 7, Section E.2.d; 2) authorizing the City Manager or designee to execute Supplemental Agreement No. 2 to City Agreement No. 2025-0449 with First Step Housing DbA First Step Communities for operations of Roseville Road South Campus in an amount not-to-exceed \$1,913,603, for a total not-to-exceed amount of \$4,546,828.

Contact: Brian Pedro, Director, (916) 808-7816, bpedro1@cityofsacramento.org; Rodolfo Davidson, Program Manager, (916) 808-3703, rdavidson@cityofsacramento.org; Department of Community Response

Attachments:

1-Description/Analysis

2-First Step Communities Supplemental Agreement

Description/Analysis

Issue Detail: In August 2023, City Council gave the City Manager authority to identify and stand up new safe camping sites, and in January 2024, the City opened Roseville Road Campus (“RRC”), a new shelter and service campus at 3900 Roseville Road. With the launch of the Roseville Road Campus, all operations and services at Miller Park - the City’s former safe camping and safe parking site - were transitioned to the new campus. At the time, the City extended its contract with First Step Communities, the operator for the Miller Park site, to assist in quickly getting the essential new campus operational, ensuring a seamless transition from Miller Park to RRC without a lapse in vital services.

In July 2024, the Department of Community Response’s (“DCR”) Office of Community Outreach released a Request for Proposals (“RFP”) for RRC Operations. DCR withdrew this RFP after receiving notice that the City had been awarded a \$12,353,419 grant from the State’s Encampment Resolution Fund (“ERF”) grant program. This funding allowed for the expansion of RRC in the

northern section of the property and funded the addition of 135 tiny homes with electricity (100 on the north campus and 35 on the south campus), as well as the continuation of high intensity outreach and services and enhanced shelter and housing support to program participants.

Due to the expanded scope of operations of RRC, DCR issued an updated RFP to reflect the updated scope of work. On January 9, 2025, DCR released the updated RFP for RRC Operations and selected two operators for the site: First Step Communities to operate the Roseville Road South Campus (RRC South); and The Gathering Inn to operate the Roseville Road North Campus (RRC North). On April 29, 2025, Council passed Motion Number 2025-0118 authorizing an agreement with First Step Communities for the operations of the RRC South for a not-to-exceed amount of \$2,523,226, starting on May 1, 2025.

RRC South operates 24/7 with 96 electrified tiny homes. The program provides two daily meals, case management, and connections to social services, Continuum of Care enrollment, and housing navigation. RRC South also offers a safe overnight stay, connection to appropriate housing programs, and essential items such as clothing, blankets, and personal care supplies as needed. Up to 50% of units allow pets (maximum two per unit).

Since May 2025, FSC produced the following outcomes at the RRC South:

- Served 238 people
- 139 total people exited the program
- 55 people, or 40%, moved into permanent housing
- Seven people, or 5%, exited to an improved destination, including medical and substance use treatment settings

City staff recommend extending the agreement with First Step Communities for an additional eight months to align with Roseville Road North Campus agreement with The Gathering Inn, for an amount not-to-exceed \$1,913,603 to continue operations at the Roseville Road South Campus through December 31, 2026.

Policy Considerations: Pursuant to Sacramento City Code section 3.56.090, any agreement for non-professional services that is for \$250,000 or more requires City Council approval.

The Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to council action. The recommendation is to waive this requirement.

Economic Impacts: None.

Environmental Considerations: The City considered the potential effects on the environment at the time the site was proposed and approved for operation. The City concluded that it could determine with certainty that no significant effects would result from establishing and operating the Roseville Road Campus, and that pursuant to CEQA Guidelines section 15061(b)(3) the activities were exempt from the California Environmental Quality Act (CEQA). This action includes minor improvements to a developed site, with negligible ground disturbance. A Notice of Exemption was posted on January 8, 2024.

Sustainability: None.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The Roseville Road Campus provides shelter and supportive services for individuals experiencing homelessness. Approval of this supplemental agreement will ensure uninterrupted operations and continued progress toward housing placement outcomes. Waiving the 10-day requirement for contract review is needed because the current contract expires on April 30th.

Financial Considerations: Sufficient funding is available (Measure U, Fund 2401) in the Community Response MYOP (I23000100) to execute a supplemental agreement with First Step Communities for an amount not-to-exceed \$1,913,603, for a total not-to-exceed amount of \$4,456,828.

Local Business Enterprise (LBE): First Step Communities is a LBE in the City of Sacramento.

Contract Routing Sheet

Payment / Performance Bond Only

General Routing Information

Department: Community Response Department

Contract Coordinator: Tereza Salinas Email: tasalinas@cityofsacramento.org

Effective Date: 05/01/2026 Expiration Date: 12/31/2026

Grant/Project Name: Roseville Road Campus

Other Party: First Step Housing dba First Step Communitites

Original Not to Exceed Amount: \$ 2,633,225.04

Assessor's Parcel Number(s): _____

Project Number: I23000100 Bid/RFP/RFP#: _____

Supplements/Addendums/Change Orders

Adjusted Amount of this Change (+/-): \$ 1,913,602.52 New Not to Exceed Amount: \$ 4,546,827.56

Change In Scope: No

Original Contract Number: 2025-0449 Supplement Number: 2

Council Approval

Original Meeting Date: 04/17/2025 Council File ID: 2025-00662

Supplement Meeting Date: 04/28/2026 Council File ID: 2026-00718

Processing Information

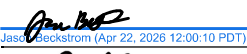
- Clerk's Office to Mail for Recording
- Return to Dept for Other Party Signature
- Real Estate
- Return to Dept for Recording
- Construction Related
- Additional Originals Attached – Return to Dept.

Add notes/instructions, including any other contract or council file ID numbers related to this agreement:

Signing Authority - Department Directors up to \$100K; \$100K - \$250K City Manager or Assistant City Manager; \$250K+ Council Approval & Council Appointee or designee.

Department Review and Routing

AB 339 Review Confirmation (if needed) _____

Sign  Support Services Manager

Sign Rodolfo Davidson Division Manager

Sign _____

Sign _____

Sign _____

CONTRACT #: 2025-0449-02
CONTRACT NAME: Roseville Road Campus
AGREEMENT TERM: Expires 12/31/26
AUTHORIZED RENEWALS: N/A
DEPARTMENT/DIVISION: Community Response/Homeless Services

PROJECT: I23000127
NOT-TO-EXCEED AMOUNT: \$4,546,827.56
SOLICITATION: N/A
LBE (Y/N): Y
COUNCIL FILE ID: 2026-00635

CITY OF SACRAMENTO

**CONTRACT AMENDMENT
CHANGE IN NOT-TO-EXCEED AMOUNT**

The City of Sacramento (“City”) and First Step Housing DBA First Step Communities (“Contractor”), as parties to that certain contract designated as Contract Number 2025-0449, including any and all prior amendments modifying the contract (the contract and all amendments are hereafter collectively referred to as the “Contract”), hereby amend the Contract as follows:

1. The Time of Performance as set forth in Section 3 of Exhibit A is hereby extended through December 31, 2026.
2. As of May 1, 2026, the revised Budget attached hereto as Attachment 3 to Exhibit B supersedes the Budget set forth in Attachment 2 to Exhibit B.
3. The maximum not-to-exceed amount that is specified in the Contract for payment of Contractor’s fees and expenses is **increased** by \$1,913,602.52, and the Contract’s maximum not-to-exceed amount is amended as follows:

| | |
|--|----------------|
| Contract’s original not-to-exceed amount: | \$2,523,225.04 |
| Net change by previous amendments: | \$110,000.00 |
| Not-to-exceed amount prior to this amendment: | \$2,633,225.04 |
| Increase by this amendment: | \$1,913,602.52 |
| New not-to exceed amount including all amendments: | \$4,546,827.56 |

4. Contractor warrants and represents that the person or persons executing this contract amendment on behalf of Contractor is duly authorized by Contractor to sign this amendment and bind Contractor to the terms hereof.
5. Except as specifically revised herein, all terms and conditions of the Contract shall remain in full force and effect, and Contractor shall perform as required under the Contract, as modified by this amendment.

[SIGNATURES ON FOLLOWING PAGE]

SUPPLEMENTAL CONTRACT

Approval Recommended By:

Brian Pedro, Director, DCR, City of Sacramento

Approved By:

Joseph Pacheco, Executive Director, First Step Communities

Approved By:

Ryan Moore, Assistant City Manager, City of Sacramento

Approved As To Form By:



Audreyell Anderson-White, Sr. Deputy City Attorney

Attest:

City Clerk

**Attachment 3 to Exhibit B: Budget
Roseville Road Campus**

| COMPONENT | ORIGINAL BUDGET | Proposed Adjusted Budget | NEW BUDGET |
|---|------------------------|---------------------------------|-----------------------|
| STAFFING | | | |
| .1 Executive Director | \$12,000.00 | 9,000.00 | \$21,000.00 |
| .25 Operations Manager | \$25,000.00 | 18,333.33 | \$43,333.33 |
| .25 Manager of Client Services | \$21,250.00 | 14,166.67 | 35,416.67 |
| 1 Program Manager | \$85,000.00 | 56,666.67 | 141,666.67 |
| 3 Supervisors (Swing/Grave) | \$177,408.00 | 118,272.00 | 295,680.00 |
| 13.5 Client Support Associate - Shift Support | \$690,788.57 | 457,466.67 | 1,148,255.24 |
| 1 Case Manager Supervisor | \$62,400.00 | 41,600.00 | 104,000.00 |
| 3 Case Manager | \$168,480.00 | 112,320.00 | 280,800.00 |
| 1 Housing Specialist & Ongoing RRH Support | \$56,160.00 | 37,440.00 | 93,600.00 |
| 1 Facilities Maintenance Coordination | \$54,080.00 | 36,053.33 | \$90,133.33 |
| STAFFING SUBTOTAL | \$1,352,566.57 | \$901,318.67 | \$2,253,885.24 |
| BENEFITS SUBTOTAL | \$338,141.64 | \$247,369.23 | \$585,510.87 |
| OPERATIONS | | | |
| Insurance | \$55,000.00 | \$(333.33) | \$54,666.67 |
| Consultants - Client Support Stipends | \$5,300.00 | \$(966.67) | \$4,333.33 |
| Food & Food Supplies | \$360,437.50 | \$300,291.67 | \$660,729.17 |
| Program Supplies | \$31,520.00 | \$21,013.33 | \$52,533.33 |
| Facilities | \$53,560.00 | \$35,706.67 | \$89,266.67 |
| Telephone/ Internet/ Communications | \$1,250.00 | \$11,500.00 | \$12,750.00 |
| Transportation | \$18,600.00 | \$12,400.00 | \$31,000.00 |
| Laundry Services | \$31,800.00 | \$(1,000.00) | \$30,800.00 |
| Shower Services | \$110,000.00 | \$163,333.33 | \$273,333.33 |
| Security Surveillance System | \$0.00 | \$16,666.67 | \$16,666.67 |
| Rapid Rehousing Fund | \$25,000.00 | \$16,666.67 | \$41,666.67 |
| OPERATIONS SUBTOTAL | \$692,467.50 | \$575,278.33 | \$1,267,745.83 |
| In-direct Costs (not to exceed 11%) | \$250,049.33 | \$189,636.28 | \$439,685.61 |
| TOTAL PROGRAM COSTS | \$2,633,225.04 | \$1,913,602.51 | \$4,546,827.55 |