



Low-Barrier Shelter Beds Recommendation

Stockton City Council

June 14, 2022

Agenda Item 15.6

Timeline and Process

September 2021

- Council approved American Rescue Plan Act (ARPA) funding distribution
 - \$12.15 million for Homelessness/Housing
 - \$3.6 was approved for Low Barrier Shelter Beds

December 2021

- Council directed the City Manager to pursue \$6.5 million of capital grant funds from San Joaquin County

January 2022

- Rane Community Development was contracted to assist with ARPA Homelessness Projects

March 2022

- A Notice of Request for Project Concepts and Funding Availability for Low Barrier Shelter Beds was issued.

Timeline and Process

April 2022

- Four submissions were received and reviewed
- Two were deemed incomplete
- A panel of four individuals reviewed and scored the proposals
 - (1) current county Health Care Services Agency employee
 - (1) current Continuum of Care board member
 - (1) retired SJ County Behavioral Health Services' Executive Team member
 - (1) City's consultant to the Economic Development Department
- Interviews were conducted with Gospel Center Rescue Mission and Salvation Army

May 2022

- Additional information was requested from Salvation Army regarding site control and operational budget

Present Situation



800-900

Individuals are sleeping outdoors



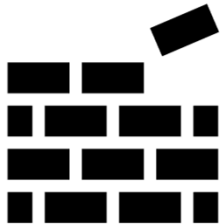
554

Homeless shelter beds in Stockton



61%

Average occupancy rate



180

Beds under construction

Survey Results

- ✓ **Safety**
- ✓ **Welcoming**
- ✓ **Pets**
- ✓ **Partners**

Salvation Army Proposal



- One-time capital grant will be sought from San Joaquin County
- Property location: 1188 S. Airport Way, Stockton CA 95205
 - Zoned light / limited industrial (IL).
 - Permitted use, per Stockton municipal code.
 - GBM Realty, LLC -- June Chen -- Managing Partner
 - 10-year lease with an optional five-year renewal.
 - Large-paved area, a warehouse, and several smaller buildings for storage.
- Development Team
 - RPM Team (a construction management team) and G&G Builders (LGC) licensed general contractor.

Capital Budget

| Estimated Costs | Amount |
|--|--------------------|
| 10-year lease (Paid up front) - 120 months at \$19,000/mo. | \$ 2,280,000 |
| Construction and Renovations | \$ 4,951,785 |
| Additional Costs (11%) (permitting, fees, design, demolition, abatement, landscaping, insurance, and overhead) | \$ 884,844 |
| Total | \$8,116,629 |

Operational Budget

| Estimated Expenses | Annual Cost |
|---|--------------|
| Salaries and Benefits | \$ 1,624,275 |
| Supplies, Utilities, Trainings, Food, Hygiene, etc. | \$ 635,475 |
| Administrative Overhead | \$ 225,975 |
| Total | \$ 2,485,725 |

Recommendations

1. Authorize the City Manager to submit a request for, and accept, a one-time capital grant through the County of San Joaquin in the amount of \$8,116,629 to support the creation of a low-barrier shelter program for homeless individuals;
2. Authorize an additional request to the County of San Joaquin of \$1,371,450 to support the gap in operational funding for the first two years of operation;
3. Upon approval from the County, authorize the appropriation of \$3,600,000 of American Rescue Plan Act funds, and total County grant funds, to the Salvation Army of Stockton for daily costs associated with operating a 125-bed shelter and capital project needs; and,
4. Authorize the City Manager, or designee, to take appropriate and necessary actions to carry out the purpose and intent of this resolution.