



AGENDA REPORT

Community Development

DATE:	December 19, 2023
TO:	Mayor Martinez and Members of the City Council
FROM:	Lina Velasco, Director of Community Development Jesus M. Morales, Housing Manager
Subject:	Contract Amendment No. 3 with RCF Connects for Emergency Shelter Services
FINANCIAL IMPACT:	This contract amendment will be funded using City Council-approved ARPA funding allocated on December 5, 2023 (13654051-400201-AR243)
PREVIOUS COUNCIL ACTION:	December 20, 2022, September 25, 2023, and November 28, 2023
STATEMENT OF THE ISSUE:	The City and County are experiencing a shelter crisis, and the City needs to urgently add emergency shelter capacity to meet anticipated demand generated by enforcement of the City's camping ordinance and anticipated weather conditions. To achieve this, Community Development staff is seeking City Council authorization for the City Manager to negotiate and execute a contract amendment No. 3 with RCF Connects to subcontract with a service provider and to lease rooms at local motels and/or other appropriate housing providers for up to a six-month period, not to exceed \$700,000, for a total contract amount of \$2,961,717.

RECOMMENDED ACTION:	AUTHORIZE the City Manager to negotiate and execute a contract amendment no. 3, for up to \$700,000, with RCF Connects to provide emergency shelter services, including leasing motel rooms or other appropriate housing for emergency shelter purposes, until June 30, 2024, for a total contract amount not to exceed \$2,961,717 – Community Development Department (Lina Velasco/Jesus Morales 510-620-6706).
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DISCUSSION:

Background

During the City’s recent discussions with Contra Costa County Health, Housing, and Homeless Services (H3), it has been confirmed that there is a shortage of emergency shelters beds throughout Contra Costa County (County). Several other cities are coordinating with the County to address this critical issue.

The City has been actively involved in facilitating discussions and negotiations between the County and the Greater Richmond Interfaith Program (GRIP) to provide a warming center in West Contra Costa County. As a result, an agreement was reached with GRIP to provide 15 additional beds. However, these beds have already reached full capacity and have remained so for the last couple of months.

In order to align with the City Council's previous direction of providing extra support for the unhoused during the winter and to comply with the shelter bed requirements outlined in the City’s camping ordinance, it is necessary that additional temporary measures be taken to increase the availability of emergency housing.

While the County has expressed a willingness to collaborate with the City on long-term emergency housing options, they are currently unable to establish emergency support within the next 30 days. City staff also lack the ability to administer these emergency services without support by a service provider.

Emergency Shelter Needs

To address the shelter bed crisis, City staff is requesting City Council authorization for the City Manager to be granted the authority to negotiate and implement an appropriate contract amendment with RCF Connects to provide temporary emergency shelter and related services, which may include housing navigation, on-site management, coordination with Contra Costa County H3, and exit planning.

To ensure the success of this initiative, RCF Connects anticipates partnering with local housing providers who have expertise in this area and can effectively meet the urgent timeline requirements.

It is important to note the current state of the emergency shelter system within the County. As of November 2023, the County's emergency shelter system has been severely impacted, resulting in nearly all the available beds being filled. This situation has placed an extreme burden on our unhoused population and our public systems. Considering this, it is crucial for our City to adhere to the legal precedent set by *Martin vs. Boise* and *Johnson vs. City of Grants Pass*, which mandates that cities provide emergency shelter before enforcing any camping ordinances.

Amendment No. 3 with RCF Connects will provide funds to address the need for short-term emergency shelter during the winter season and provide housing navigation and case management support services to clients being provided shelter services.

City staff is seeking to utilize the ARPA rental assistance funds approved by City Council on December 5, 2023, to assist 20-30 unhoused clients with short-term motel rooms, housing navigation, and case management services for up to 3-6 months or less based on when the County can provide the housing navigation and case management services at a later date.

City staff has been negotiating with a local motel that is willing to provide between 20 and 30 rooms for emergency short-term rental, for three to six months. The rent for 20 rooms for three months or 90 days is estimated to be between \$190,000 and \$235,000. The rent for 20 rooms for six months or 180 days is estimated to be between \$335,000 and \$468,000.

In addition to the rent for the rooms, there will be operating expenses including having on-site staff providing the housing navigation, case management services, and shelter staff on a 24-hour basis. Depending on the level of services to be provided, these expenses are anticipated to be between \$50,000-\$75,000 per month. The estimated costs for three months of operating expenses and services would range between \$150,000 and \$275,000. The estimated cost for six months of operating expenses and services would range between \$300,000 at \$450,000. City staff is also working with the County in seeking financial assistance to pay for these operating expenses.

City staff recommends approving contract Amendment No. 3 with RCF Connects to assist the City in renting a motel and/or other similar short-term housing to provide emergency shelter for the unhoused for up to six months and provide housing navigation and case management services for up to \$700,000, for a term through June 30, 2024, for a total contract amount not to exceed \$2,961,717, to be funded using the ARPA funds. City staff will ensure that the proposed projects are done in accordance with all United States Treasury ARPA-related regulations.

DOCUMENTS ATTACHED:

Attachment 1 – Original Contract and Amendment No. 1 and 2