



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
April 5, 2022

TOPIC: Third Amendment to Operating Agreement with Salvation Army

AGENDA TITLE:

Approve a third amendment to Salvation Army agreement to extend the operation of a temporary shelter at the Hospitality House (Non-General Fund)

RECOMMENDED ACTION

Authorize the City Manager to execute:

1. A third amendment to the agreement with Salvation Army for the operation of a temporary shelter at the Hospitality House, extending the term for up to four additional months in the amount of \$400,000, for a total aggregate amount not to exceed \$1,440,00, subject to non-substantive changes approved by the City Manager and City Attorney.
2. A third amendment to the ESG-CV funding agreement with Salvation Army to use \$400,000 to operate the shelter at the Hospitality House, for a total aggregate amount not to exceed \$1,440,000, subject to non-substantive changes approved by the City Manager and City Attorney.

DISCUSSION

Due to outstanding litigation related to the work stoppage and other construction delays at the Carnegie Navigation Center, staff is unsure when the site will be open and operational. An amendment to the agreement with the Salvation Army will provide for the continuity of care for shelter guests to remain at the temporary shelter until a Certificate of Occupancy is achieved and shelter guests can be transferred to the new site. The daily census count of individuals was less than 75 for the first few months, thereby reducing the overall costs to the City. The addition of \$400,000 in new funds to the existing contract will be sufficient for a four-month extension.

On June 15, the City Council approved an agreement with the Salvation Army to operate a temporary 75-bed homeless shelter at 818 E Third Street in Santa Ana, in the amount of \$390,000 for an anticipated 90-day period, subject to extension through December 31, 2021, for a total not to exceed amount of \$780,000. On November 16, the City Council approved an amendment to the agreement to continue operation of the temporary shelter through January 31, 2022 for the monthly extension rate of \$130,000, bringing the total agreement not-to-exceed amount to \$910,000. On January 18, 2022, the City Council

approved a second amendment in the amount of \$130,000 for one month, through February 28, 2022, for a total amount not to exceed \$1,040,000.

The Hospitality House provides shelter for 75 men per night, and follows the City's referral process and the no walk-in policy. The shelter provides men a clean, safe personal bed space, three nourishing meals per day, and the opportunity to work with a professional Housing Navigator to expedite their placement in permanent housing.

FISCAL IMPACT

Funds in the amount of \$400,000 are available in the Emergency Solutions Grant-CV grant, Payment to Subagent account (no.13518789 -69135) for expenditure in the current fiscal year.

EXHIBIT(S)

1. Third amendment to agreement with Salvation Army to operate the Hospitality House as a temporary shelter
2. Third amendment to the funding agreement with Salvation Army for use of ESG-CV funds to operate the Hospitality House as a temporary shelter

Submitted By: Steven Mendoza, Assistant City Manager

Approved By: Kristine Ridge, City Manager