



CITY OF RICHMOND

Department of Planning & Development Review *Staff Report*

Ord. No. 2024-028: To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Agreement and Purchase Option between the City of Richmond and The Salvation Army for the purpose of funding the construction of The Salvation Army's long-term shelter operation to be known as the "Center of Hope" located at 1900 Chamberlayne Avenue. (3rd District).

To: City Planning Commission
From: Land Use Administration
Date: February 6, 2024

PETITIONER

Office of Human Services

PURPOSE

This request speaks to the multiple ordinances necessary to establish an Inclement Weather Shelter and Year-Round Emergency Shelter at 1900 Chamberlayne Ave:

- 1) To authorize the Chief Administrative Officer to execute a grant contract between the City of Richmond and The Salvation Army for the purpose of funding an Emergency Shelter and Inclement Weather Shelter at 1900 Chamberlayne Ave.
- 2) To authorize the Chief Administrative Officer to execute, for and on behalf of the City, a Deed of Lease between the City and The Salvation Army., for the purpose of the City leasing, for use as a Resource Center, space located in the eastern most portion of the building at 1900 Chamberlayne Ave along Chamberlayne Avenue and consisting of eight (8) contiguous rooms accessible by separate exterior door and five (5) rooms for flexible use.
- 3) To authorize the Chief Administrative Officer to execute a Performance Grant Agreement between the City of Richmond and The Salvation Army for the purpose of funding construction of the "Center of Hope" as a permanent solution to the unhoused population crisis facing the City.

SUMMARY & RECOMMENDATION

In April of 2023 Mayor Levar Stoney and City Council declared a housing crisis in the City of Richmond. Emergency shelters for persons without housing serve as a safety net of last resort for this vulnerable population. In its 2020-2030 strategic plan to end homelessness, the City identified a 150 bed shortage in emergency shelter beds. This O&R request supports one component of the strategy to meet the urgent need for more emergency shelter capacity. The Salvation Army, a member of the Greater Richmond Continuum of Care (GRCoC), has agreed to help in expanding capacity to serve more single adults experiencing homelessness.

Further, Salvation Army agrees to provide services and a permanent location for inclement weather shelter (IWS) at a building owned by them at 1900 Chamberlayne Ave. For years, the City has faced a challenge every winter in finding providers and locations for IWS. Locations and

providers have changed frequently, an unpredictable resource for unsheltered persons at physical risk in extreme weather.

On December 1, 2023, the Salvation Army began operations of a 150-bed IWS at 1900 Chamberlayne Avenue with funding and a City contract approved by City Council. The contract and shelter operations extend through April 15, 2024.

- 1) This O&R request covers three documents to meet the urgent need for more emergency shelter capacity for single adults. As a result, 50 of the 150 IWS beds will continue to operate year-round, increasing the region's current 117-bed capacity to serve single adults year-round to 167 beds. Next winter and beyond, IWS capacity would be 100 beds at 1900 Chamberlayne Ave. This O&R seeks authorization to achieve the following:

An operating grant between the City and Salvation Army, an experienced emergency shelter provider since 1984. The amount of the grant is \$404,703.91 for FY 24 and \$2,263,733.83 for FY 25. (FY 24: \$145,208 for one-time equipment, supplies and retrofits, \$231,854.31 for year-round emergency shelter the last months of FY 24, and \$27,641.60 for up to 5 days and 100 beds for extreme weather. FY 25: \$705,976.05 for 100 IWS beds for 150 days, \$1,391,908.18 for year-round emergency shelter, and \$165,849.60 for up to 30 days and 100 beds for extreme weather other than the IWS period.)

The initial operating agreement runs through June 30, 2025, with a one-year extension. The FY24 operating contract costs will come from FY24 General Fund dollars in the Office of the Deputy Chief Administrative Officer for Human Services that were appropriated in the FY24 General Fund budget for shelter expenses. Funding for FY 25 and future years is subject to Council appropriation.

Salvation Army agrees to run a 100-bed IWS for single adults for 150 days from November 16 through April 15 for each year covered by the contract. The space will remain available throughout the year, to be used for severe weather emergencies in non-winter months. Guests will be admitted on a first-come, first-serve basis.

Salvation Army will also begin operation of a year-round emergency shelter, beginning May 1, 2024. That shelter, with a full array of rehousing services, will run continuously for the grant period. Guests with the most urgent and serious needs will be admitted to that shelter according to GRCoC prioritized and coordinated policies.

- 2) A lease between the City and Salvation Army for space in 1900 Chamberlayne Ave to locate a City-operated, resource center. There is no separate lease charge.
- 3) A performance grant agreement between the City and Salvation Army for construction of their Center of Hope, a long-term shelter operation planned for 1900 Chamberlayne Ave. The Center of Hope will be the permanent site for their regional offices and 50 year-round shelter beds relocated from their building on 2 W. Grace St. It will also permanently house the 50 additional year-round shelter beds and 100 IWS beds they agreed to provide under the operating agreement noted above. Also, Salvation Army must provide space in the Center of Hope for the City-operated resource center.

When the Center of Hope is completed, Salvation Army will pay the full costs of the year-round 100-bed shelter operations. The City would pay only the incremental added costs of the 100-bed IWS operations, which would require a new operating agreement.

Under the performance grant agreement, the City will provide \$7 million toward construction of the Center of Hope. City funds will not be disbursed unless and until Salvation Army has secured \$8,275,950 from other sources for their total capital

campaign, currently estimated at \$15.3 million. Salvation Army must raise its portion of those funds by January 1, 2027. If they do not succeed by that date, the City has the option to purchase 1900 Chamberlayne Ave with all improvements for the appraised market value at the time of sale. (Current assessed value for City tax purposes is \$3,195,000.)

FINDINGS OF FACT

Site Description

1900 Chamberlayne Avenue.

Proposed Use of the Property

Inclement Weather Shelter and Year-Round Emergency Shelter

Master Plan

The City's Richmond 300 Master Plan designates a future land use for the subject property as Industrial Mixed-Use, which is defined as "Manufacturing and production areas that primarily feature processing, research and development, warehousing, and distribution.."

Community Engagement

Administration presentations at public meetings with public comment including: City Council's Organizational Development Committee on 9/5/23, Public Safety Committee on 9/26/23, and Education and Human Services Committee on 9/14/23 and 10/12/23; site visits and meetings with members of City Council in September and October; Administration presentation to October meeting of Chamberlayne Industrial Center Association and Edgehill Chamberlayne Court Civic Association. The attached Ordinances are also heavily informed by the Strategic Plan to End Homelessness 2020-2030 which was released in May of 2020 and involved extensive community engagement including Advisory Board leadership, public surveys, and public meetings.

Staff Contact:

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