



City of Stockton

Legislation Text

File #: 23-0179, **Version:** 1

ADOPT A MOTION AUTHORIZING THE CITY TO APPLY FOR A GRANT AWARD FOR A SHELTER PROGRAM SERVING HOMELESS INDIVIDUALS, AND IF AWARDED, ACCEPT AND APPROPRIATE GRANT AND ARPA FUNDING.

RECOMMENDATION

It is recommended that the City Council consider adopting a motion to:

1. Authorize the City Manager, or designee, to submit a \$6,500,000 application for a one-time capital grant through the County of San Joaquin (the "County") to support the creation of the Pathways shelter program for homeless individuals in partnership with St. Mary's Dining Room (the "Pathways Program");
2. Authorize the City Manager, or designee, to enter into, execute, and deliver all documents required or deemed necessary or appropriate with the County of San Joaquin and St. Mary's Dining Room;
3. Authorize the City Manager, or designee, to accept and appropriate grant revenues and expenditures;
4. Authorize the commitment of \$3,600,000 of American Rescue Plan Act funds, and, upon approval from the County, total County grant funds, to St. Mary's Dining Room for daily costs associated with creating and operating the Pathways Program; and
5. Authorize the City Manager, or designee, to take appropriate and necessary actions to carry out the purpose and intent of this motion, including executing agreements and other documents with the County and St. Mary's Dining Room.

Summary

In 2019, the City of Stockton declared a local homeless emergency, and in 2020 adopted a strategic plan, outlining the intended community response to homelessness. A key strategy is to increase the number of shelter beds and to strengthen the ability of shelter programs to successfully assist homeless individuals in finding a permanent home.

The general purpose of this recommendation is to authorize the City Manager to pursue funds and, if awarded, enter into agreements with St. Mary's Dining Room to transform the undeveloped lot across from St. Mary's Dining Room at South Lincoln and Sonora Streets into a homeless campus comprised of temporary emergency housing units with 24/7 on-site case management. Completion of the project will result in an increase in low-barrier shelter capacity by an anticipated 200-250 units, comprised of non-congregate temporary modular units with 24/7 on-site services and supports.

DISCUSSION

Background

California is experiencing a homelessness crisis and one-time state and federal funds continue to be made available for communities to address homelessness including federal American Rescue Plan Act (“ARPA”) funds.

On September 14, 2021, Council approved the City of Stockton’s ARPA funding distribution. This approval included \$11.25 million for the Homelessness/Housing category, under which \$3,600,000 was approved for the Low Barrier Shelter Beds subcategory.

Under the rules issued by the United States Department of Treasury, ARPA funds must be obligated by December 31, 2024, and expended by December 31, 2026.

On December 12, 2021, Council directed the City Manager to pursue capital grant funds from San Joaquin County for at least 125 low barrier shelter beds.

On March 8, 2022, the City’s Department of Economic Development (“EDD”) released a Notice of Request for Project Concepts and Funding Availability for Low Barrier Shelter Beds.

On April 18, 2022, four (4) submissions for the low barrier shelter project were received and reviewed, of which one was forwarded to Council for further consideration.

On June 14, 2022, Council directed the City Manager to pursue negotiations with the Salvation Army for purposes of developing an application for further funding. Despite concerted efforts on both sides, a suitable parcel was not obtained for the proposed low barrier shelter project, and a mutual decision was made to pursue the intent of the project through other avenues.

On November 1, 2022, Council rescinded the prior resolution and contingency appropriation of ARPA shelter funds and authorized the City Manager to take appropriate steps to fulfil the intention of the Council to expand and enhance low barrier sheltering services.

On November 16, 2022, EDD re-released the Notice of Funding Availability for Low Barrier Shelter Beds or Temporary Emergency Housing which was posted to the City’s web page and distributed through the Homeless Continuum of Care.

On January 19, 2023, five (5) new project submissions were received, of which three were deemed ineligible for further consideration due to the following technical factors:

- Proposal arrived after the submission deadline.
- Proposal described a project in an area with a non-compatible zoning designation.
- Proposal described a project without sufficient demonstration of site control.

Two proposals were reviewed and ranked with the following findings:

- Uplift Foundation proposed a project concept for 65 non-congregate shelter rooms through the conversion of an existing affordable housing complex, but the review team questioned the

tenant re-location plan, budget, and the strategic impact of converting units from permanent housing to shelter housing. Staff has committed to additional meetings to find a path to better utilize the existing affordable housing units.

- Likely maximum capacity: 120 people
 - Estimated cost per person per day: \$31.08
 - Reviewer score: 69
- St. Mary’s Dining Room proposed a project concept for 200-250 non-congregate temporary dwelling units and associated on-site services to be located on a parking lot adjacent to its other facilities, which provide meal and supportive services. The review team noted that this is an ambitious project and will result in most sheltering services concentrated in existing locations.
 - Likely maximum capacity: 300 people
 - Estimated cost per person per day: \$20.09
 - Reviewer score: 83

Present Situation

An estimated 800-900 individuals are sleeping outdoors, unsheltered on any given night in Stockton, based on current and historic Point-in-Time count results. There are a total of 554 homeless shelter beds in Stockton with an additional 180 units in development for the Stockton Shelter for the Homeless. If approved, these two new projects will almost double the shelter capacity over current levels.

Shelter Beds in Stockton	
Existing Shelter Beds (2022 Count)	554
Beds in the Pipeline (Stockton Shelter Expansion) <i>Previously approved</i>	180
Additional Expansion (St. Mary’s Dining Room) <i>Proposed project</i>	250
Total, if approved	984

Project Summary

If approved, a one-time capital grant will be sought from San Joaquin County for costs associated with improving the empty lot across from the St. Mary’s Dining Room at South Lincoln and Sonora Streets, sometimes referred to as the “parking lot” (herein, the “Site”); purchasing between 250-300 modular temporary housing units and associated shower/bathroom units; and installing all units on-site per building codes and applicable permits.

The Site is comprised of 14 parcels, all of which are owned by St. Mary’s Dining Room and designated for general commercial uses. Homeless shelters and / or temporary emergency shelters are an allowable use through a commission use permit. (Attachment A - Site Map,). Most surrounding parcels are zoned general industrial, and the proposed use is consistent with current uses in the neighborhood.

St. Mary’s Dining Room is creating a master facility plan for its property, that includes the creation of the Pathways Program: a residential temporary housing community operating under shelter

guidelines, that is comprised of between 200-250 modular temporary housing units. An estimated 90 units will be ADA accessible with attached bathrooms, and the remaining units will be designed for single individuals and couples. The plan further contemplates 45 recuperative care units in partnership with local health care partners. The campus envisions dedicated spaces for older adults and people with disabilities, women, people seeking sober neighbors, and other people requiring very low-barrier accommodations. All aspects of the design are intended to accommodate pets, partners, possessions, and privacy. Resident guests will have the capacity to stay on-site 24/7 and will receive meals, hygiene support services, and comprehensive case management through existing services of St. Mary's Dining Room, including through the attached health and dental clinics operated by Community Medical Centers.

St. Mary's Dining Room is working with Siegfried Engineering, a local construction firm familiar with public sector contracts, to develop a site plan and prepare a request for competitive construction bids for site prep as well as installation and construction of the modular units. The construction funding request is based on preliminary estimates from the engineering team following preliminary site review and analysis and will be used to inform the bid package.

Current funding partners in this endeavor include Health Plan of San Joaquin and HealthNet, which collectively have committed \$6,000,000 for the construction of the Pathways campus. Long term operational sustainability is anticipated through CalAIM reimbursable services and various grants / contracts to address the needs of homeless.

Budget Submission by Applicant:

	Other Secured Funds	City of Stockton Request	County of San Joaquin Request	Total to be Applied to the Project
Pathways Construction	\$ 8,313,104	0	\$ 6,500,000	\$ 14,813,104
Pathways Operations (3 years)	\$ 3,000,000	\$ 3,600,000	\$ 0	\$ 6,600,000
Total Project Cost	\$11,313,104	\$ 3,600,000	\$ 6,500,000	\$ 21,413,104

The City's commitment of \$3,600,000 would come from the Council-approved Low Barrier Shelter Beds ARPA category. Those funds have already been received by the City and are available for use.

The annual estimated cost of Pathways operations is \$2,200,000, and the three-year cost for operations is \$6,600,000. The program anticipates having 200-250 units with space for 300 individuals to be served daily. The majority of the operating costs are for the twenty-five (25) staff members hired to maintain 24/7 operations at the site.

Proposed Annual Operating Costs for the Pathways Project include:

Personnel: \$1,580,800

- 10 FTE staff members responsible for guest services and site safety
- 10 FTE case managers to develop and manage the housing first case plans

- 5 FTE service and maintenance staff, including kitchen assistants and staff for the shower, laundry, and clothing component of operations.
- 1 FTE project manager during project construction

Operations: \$419,200

- Personal hygiene and cleaning supplies
- Shelter / bedding
- Food / meal program
- Pet / recreation / social support supplies
- Utilities
- Maintenance

Program Overhead Indirect: \$200,000

- 10% of operating budget

The estimated annual cost to operate the proposed St. Mary's Dining Room shelter is \$20.09 per day per person for 300 guests. The per day/per person costs can be so low due to use of a property that is rent free and unencumbered.

FINANCIAL SUMMARY

There is no financial impact to the City's General Fund or any other unrestricted fund as a result of taking this action. If awarded, the County funding will be appropriated in the Special Grant Fund, Housing Division, EDD Administration program. These funds will be used in conjunction with ARPA funding allocated to the Low Barrier Shelter Beds project (EARP302) to support the creation and operation of the Pathways Program.

Attachment A - Site Map