



City Council Memorandum

City of Arts & Innovation

TO: CITY COUNCIL **DATE: APRIL 21, 2020**

FROM: OFFICE OF THE MAYOR, MAYOR RUSTY BAILEY **WARDS: ALL**

SUBJECT: ACCEPTANCE OF \$72,543.83 IN TOTAL DONATIONS TO REIMBURSE THE CITY FOR THE PURCHASE OF THE 20 EMERGENCY SLEEPING CABINS AND USE OF 2019-2020 HOMELESS HOUSING, ASSISTANCE AND PREVENTION FUNDING TO REFUND THE REMAINING PURCHASE BALANCE OF \$68,469.46 FOR 20 EMERGENCY SLEEPING CABINS, AND AUTHORIZE A \$58,930.00 SUPPLEMENTAL APPROPRIATION TO PURCHASE THE 10 SLEEPING CABINS ON LOAN.

ISSUE:

Acceptance of \$72,543.83 in total donations to reimburse the City for the purchase of the 20 emergency sleeping cabins, use of 2019-2020 Homeless Housing, Assistance and Funding to refund the remaining balance of \$68,469.46 and authorize a supplemental appropriation in the amount of \$72,543.83 to purchase the remaining 10 emergency sleeping cabins on loan to the city.

RECOMMENDATIONS:

That the City Council:

1. Accept monetary donations in the amount of \$72,543.83 and any future private donations to reimburse the City for the purchase of 20 emergency sleeping cabins.
2. Authorize an increase in revenue in the amount of \$72,543.83 to the Pallet Shelter Fund account and appropriate expenditures in the same amount to an expenditure account.
3. Authorize the use of 2019-2020 Homeless Housing, Assistance and Prevention Program funding to refund the remaining emergency sleeping cabins cost of \$68,469.46 for 20 emergency sleeping cabins purchased with Measure Z funding.
4. Authorize the use of Homeless Housing, Assistance and Prevention Program funding to purchase the 10 emergency sleeping cabins on loan in an amount not to exceed \$58,930.00.

BACKGROUND:

On December 17, 2019, the City Council approved emergency sleeping cabins, along with several other options, to quickly expand shelter for our neighbors without homes and voted to remove barriers inhibiting the movement of people out of harsh climate conditions and safely into shelter.

In doing so, the City Council:

1. Adopted a resolution declaring the establishment of emergency housing at public facilities to be of urgent necessity for the preservation of life, health, and property, pursuant to Section 1109 of the City Charter, and therefore amending Resolution No. 23387 to expand the definition of “Designated Public Facilities”;
2. Approved temporary housing Option A-2 for the purchase of 20 Pallet homes;
3. Approved temporary housing and Option C to purchase additional beds at the Emergency Shelter located at 2840 Hulen Place in the amount of \$324,000;
4. Approved Option D to augment funding for the Tenant Based Rental Assistance Program in the amount of \$740,000 to provide for a more permanent solution and voted to allow staff to do countywide placements;
5. Appropriated \$1,064,000 from unallocated Measure Z fund balance, provided the funds could be reimbursed by the Homeless Housing, Assistance and Prevention Program;
6. Directed staff to continue with a regional approach for homeless solutions; and
7. Waived competitive procurement requirements.

During the City Council meeting, the Office of the Mayor committed to raising private funds to offset the cost to purchase emergency sleeping cabins.

On January 21, 2020, the City Council determined that the minimum 70 square feet recommended floor area for single occupancy emergency sleeping cabins and minimum 120 square feet recommended floor area for double occupancy emergency sleeping cabins significantly delayed the city’s ability to move people out of harsh climates and safely into shelter in an accelerated timeline and was counterproductive to the City Council’s intent in declaring a shelter crisis.

In doing so, the City Council directed staff to:

1. Prepare an ordinance to amend Section 16.34.040 of the Riverside Municipal Code to decrease the minimum number of square feet of interior space for single and double occupancy emergency sleeping cabins to 64 square feet;
2. Prepare a resolution directing the Planning Division and Code Enforcement Department not to pursue any violation complaints related to the placement or occupancy of emergency sleeping cabins on designated public property until the Riverside Municipal Code, Section 16.34.040 is amended;
3. Submit a copy of an updated ordinance to the California Buildings Standards Commission (BSC); and
4. Approved an accelerated timeline to deploy emergency sleeping cabins to be operational by January 31, 2020, if possible, or shortly thereafter.

DISCUSSION:

On January 21, 2020, when City Council authorized the purchase of 20 units of emergency sleeping cabins Pallet agreed to loan the city 10 additional sleeping cabins at no charge, with the stipulation they would be returned “after the winter months have ended”, later to be defined via email as in May 2020. City Staff designed and built the cabin community to accommodate 30 emergency sleeping cabins (operated by City Net). The site became operational later than expected, with the first residents moving into cabins on March 16, 2020. With May quickly approaching, it’s time to determine if the city wants to retain the 10 cabins or return them to the vendor.

Since the January 21, 2020 vote, COVID-19 has rapidly spread across the nation and world. Both the federal government and the State of California have directed cities to move away from congregant sleeping shelters and instead move vulnerable populations into single sleeping units to allow for maximum protection from exposure to the virus. In response to the COVID-19 pandemic, and to protect the health and safety of people experiencing homelessness, Governor Gavin Newsom signed Senate Bill 89 on March 17, 2020, allocating funding to protect the states homeless population during the COVID-19 crisis. This funding will be allocated using the same methodology used to distribute 2019-2020 Housing Assistance and Prevention Program Funding, with the City of Riverside being allocated an additional \$1,135,237.64 direct allocation, as the result of Mayor Bailey’s successful efforts to secure a place in the Big City Mayors group. The city will be required to submit an annual report on July 1, 2020 and January 1, 2021 on the funds expended and any additional information that may be requested by the state.

On March 30, 2020, the City was notified that it had been awarded a direct allocation (As part of our participation in the Big City Mayors group) in the amount of \$6,902,244.82 in 2019-2020 Homeless Housing, Assistance and Prevention (HHAP) funding to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges,

Considering this recent change in direction from congregant to non-congregant shelter, and considering the winter months ending, returning the 10 cabin shelters will be counterproductive to the city’s and state’s efforts to address homelessness. Additionally, the prospect of moving residents out of emergency sleeping cabins during a pandemic poses sizable health and public relations risks. The additional purchase of these 10 emergencies sleeping cabins will sustain the city’s directive to utilize emergency sleeping cabins to address homelessness in Riverside, while meeting new federal and state directives.

Consistent with his prior commitment, Mayor Bailey and his team have actively worked to secure additional resources to offset the cost of purchasing the emergency sleeping cabins. While financial commitments have been received and collections continue, there have been a few instances where unexpected changes in revenue, as a result of COVID-19, have rightfully resulted in changes to pledges (noted with * in the donation chart below). While collections continue, we anticipate that the new financial realities that many of our faith-based organizations and businesses are facing, will inhibit further fundraising and collection efforts. The Riverside Ending Homelessness Fund (REHF) is serving as the financial receiver for most of the funds accepted, with deposits received to date totaling \$62,500.00. Once the revenue and expenditure accounts have been set-up the REHF will wire transfer \$62,500.00 to the City. The remainder of the funds, totaling \$10,043.83 will be deposited into a revenue account set up by the Finance Department.

The following chart outlines the funding pledged and received to date.

Source	Pledged	Expected	Amount Received
Immanuel Lutheran Church	\$35,000.00	\$35,000.00	\$35,000.00
KSGN Radio Station	\$20,000.00	\$20,000.00	\$20,000.00
Private Donor*	\$32,000.00	\$32,000.00	\$6,500.00
Harvest Church	\$5,043.83	\$5,043.83	\$5,043.83
The Grove Community Church	\$4,500.00	\$4,500.00	\$4,500.00
Private Donor	\$1,000.00	\$1,000.00	\$1,000.00
All Saints Episcopal Church	\$500.00	\$500.00	\$500.00
Tilden Coil	\$5,000.00	\$5,000.00	\$0
Easter Sunrise Service*	\$2,000.00	No	\$0
Calvary Presbyterian Church	TBD	No	\$0
TOTAL	\$105,043.83	\$103,043.83	\$72,543.83

The private donations secured by the Office of the Mayor from faith and private donors amounts to \$72,543.83.

It is recommended that the private donations received should be used to offset the \$141,013.29 spent from Measure Z funds to procure 20 emergency sleeping cabins. It is further recommended that the remaining balance of \$68,469.46 for the 20 emergency sleeping cabins be reimbursed from the 2019-2020 HHAP funding. In addition, it is recommended that the City Council vote to purchase the remaining 10 emergency sleeping cabins currently deployed on the city owned parking lot at the Hulen campus, in the amount of \$58,930.00, using 2019-2020 HHAP funding. Purchasing these shelters will be consistent with direction received by the Federal and State Governments in response to the COVID-19 crisis.

FISCAL IMPACT:

Staff is requesting the \$72,543.83 received in private and faith donations be used to refund the Measure Z Account No. 8004101-421000 that was used to purchase the emergency sleeping cabins. The expenditures would be moved to the Pallet Shelter Account No. 9915600-462000.

There is \$127,399.46 available in HHAP grant funding to pay for the \$68,469.46 remaining balance for the acquisition of the 20 emergency shelter pallets and \$58,930 to acquire the 10 emergency shelter pallets on loan. At the time this staff report was written, the Finance Department was in the process of setting up the HHAP project accounts.

Prepared by Edward Coronado, Policy and Program Coordinator



Handwritten signature of William R. Bailey, III, written in black ink. The signature is stylized and cursive, with a horizontal line drawn across it.

Mayor William R. Bailey, III