

Agenda Report

December 4, 2023

TO: Honorable Mayor and City Council

FROM: Housing Department

SUBJECT: AUTHORIZATION TO ENTER INTO CONTRACTS RELATED TO THE PROVISION OF A CONGREGATE WINTER SHELTER WITH: 1) FRIENDS IN DEED FOR OPERATING SUPPORT WITH FIRST-YEAR CITY FUNDING IN AN AMOUNT NOT TO EXCEED \$380,000, AND 2) TRINITY LUTHERAN CHURCH FOR CAPITAL IMPROVEMENTS SUPPORT; AMENDMENT TO THE HOUSING DEPARTMENT'S FISCAL YEAR 2024 OPERATING BUDGET IN THE AMOUNT OF \$275,000

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Friends In Deed:
 - a. Find that the recommended actions are exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines per Section 15061 (b)(3), the "common sense" exemption that CEQA only applies to projects that may have an effect on the environment;
 - b. Authorize the City Manager to enter into a contract with The FID Group dba Friends In Deed, as the result of a competitive selection process as specified by Section 4.08.047 of the Pasadena Municipal Code to provide weather-activated motel vouchers and operate a congregate winter shelter, for a contract term of five (5) years with a total contract amount not-to-exceed \$1,900,000 consisting of \$380,000 from the Housing Department's Fiscal Year 2024 Operating Budget plus funding for the balance of the contract term which shall be subject to City budget appropriations. Competitive price bidding is not required pursuant to City Charter Section 1002(F) contracts for professional or unique services; and
 - c. Authorize the City Manager to approve no-cost amendments to the contract with Friends In Deed which extend the term with no impact to the total not-to-exceed amount.

- 2) Trinity Lutheran Church
 - a. Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines per Section 15301 (existing facilities);
 - b. Authorize the City Manager to enter into a contract with Trinity Evangelical Lutheran Church in an amount not-to-exceed \$275,000 with contract terms ending December 31, 2024 to provide necessary capital improvements to support the operation of a congregate winter shelter;
 - c. To the extent the Contract authorized under Recommendation 2b. could be considered a separate procurement subject to the Competitive Selection Process, grant the contracts an exemption pursuant to Pasadena Municipal Code (PMC) Section 4.08.049(B), contracts for which the City's best interests are served. Competitive price bidding is not required pursuant to City Charter Section 1002(F) contracts for professional or unique services; and
 - d. Amend the Housing Department's Fiscal Year (FY) 2024 Operating Budget by appropriating \$275,000 for the capital improvement contract with Trinity Lutheran Church.

BACKGROUND:

Prior to the COVID-19 pandemic, Pasadena's seasonal winter shelter (the Bad Weather Shelter) was operated by Friends In Deed for over 30 years out of a local church gym. After over three decades, Friends In Deed lost its long-time lease of a church gym in March 2020. During the pandemic, non-congregate shelter, primarily motel-based shelter was recommended as the preferred shelter model by the U.S. Department of Housing and Urban Development (HUD) and the Centers for Disease Control and Prevention (CDC) to mitigate the spread of infectious disease. Since December 2020, the City has funded weather-activated motel vouchers for the purpose of hypothermia prevention among persons experiencing homelessness in the absence of a congregate winter shelter. Although the Department does not directly administer motel vouchers, the City contracts with nonprofit agencies, such as Friends In Deed, and has transferred funding to the Public Health Department to serve people experiencing unsheltered homelessness during inclement weather. For the last three years, weather-activated motel vouchers have typically been available between December through April when the overnight temperature is predicted to fall below 40 degrees, there is more than a 40% chance of rain, or winds are predicted to exceed 40 miles per hour. Presently, staff are considering switching to county standards for activation during rain events based on forecasts from the National Weather Service.

Friends In Deed and City staff conducted extensive outreach to locate an alternative location for a congregate winter shelter for the last three years. Many sites were considered, including City-owned properties and privately owned properties, but none

met the site requirements. To expand the search further, City staff issued a Request for Information (RFI) via OpenGov, the City's e-procurement system, in July 2022 to gather information from property owners, landlords, non-profit and community-based organizations, including faith-based organizations, who would be interested in renting out their large site(s) to be used as a winter shelter and no responses were received. City staff issued a second RFI in March 2023 and received two responses from local churches. In addition to posting the RFI on OpenGov, targeted outreach was conducted to over 30 local stakeholders, including the Pasadena Continuum of Care membership, homeless service providers and advocates, faith-based organizations, PUSD, PCC, district liaisons, Pasadena Now, and Pasadena Star News.

In July 2023, the Department released a Request for Proposals (RFP) that was open to non-profit organizations and homeless service providers that are experienced in providing congregate emergency shelter services to people experiencing homelessness with the primary objective of selecting a program operator that would be responsible for administering a low-barrier congregate winter shelter program. Friends In Deed was the only entity to submit a proposal.

Trinity Lutheran Church Contract

Upon receipt of the two responses to the City's most recent winter shelter site RFI, staff conducted an analysis of various features, including bed capacity, site availability, opportunity for multi-year use, location, rent, available space, required capital improvements, zoning and surrounding uses, as well as proximity to homeless services and public transportation. After review of the available information, staff concluded Trinity Lutheran Church was the most conducive site to host the shelter during the 2023-2024 winter season and beyond. Two community meetings were held in the church gym where the shelter would be located on September 12 and September 21, 2023 to engage surrounding residents and businesses about the proposed use of the property and hear concerns. Staff also met with the Playhouse Village Safety committee as a key stakeholder in the area. Following these meetings, staff coordinated with the church, Fire Department, Planning and Community Development Department and Public Health Department to identify necessary building improvements and requirements that need to be addressed before the shelter can open. Based on quotes gathered and provided by the church, it is estimated that collectively the capital improvements will not exceed \$275,000.

On August 16, 2021, City Council approved an appropriation of \$400,000 for the 2322 Foothill TAY bridge housing project. On March 13, 2023, staff returned to City Council to amend and increase the Housing funding assistance for this project, which resulted in swapping out the \$400,000 in General Fund and replacing that source with HOME funds. Staff is recommending re-appropriating \$275,000 of the \$400,000 in unused General Fund, previously appropriated towards the 2322 Foothill TAY bridge housing project, for the capital improvements costs at Trinity Lutheran Church.

Staff recommend approving the execution of a contract with Trinity Lutheran Church in an amount not-to-exceed \$275,000 to provide necessary capital improvements to serve

as the host site and support the operation of a congregate winter shelter. The contract will include a forgivable loan with a ten-year term, meaning what 10% is forgiven per year if the site continues to be used for the winter shelter, and if the property is sold during this time or the winter shelter ceases due to convenience, the remaining balance of the loan will be due and payable. Upon contract execution, the church will begin hiring vendors to complete the immediate work required for the shelter to begin operating, with the larger capital improvements taking place after the first season ends. Staff anticipate the congregate shelter will open in mid-January, but no later than February 1, 2024, and will run through the end of April 2024.

Friends In Deed Contract

As previously noted, Friends In Deed was the only entity to submit a proposal in response to the Winter Shelter Operator RFP issued in July 2023. The proposal was evaluated by two Housing Department staff and received an average score of 86 points out of a maximum 100 points. Given Friends In Deed's longstanding history as the Bad Weather Shelter provider for over 30 years, staff recommend entering into a contract with Friends In Deed, as the result of a competitive selection process, in an amount not-to-exceed \$380,000 for 12 months from the contract's effective date to operate the congregate winter shelter. This contract will be funded with City General Funds that were previously approved by City Council on June 5, 2023. This contract may be renewed for a maximum term of five years with total City funding in an amount not to exceed \$1.9M subject to City budget appropriations.

Taking into account the minor building improvements required at the church prior to opening the shelter, staff is proposing a hybrid cold weather response for the 2023-2024 season. The Department plans to supplement the capacity of a congregate shelter with weather-activated motel vouchers, which would primarily serve Friends In Deed's existing clients and a limited number of clients enrolled in Pasadena street outreach programs, depending on Friends In Deed's capacity and bed availability, in December 2023 and January 2024 prior to the opening of the congregate shelter. The Department will also bring forward a separate recommendation to authorize a budget transfer to the Public Health Department to provide additional weather-activated motel vouchers in order to increase the City's capacity to ensure timely access to emergency shelter resources to a larger subset of clients, in addition to the people served through Friends In Deed. Motel vouchers will continue to be utilized on a limited basis after the shelter opens to serve families with children and other special populations higher barriers to congregate shelter.

ENVIRONMENTAL ANALYSIS:

The actions proposed with regard to Friends in Deed are exempt from the California Environmental Quality Act ("CEQA"), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "common sense" exemption of CEQA which applies to projects which may have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a

significant effect on the environment, the activity is not subject to CEQA. The approval of a contract to fund the operation of a congregate winter shelter will not have a significant effect on the environment and, hence, is not subject to CEQA. The action proposed with regard to Trinity Lutheran Church is exempt from CEQA, pursuant to State CEQA Guidelines Section 15301 (existing facilities), which exempts from further environmental review the repair, maintenance and minor alteration of existing facilities where there is negligible or no expansion of the use, as is the case herein.

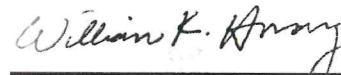
COUNCIL POLICY CONSIDERATION:

Approval of the recommended actions will provide access to weather-activated motel vouchers and congregate emergency shelter services to people experiencing unsheltered homelessness in Pasadena during the months of the year with the highest incidences of inclement weather. These actions are consistent with the City Council's goal to support and promote the quality of life and local economy. The proposed actions are in accordance with the Pasadena Continuum of Care system, General Plan Housing Element, Five-Year Consolidated Plan, and Five-Year Public Housing Authority Plan.

FISCAL IMPACT:


Approval of the recommended actions will increase the Housing Department's FY 2024 Operating Budget by an amount not to exceed \$275,000 in the Supportive Housing Division General Fund (10116048-817200) for the capital improvement contract with Trinity Lutheran Church. Funding for the Friends In Deed contract of \$380,000 will be addressed by the utilization of the existing budgeted appropriations in the Housing Department's FY 2024 Operating Budget.

Respectfully submitted,



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Approved by:



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