



MEMORANDUM

TO: City Council

FROM: Bill Robeson, Interim City Manager
Nicole Valentine, Administrative Services Director

SUBJECT: Consideration of a Homeless Service Grant Agreement with 5Cities Homeless Coalition

DATE: September 26, 2023

SUMMARY OF ACTION:

Approval of a Grant Agreement (Attachment 1) with 5Cities Homeless Coalition (5CHC) to provide Homeless Winter Shelter Support.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

Funding in the amount of \$300,000 was allocated towards Homeless Shelter support from American Rescue Plan Act (ARPA) funds received by the City. \$100,000 of the ARPA funds is included in this agreement with 5CHC to provide Winter Shelter support. Staff is working with 5CHC to identify appropriate programs and services for the remaining \$200,000. As these are confirmed, separate agreements will be brought to the Council for consideration.

RECOMMENDATION:

1) Review the proposal from 5CHC and authorize the Interim City Manager to execute a Grant Agreement between the City and 5CHC for Winter Shelter Support in the City subject to any, minor, technical, or non-substantive changes as approved by the Interim City Manager and City Attorney that effectuates City Council's intent; 2) Make findings that approval of an agreement and expenditure of funds is not a project subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.)

BACKGROUND:

In 2021, the City was allocated \$4,300,241 in ARPA funding from the federal government. To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, ARPA established the Coronavirus State and Local Recovery Fund, designed to deliver \$350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and recover from the

Item 9.b.

City Council

Consideration of a Homeless Service Grant Agreement with 5Cities Homeless Coalition

September 26, 2023

Page 2

economic impacts caused by the public health crisis. The United States Treasury has issued rules detailing how ARPA funds may be used. One such use includes affordable housing programs provided to households, businesses, or populations disproportionately impacted by the COVID-19 public health emergency. Additionally, ARPA funds may be provided to nonprofit organizations to address impacts associated with the pandemic.

5CHC is a non-profit organization focused on providing service to families and individuals by providing the resources, support, and hope needed to become self-sufficient, productive community members. The organization submitted a request for a portion of the City's available ARPA funding to support the Winter Shelter program. At its meeting on October 12, 2021, the City Council allocated \$300,000 of the City's ARPA funding to Homeless Shelter support. Following this action, City staff worked with 5CHC to review a refined proposal that would utilize \$100,000 from ARPA funding to increase support for the Homeless population within Arroyo Grande.

The Winter Shelter program provides safe emergency shelter during weather events such as rain and/or cold temperatures, meals, and case management services. Traditionally 5CHC has activated the warming center with predictions of temperatures below 38°F, or with rain forecast at 50% or greater. The primary goal of the program and warming center is to keep people from falling ill or dying due to exposure to sometimes harsh seasonal elements. Since 2015, 5CHC has operated a seasonal warming center during inclement weather. This center has been limited to a 4-5 month operating period due to the limited availability of space in the community. From mid November 2022 to March 31, 2023, the warming center opened on 58 nights, but only remained open on 4 days during extreme flooding. 118 unique individuals (84 Male and 34 Female) took advantage of the center during the courses of the winter, with 87 of them reporting being first-time guests not having utilized the shelter in prior years. 35% of the guests were aged 50 and older.

ANALYSIS OF ISSUES:

Permanent Location and Operation for Inclement Weather Shelter/Winter Shelter

A new location has been identified, and the proposed ARPA funding allocation will assist 5CHC to enter into a long-term lease for a year-around facility that will both serve as an inclement weather shelter, which will administer the Winter Shelter program, and also enable the Coalition to potentially expand services with a new recuperative care program. 5CHC plan includes providing 60 nights of shelter operation over the course of the entire winter and does not require 5CHC to vacate the facility by March 30th (as has been the limitation of prior locations). 5CHC also intends to expand its shelter services to remain open during the day, when needed, depending on the weather.

Item 9.b.

City Council
Consideration of a Homeless Service Grant Agreement with 5Cities Homeless Coalition
September 26, 2023
Page 3

5CHC is requesting \$100,000 for 3 fiscal years as shown in the table below:

Fiscal Year	ARPA Allocation
FY 2023-24	34,000
FY 2024-25	33,000
FY 2025-26	33,000
	100,000

The full proposal including draft budget can be found in Attachment 2. The budget reflects that the warming center estimated cost to operate for 60 nights per season far exceed the funding requested from the City.

The City will continue to work with 5CHC to identify options to allocate the remaining \$200,000 in ARPA funds.

ALTERNATIVES:

The following alternatives are provided for the Council’s consideration:

1. Approve and authorize the Interim City Manager to execute a Grant Agreement between the City and 5CHC for \$100,000 towards the Winter Shelter program subject to any, minor, technical, or non-substantive changes as approved by the Interim City Manager and City Attorney that effectuates City Council’s intent;
2. Modify and approve the Grant Agreement and authorize its execution;
3. Do not approve the Grant Agreement, which will delay and/or not provide funding to the Winter Shelter program and another eligible use will need to be identified;
or
4. Provide other direction to staff.

ADVANTAGES:

The \$100,000 allocation to 5CHC from ARPA Funding will help ensure that the City spends the ARPA allocation before the allotted timeframe to expend those funds under Federal regulations expires on December 31, 2026.

DISADVANTAGES:

No disadvantages have been identified.

ENVIRONMENTAL REVIEW:

The proposed agreement and expenditure of funds is not a project subject to the California Environmental Quality Act (“CEQA”) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.)

City Council

Consideration of a Homeless Service Grant Agreement with 5Cities Homeless Coalition

September 26, 2023

Page 4

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachments:

1. Proposed Grant Agreement
2. 5CHC Winter Shelter Proposal