



The City of San Diego

Staff Report

DATE ISSUED: 04/08/2024

TO: City Council

FROM: Homelessness Strategies and Solutions Department

SUBJECT: First Amendment to the Agreement with Dreams for Change for the Safe Sleeping Program at 20th & B

Primary Contact: Sarah Jarman Phone: (619) 385-6963

Secondary Contact: Kimberlee Zolghadri Phone: (619) 798-1534

Council District(s): District 3

OVERVIEW:

In June 2023, the City of San Diego (City) entered into an agreement with Dreams for Change to serve as the program operator for the Safe Sleeping Program located at 2145 Caminito Centro, San Diego, CA 92102. This item is to execute a first amendment to the agreement with Dreams for Change for the Safe Sleeping Program to increase the not to exceed amount by \$487,791, from \$944,927 to \$1,432,718 for the operation of the Safe Sleeping program during the initial term (June 29, 2023 - June 30, 2024) and amend the not to exceed amount to \$1,561,865.43 per option period.

PROPOSED ACTIONS:

1. Authorize the Mayor, or designee, to execute a first amendment to the agreement between the City of San Diego and Dreams for Change to increase compensation for a total amount not to exceed \$1,432,718 to operate Safe Sleeping Program for the operating period of June 29, 2023 through June 30, 2024, with options to extend the Agreement for four (4) additional one (1) year periods with compensation in an amount not to exceed \$1,561,865.43 per option period.
2. If the City exercises an option to extend the agreement, authorize the Chief Financial Officer to expend during each option period an amount not to exceed \$1,561,865.43, contingent upon the adoption of the Appropriation Ordinance for the appropriate fiscal year and contingent upon the Chief Financial Officer furnishing a certificate certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

DISCUSSION OF ITEM:

The Safe Sleeping Program opened in June 2023 to offer a safe and secure alternative to traditional congregate shelters for individuals experiencing homelessness in the City. The site is located at the City's Central Operations Yard in Golden Hill and has capacity for over 130 tents. Initially, program operations were scheduled and budgeted only for six months in alignment with the timeline of the temporary fire permit and the opening of the O Lot. As a need and interest for these spaces were evident, the 20th & B site remains open. Modifications to the site were completed at the end of 2023, including new tents and the installation of platforms. These enhancements meet the requirements under Appendix P of the

California Building Code, as such, the site no longer operates under a temporary fire permit. The program has been operating for eight months now and requires an increase to the compensation to ensure services continue through June 30, 2024.

An amendment to the agreement is being requested to increase the total contract amount by \$487,791 to support program operations for the remainder of Fiscal Year 2024. Moreover, the amendment adjusts the budget during option periods to \$1,561,865.43 per option period to reflect the annualized expenses to operate the program for a full fiscal year. A breakdown of the total contract funding is as follows:

Spending Category	Original Agreement	1st Amendment	FY24 Total	Option Period
Personnel	\$ 722,137.00	\$ 81,428.66	\$ 803,565.66	\$ 803,565.66
Non-Personnel	\$ 152,795.00	\$ 346,110.33	\$ 498,905.33	\$ 616,312.00
Overhead	\$ 69,995.00	\$ 60,252.01	\$ 130,247.01	\$ 141,987.77
Total	\$ 944,927.00	\$ 487,791.00	\$ 1,432,718.00	\$ 1,561,865.43

The program’s objective is to provide unsheltered individuals with a safe place to sleep overnight and access to critical assistance with the ultimate goal of connection to stable housing. The program provides access to supportive services including restrooms, showers, meals, basic needs assistance, and resource referrals. In addition, the program follows Housing First principles and offers supportive services to prepare program participants for the most appropriate longer-term or permanent housing intervention that best meet their needs. As of February 29, 2024, the program has served 577 individuals, with 19 individuals exiting to permanent or other forms of long-term housing.

City Strategic Plan Goal(s)/Objective(s):

This program directly relates to the City’s Strategic Plan’s Priority Area: Create Homes For All of Us by increasing access to housing and supportive services for San Diegans experiencing homelessness.

Fiscal Considerations:

This first amendment will increase the not to exceed amount of the Dreams for Change contract by \$487,791, from \$944,927 to \$1,432,718. Funding for the agreement is available in the General Fund (Fund 100000, BA 1716) through savings from delayed start-up of programs such as safe parking.

The amendment also increases the not to exceed amount to \$1,561,865.43 per option period, contingent upon the adoption of the Appropriation Ordinance for the appropriate fiscal year and contingent upon the Chief Financial Officer furnishing a certificate certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

Charter Section 225 Disclosure of Business Interests:

Dreams for Change has no natural person receiving more than 10% of the contracted amount and no individual owns more than 10%.

Environmental Impact:

This activity is not a “project” per the California Environmental Quality Act (CEQA) Guidelines Section 15378 (b)(2) and (b)(4), as the authorization to execute the first amendment to the agreement with Dreams for Change for the Safe Sleeping Program, qualifies as continuing administrative or maintenance activities, such as purchases for supplies and personnel-related actions, and as government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. As such, this activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Climate Action Plan Implementation:

N/A – Does not have a connection to the CAP.

Equal Opportunity Contracting Information (if applicable):

This agreement is subject to the City’s Equal Employment Opportunity Outreach Program (San Diego Ordinance No. 18173, Municipal Code Sections 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

Previous Council and/or Committee Actions:

N/A

Planning Commission Actions:

N/A

Key Stakeholders and Community Outreach Efforts:

Dreams for Change

Sarah Jarman

Director, Homelessness Strategies and Solutions
Department

Kristina Peralta

Deputy Chief Operating Officer