THE CITY OF ASHEVILLE

Staff Report

Council Meeting Date: January 26, 2021

Subject: Contract and Budget Amendments for Extension of COVID-19 Shelter Operations Agreements

Staff Resource(s): Sam Powers, Director of Community and Economic Development
Brian Huskey, Community Development Analyst

Action(s) Requested: Authorization for City Manager's execution of contract extensions with RRI West Management, LLC, Homeward Bound of Western North Carolina, and Axis Security; and a budget amendment in the Special Revenue Fund, in the amount of $1,061,000, to fund the contract extensions utilizing expected FEMA reimbursement revenue.

Background:

- On May 12, 2020, Council ratified the City Manager's execution of agreements with Red Roof Inn, Inc., Homeward Bound of Western North Carolina, and Axis Security for operations of a COVID-19 motel-based non-congregate emergency homeless shelter for persons experiencing unsheltered homelessness and at significant risk of contracting COVID-19 because of age and/or underlying chronic health concerns.
- On October 27, 2020, Council authorized the City Manager to execute extensions of the existing agreements with Red Roof Inn, Inc., Homeward Bound of Western North Carolina, and Axis Security for a 90-day period, all of which expire on February 8, 2021.
- Sixty-seven (67) people (couples, families occupying some rooms) are currently in shelter and will continue to achieve the public health objective of prevention of COVID-19 among the community's unsheltered homeless population.
- One hundred thirty-two (132) people have been served to date.
- The incidence of confirmed COVID-19 has not abated, posing ongoing risk to people experiencing unsheltered homelessness.
- To avoid any lapse in service to this population, it is necessary to execute the contract amendments prior to February 8th to continue the agreements.
- A transitional exit strategy for those in the shelter is currently being planned.
- The City has submitted its project application and initial reimbursement request to FEMA on December 17, 2020 for operations from May 11 - August 30.
- The City will submit its second reimbursement request to FEMA in mid-February for the operations period September 1 - December 31.
- FEMA has extended its authorization for non-congregate shelters to be eligible for reimbursement for the duration of the pandemic emergency declaration.
- The existing agreements with the vendors allow for extensions to continue operations, with additional funding not to exceed $1,061,000 necessary to sustain this operation through the end of the City's fiscal year on June 30, 2021.

Council Goal(s):

- A Diverse Community
- A Well-Planned and Livable Community
- Fiscally Resilient City

Committee(s):

- None

Pro(s):

- Continues the successful operation of the existing expanded COVID-19 homeless shelter.
- Allows for additional time to effect housing placement for shelter occupants.
- Addresses public health and safety.

- Non-congregate motel shelter, essential operations, and security costs are eligible for FEMA reimbursement.
- 23 people have exited to permanent housing destinations.

Con(s):
- Potential damages incurred at the motel are not eligible for reimbursement from FEMA.

Fiscal Impact:
- The additional contract funding requested from February 8, 2021 through the end of the 2020-21 fiscal year includes:
    - Homeward Bound for essential shelter operations not to exceed $250,000; for 60 rooms nightly at Red Roof Inn not to exceed $486,000;
    - For 24/7 security provided by Axis Security not to exceed $325,000;
    - For a total not to exceed $1,061,000.
- Staff anticipates full FEMA reimbursement for these expenses and thus no City contribution is currently budgeted.

Suggested Motion(s):
- Motion to adopt a resolution to authorize the City Manager's execution of services contracts with Homeward Bound of Western North Carolina, RRI West Management LLC, and Axis Security for shelter rooms, essential operations, and security commencing on February 8, 2021 through the end of FY 2020-21 or the conclusion of the COVID-19 pandemic emergency declaration, whichever comes first; and a budget amendment in the Special Revenue Fund in the amount of $1,061,000 to fund the contract extensions utilizing expected FEMA reimbursement revenue.

Attachment(s):
- Resolution
- Budget Amendment

RESOLUTION NO. 21- _____

RESOLUTION TO AUTHORIZE THE CITY MANAGER TO EXECUTE AN EXTENSION OF THE CONTRACTS WITH HOMEWARD BOUND OF WESTERN NORTH CAROLINA, RRI WEST MANAGEMENT, LLC, AND AXIS SECURITY TO SUSTAIN OPERATIONS OF A MOTEL-BASED NON-CONGREGATE SHELTER FOR PERSONS EXPERIENCING UNSHELTERED HOMELESSNESS DURING THE COVID-19 PANDEMIC

WHEREAS, the COVID-19 pandemic has presented an unprecedented need for emergency shelter for persons experiencing unsheltered homelessness; and

WHEREAS, the community's existing emergency homeless shelters have been in isolation status, unable to admit new clients, the potential duration of the COVID-19 pandemic remains unknown, and there are persons in the community currently experiencing unsheltered homeless who are at grave risk for contracting COVID-19 because of age and/or underlying chronic health conditions; and

WHEREAS, the City of Asheville has previously executed contracts with Homeward Bound of Western North Carolina, RRI West Management LLC, and Axis Security for operations of a non-congregate emergency shelter for persons experiencing unsheltered homelessness; and

WHEREAS, the parties have been successfully providing services as agreed; and

WHEREAS, the parties have agreed to continue these services essential operations services until the conclusion of the COVID-19 pandemic emergency declaration; and

WHEREAS, the existing agreements with the parties provide for extensions on mutual agreement between the parties; and

WHEREAS, the incidence of confirmed COVID-19 cases continues to rise and poses grave risk to persons experiencing unsheltered homelessness who have chronic health concerns;

WHEREAS, in order to avoid in lapse in service, it is necessary to execute a contract and budget amendments to extend the duration of existing services contracts;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

City Council authorizes the City Manager to execute amendments to the existing Services Contract with Homeward Bound of Western North Carolina, Memorandum of Understanding with RRI West Management, LLC, and Services Contract with Axis Security to extend the existing shelter operations commencing February 8, 2021 until the end of the City's FY2020-21 or conclusion of the COVID-19 pandemic emergency declaration, whichever comes first.

Homeward Bound of Western North Carolina	$250,000
Axis Security	$325,000
Red Roof Inn	$486,000

Read, approved, and adopted this 26th day of January, 2021.

_____ _____

CITY CLERK MAYOR

Approved As To Form:

_____
CITY ATTORNEY

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That the City of Asheville Fiscal Year 2020-21 Budget Ordinance be amended to provide an appropriation of $1,061,000 to fund contract extensions utilizing expected FEMA reimbursements and amend the Special Revenue Fund as follows:

SPECIAL REVENUE FUND

Revenues:

Federal Revenue Distribution - FEMA	$1,061,000
Total Revenues	$1,061,000

Appropriations:

COVID-19 Expense	$1,061,000
Total Appropriations	$1,061,000

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this the 26th day of January, 2021.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney