



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 26

Agenda Date: October 19, 2023

In Control: City Council A Session

DEPARTMENT: Department of Human Services

DEPARTMENT HEAD: Melody Woosley

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Lease and Operating Agreements for Low-Barrier Shelter

SUMMARY:

This ordinance authorizes the City Manager or his designee to enter into a lease agreement with P. Host San Antonio for 318 W. Cesar Chavez Blvd. for the purpose of operating a low-barrier, non-congregate shelter in an amount not to exceed \$8,808,916.00 for the term November 1, 2023 to October 31, 2025, with options to renew for two, one-year terms. This ordinance also authorizes the City Manager or his designee to enter into an agreement with San Antonio Metropolitan Ministries, Inc. (SAMMinistries) to operate the low-barrier, non-congregate shelter in an amount not to exceed \$7,134,448.00 for a two-year term October 1, 2023 to September 30, 2025.

BACKGROUND INFORMATION:

Since July 2021, the City has funded SAMMinistries to operate a low-barrier, non-congregate shelter for chronic unsheltered people with significant barriers to housing who often struggle in communal environments. The operation of a motel at 902 E. Houston St. includes 45 individual rooms, with 24/7 staffing, on-site case management to homeless clients, and mental health counseling to address clients' trauma. The operation has maintained full capacity, with a waiting list since its opening over two years ago. Serving high-needs clients, the shelter and its services

have seen over 36% success rate in placements to housing and treatment, with an average length of stay of 100 days.

Because of the shelter's value to the homeless response system, and to serve as an interim step for homeless clients transitioning from the street into permanent housing, the City's FY 2024 Adopted Budget includes \$15.9 million in American Rescue Plan Act (ARPA) funding over two years to lease additional hotel room space and expand the low-barrier shelter operation to serve more clients.

ISSUE:

This ordinance authorizes both a lease agreement for the shelter facility and an operating agreement for shelter services and daily operations. First, this ordinance authorizes execution of a lease agreement with P. Host San Antonio for the entire property located at 318 W. Cesar Chavez Blvd. The 313-room location has previously been used as an emergency COVID-19 protective shelter primarily for people experiencing chronic and unsheltered homelessness. This location will allow SAMMinistries' low-barrier, non-congregate shelter operation to expand. The lease rate is \$38.50 per room, per day and includes all equipment, fixtures, and facilities. Second, this ordinance authorizes an operating agreement with SAMMinistries to provide 24/7 staffing, basic housekeeping and maintenance, on-site case management to homeless clients, and mental health counseling to address clients' trauma.

If approved by City Council, the Department of Human Services (DHS) will work with SAMMinistries to transition the shelter operation from the existing hotel property, ensuring uninterrupted services. Further, DHS will work with SAMMinistries, the South Alamo Regional Alliance for the Homeless (SARAH), and street outreach and housing providers to ensure that the new location will be integrated into the homeless response system, prioritizing the most vulnerable clients off the streets, and ensuring a pipeline to permanent housing placement.

ALTERNATIVES:

If this ordinance is not approved, the City would continue to lease the existing, smaller facility or identify an alternative shelter facility, delaying expansion of shelter services. The existing operating agreement with SAMMinistries would expire and they would be unable to continue operating low-barrier, non-congregate shelter services.

FISCAL IMPACT:

This ordinance authorizes a lease agreement for a total value of up to \$8,808,916.00 from November 1, 2023 to October 31, 2025 and an operating agreement for a total value of up to \$7,134,448.00 over a two-year term from October 1, 2023 to September 30, 2025. Funding is available from the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF). Funding for future years is subject to the availability of grant funds.

RECOMMENDATION:

Staff recommends approval of this ordinance.