

# City of Sacramento

## Legislation Text

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File #: 2018-01711, Version: 1

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**Title:**

**Agreements for Extension of the Homeless Triage Shelter (Two-Thirds Vote Required)**

File ID: 2018-01711

**Location:** 2040 Railroad Drive, District 3

**Recommendation:**

1) Pass a Motion by two-thirds vote suspending Council Rule of Procedure Chapter 7, section E.2.d, which requires 10-day posting for agreements over \$1 million; and 2) adopt a Resolution by two-thirds vote authorizing the City Manager or City Manager's designee to: a) execute an agreement with Volunteers of America of Northern California and Northern Nevada for services through April 30, 2019 for a total not-to-exceed amount \$610,992; b) execute an amendment to the sublease agreement with City of Trees Ventures, Inc. for an extension through April 30, 2019 and increase the total not-to-exceed amount by \$178,372 for a new total not-to-exceed amount of \$725,015 with options to extend the sublease term to June 30, 2019 for continued use of the premises as a shelter and further extend the sublease term to July 15, 2019 solely for decommissioning of the shelter; c) execute an agreement with Downtown Streets, Inc. for services through April 30, 2019 for a total not-to-exceed amount of \$98,500; d) execute a supplemental agreement with United Site Services for portable restrooms and shower trailer rental and weekly equipment servicing through April 30, 2019 and increase the not-to-exceed by \$138,210 for a new total not-to-exceed amount \$384,648; e) execute an increase to the purchase order for AAA Mobile Solutions through April 30, 2019, increasing the purchase order by \$38,750, making the new total not-to-exceed amount \$142,973 and f) transfer \$376,992 from available Measure U fund balance (Fund 2401) to the Homeless Housing Initiative Program (I02000200).

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**Presenter:** Andrew Geurkink, Program Analyst, (916) 808-7816, Office of the City Manager

**Attachments:**

1-Description/Analysis

2-Resolution

3-Exhibit A - Volunteers of America Contract

4-Exhibit B - City of Trees Ventures, Inc. Fourth Sublease Amendment

5-Exhibit C - Downtown Streets, Inc. Contract

6-Exhibit D - United Site Services Second Contract Supplement  
**Description/Analysis**

**Issue Detail:** The crisis of unsheltered homelessness is one that impacts an entire community, both those experiencing homelessness and the broader community of housed residents, businesses, and neighborhoods. According to the most recent Sacramento County Homeless Deaths Report, death rates among the unsheltered homeless population are four times that of the general population. While these deaths are spread essentially evenly over the course of a year, people experiencing homelessness are especially vulnerable during the cold, wet winter months and the hot summer months. In response, on December 8, 2017, the City opened a Winter Triage Shelter at 2040 Railroad Drive (“Shelter”), which added 200 shelter beds accessible by referral through the Police Impact Team and City outreach partners in the City’s Pathways to Health + Home (“Pathways”) program. City Council previously authorized four extensions of the Shelter: first, for two months, from March 27 through May 31; second, for an additional three months, from May 24 through August 31; third, for three months, from August 28 through November 30; and, most recently, for the month of December 2018.

Over the first year of its operation, the Shelter has successfully served very vulnerable populations and connected people with services and housing. The Shelter has offered a unique opportunity to match the safety and security of a low-barrier shelter with the wraparound services offered through the City’s Pathways program. While the Shelter does not exclusively serve Pathways clients, nearly 250 of the shelter guests have been enrolled in Pathways since its opening, allowing access to enhanced care coordination and housing supportive services. The following table provides data on the Shelter’s clients thus far:

		Count	Percent
<b>Total Enrolled</b>		619	-
<b>Self-Reported Disabilities</b>	Disabling Condition (any)	534	86%
	Mental Health Illness	369	60%
	Substance Abuse	291	47%
<b>Age</b>			
	50 years +	304	49%
	60 years +	106	17%
	Youngest guest	18	-
	Oldest guest	90	-
<b>Length of Homelessness</b>			
	1+ year	376	61%
	4+ years	135	22%
	Average length	4 years	-

	Longest reported history	40 years	-
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As compared to other emergency shelters, the Shelter has generally served people with higher reported levels of disabilities, longer lengths of homelessness, and of more advanced age. Most notably, the Shelter has served a large proportion of people who have not accessed other emergency shelters in the Sacramento Continuum of Care (CoC); this is likely largely attributed to the low-barrier access and the ability to serve people with pets, partners and possessions.

Even with the very complex needs of the Shelter guests, 170 (or 36% of all exits) have exited to a non-homeless location, including permanent housing, transitional housing, returning to living with friends or family, or another shelter situation during eleven months of operation:

	Count	Percent
<b>Total Exits</b>	469	-
Exited to Permanent Housing (including subsidized and unsubsidized housing)	123	26%
Exited to transitional housing, another shelter opportunity, or living with friends or family	47	10%
Total positive exits	170	36%

While the City is working to identify locations and approaches for longer-term triage shelter(s), there is interest in continuing to operate a low-barrier shelter on Railroad Drive. The owner of the property has offered a six-month extension on the lease, with an option for an additional extension for up to 6 months (through January 15, 2020). In planning the extension, staff recommends reducing the total occupancy (through attrition) to no more than 100 guests. This recommendation is based primarily on a goal to provide the best services to a very vulnerable population. As shown in the data above, the guests at the Shelter are more vulnerable in terms of age, level of disability, and length of time homeless as compared to other shelter programs. VOA had already begun to “ramp down” in anticipation of a December 31, 2018 closing and, as of December 6, 2018, there were only 144 guests at the shelter, many of whom are amongst the most vulnerable.

The new service contract with VOA reflects not only this reduction in total number of guests, but also some changes in regards to delivery of services and coordination of care with other providers. In addition to allowing VOA and other partners to focus more on case management with a reduced number of guests, this reduction will allow for some physical changes to the shelter site. With 200 people and (at times) almost 100 pets, it is difficult to provide the room for people to engage in services, and, with winter weather, people are less inclined to use the outdoor space. In addition, with the level of disabilities the guests are experiencing, many cannot safely use the upper bunks, requiring the use of cots and additional crowding in the limited space. Reducing the occupancy to 100 guests will allow staff to re-design the interior space to better accommodate the needs of the guests and create purposeful spaces for case management and other services.

UC Davis Medical Center previously committed \$1.65 million to support City homeless shelter and housing initiatives, and \$433,356 was used for the December, 2018 extension. With the remaining \$1.2 million, there is sufficient funds to support four additional months of operations at 100 beds, inclusive of the lease, service contract, and mitigation through Downtown Streets, Inc. However, these funds cannot be used for facility improvements, which staff recommends to address some physical needs of the building and to support anticipated maintenance needs. These investments allow for the re-configuration of the site, extensive cleaning and pest control, costs for anticipated flooding during the winter, electrical upgrades and installation of air conditioning (by May 1, 2019).

In that there is only funding currently available for four months of operations, staff separated out those costs attributed to operations of the Shelter from January through April and those costs to extend the shelter operations through the term of the lease (May and June), as shown below. There is existing funding for the \$1,166,276 in operational costs from UC Davis; staff recommends an allocation of \$ 376,992 (includes cost identified as one-time costs, Facilities Staff (materials and labor), and Project Contingency) from the existing Measure U (Fund 2401) available fund balance to support the necessary improvements to the Shelter to allow operations for four months.

<b>2040 Railroad Continued Operations Cost Estimate</b>
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	One-Time Costs	Monthly Cost	Total
<b>Costs for January through April</b>			
Pest Management and Re	\$25,000	\$0	\$25,000
Extensive Interior Surface	\$25,000	\$0	\$25,000
Flooding Response <sup>1</sup>	\$35,000	\$0	\$35,000
Reduce Bed count to 100	\$50,000	\$0	\$50,000
Consolidate Bunk Area	\$50,000	\$0	\$50,000
Add 4 Cubicles for Service	\$6,000	\$0	\$6,000
Add 1 Cubicle for Medical	\$1,500	\$0	\$1,500
Facilities Staff (materials a	\$0	\$19,173	\$76,692
Extend Vendor Contracts	\$0	\$282,721	\$1,166,276
Soft Costs	\$57,750	\$0	\$57,750
<i>Subtotal for 4 months</i>	<i>\$250,250</i>	<i>\$301,894</i>	<i>\$1,493,218</i>
Project Contingency (20% of one time costs)			\$50,050
<b>Total Estimated Cost</b>			<b>\$1,543,268</b>

Available Eligible Funds from UC Davis	\$1,166,276
Needed General Funds	\$376,992

	One-Time Costs	Monthly Cost	Total
<b>Costs for May through June</b>			
Electrical Service Upgrade	\$50,000	\$0	\$50,000
Facilities Staff (materials and supplies)	\$0	\$19,173	\$38,346
Extend Vendor Contracts	\$0	\$285,080	\$694,377
Soft Costs	\$15,000	\$0	\$15,000
<i>Subtotal for 2 months</i>	<i>\$65,000</i>	<i>\$304,253</i>	<i>\$797,723</i>
Project Contingency (20%)			\$13,000
Total Estimated Cost			\$810,723

If the City wishes to continue operations past April, Council will need to take action and identify approximately \$694,377 in operations funding and \$116,346 in facility funding by March 1, 2019 so that staff can extend the service contracts. If additional funding is not identified, the City will need to give notice to the landlord no later than March 31, 2019, per the terms of the lease.

During the extended time of the Shelter’s operation, the City will continue to develop options for more permanent locations and operators for a low-barrier triage shelter.

**Policy Considerations:** The contracts for the Shelter require active coordination with the homeless CoC and participation in the community’s coordinated entry and assessment program as well as the City’s Pathways program. These programs align with the federal directive that funding for addressing homelessness follow a “Housing First” approach and be part of a larger strategy to lowering barriers to services. Housing First principles ensure that emergency shelter be provided with few to no barriers to access and focus on linking clients with permanent housing as quickly as possible. In Housing First programs, supportive services are offered (but not required as a condition of tenancy) in shelters and ongoing to help people keep their housing and avoid returning to homelessness. This evidence-based approach is consistent with the strategies and funding priorities of the other public agencies working to end homelessness in Sacramento.

**Economic Impacts:** None.

**Environmental Considerations:** The proposed actions to continue operation of the Shelter are exempt from environmental review under the California Environmental Quality Act (CEQA) Guidelines section 15301 for existing facilities.

**Sustainability:** Not applicable.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** The City Council has been engaged in identifying options for providing emergency triage services for people experiencing unsheltered homelessness. The Shelter

was an opportunity to try a new model of sheltering in partnership with other community initiatives, notably the City's Pathways program. Given the success of the Shelter program and the infusion of funding from Sutter Health, Dignity Health, UC Davis, Medical Center, and other community partners, City staff recommends continuing this Shelter program through April 30, 2019.

**Financial Considerations:** The new agreements with Volunteers of America and Downtown Streets, Inc. the lease agreement with City of Trees Venture, Inc., supplemental agreement with United Site Services, and additional City services will be funded from the Externally Funded Program Fund (Fund 2703) in the Homeless Housing Initiative (I02000200) for a total amount not-to-exceed \$1,166,276. With the transfer of \$376,992 from Measure U (Fund 2401) available fund balance, there will be sufficient funding in I02000200 to continue the Shelter program through April 30, 2019.

**Local Business Enterprise (LBE):** Not applicable.