

INTRODUCED: October 10, 2023

AN ORDINANCE No. 2023-294

To amend Ord. No. 2023-071, adopted May 8, 2023, which adopted the Fiscal Year 2023-2024 General Fund Budget and made appropriations pursuant thereto, by (i) transferring the total amount of \$663,856.00 from the Non-Departmental agency United Nations Church International of VA, Inc. – Inclement Weather Shelter line item, (ii) creating a new line item entitled “HomeAgain Emergency Shelter” in the Non-Departmental agency, (iii) appropriating \$542,056.00 of the transferred funds to such new line item in the Non-Departmental agency, and (iv) appropriating \$121,800.00 of the transferred funds, and increasing estimated revenues and the amount appropriated to the Office of the Deputy Chief Administrative Officer for Human Services by \$121,800.00, all for the purpose of making a grant to operate a new 50-bed, year-round emergency shelter for families.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: NOV 13 2023 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Article I, Section 1 of Ordinance No. 2023-071, adopted May 8, 2023, which adopted a General Fund Budget for the fiscal year commencing July 1, 2023, and ending June 30, 2024, and made appropriations pursuant thereto, is hereby amended by

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: NOV 13 2023 REJECTED: _____ STRICKEN: _____

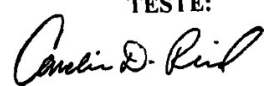
(a) Transferring the total amount of \$663,856.00 from the Non-Departmental agency United Nations Church International of VA, Inc. – Inclement Weather Shelter line item for the fiscal year commencing July 1, 2023, and ending June 30, 2024;

(b) Creating a new line item in the Non-Departmental agency entitled “HomeAgain Emergency Shelter;”

(c) Appropriating \$542,056.00 of the funds transferred by subsection (a) of this section to the new line item in the Non-Departmental agency created by subsection (b) of this section entitled “HomeAgain Emergency Shelter” for the purpose of making a grant to operate a new 50 bed year-round emergency shelter for families; and

(d) Appropriating \$121,800.00 of the funds transferred by subsection (a) of this section and increasing estimated revenues and the amount appropriated to the Office of the Deputy Chief Administrative Officer for Human Services by \$121,800.00, all for the purpose of making a grant to operate a new 50-bed, year-round emergency shelter for families.

§ 2. This ordinance shall be in force and effect upon adoption.

A TRUE COPY:
TESTE:

City Clerk



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2023-1690

File ID: Admin-2023-1690

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 2

Reference:

In Control: City Clerk Waiting Room

Department:

Cost:

File Created: 10/04/2023

Subject:

Final Action:

Title:

Internal Notes:

Code Sections:

Agenda Date: 10/10/2023

Patron(s):

Enactment Date:

Contact:

Introduction Date:

Drafter: dominic.barrett@rva.gov

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
2	1	10/5/2023	Traci DeShazor	Approve	10/6/2023
2	2	10/5/2023	Sharon Ebert - FYI	Notified - FYI	
2	3	10/5/2023	Jason May	Approve	10/6/2023
2	4	10/5/2023	Cynthia Osborne - FYI	Notified - FYI	
2	5	10/5/2023	Sheila White	Approve	10/6/2023
2	6	10/6/2023	Sabrina Joy-Hogg	Approve	10/7/2023
2	7	10/6/2023	Caitlin Sedano - FYI	Notified - FYI	
2	8	10/6/2023	Lincoln Saunders	Approve	10/10/2023
2	9	10/6/2023	Mayor Stoney	Approve	10/16/2023

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

- 3) To authorize the Chief Administrative Officer to execute a grant contract between the City of Richmond and Emergency Shelter, Inc. d/b/a HomeAgain for the purpose of funding the operations of a 50 bed emergency shelter at 7 North 2nd Street.
- 4) To amend the Fiscal Year 2023-2024 General Fund Budget to:
 - a. (i) to transfer \$542,056 from the Non-Departmental agency, United Nations Church International of VA, Inc. - Inclement Weather Shelter line item, (ii) create a new line item in the Non-departmental agency entitled “HomeAgain Emergency Shelter” and (iii) to appropriate such transferred funds in the amount of \$542,056 to such new line item in the Non-Departmental agency for the purpose of making a grant to operate a new 50 bed emergency shelter for families.
 - b. (i) to transfer \$121,800 from the Non-Departmental agency, United Nations Church International of VA, Inc. - Inclement Weather Shelter line item, and (ii) to appropriate such transferred funds in the amount of \$121,800 to the Office of Deputy Chief Administrative Officer for Human Services for the purpose of leasing the property at 7 N. 2nd Street for use as an emergency shelter.

REASON: To establish a new 50 bed emergency shelter for families at 7 North 2nd Street, the Administration requires authorization to sign a lease for the building, sublease the building to the shelter operator HomeAgain, make a grant to HomeAgain to operate the shelter, and re-appropriate unspent FY23 funds that had been appropriated for FY23 shelter costs and have since been encumbered and rolled over into the FY24 General Fund Budget.

RECOMMENDATION: The City Administration recommends adoption.

BACKGROUND: In March 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 for families. Once adopted and implemented the region’s current 92-bed capacity to serve families year-round will be expanded by 50 beds as early as December 1, 2023. This O&R seeks authorization to achieve the following:

- 1) An operating grant between the City and Home Again, an experienced emergency shelter provider for families since 1979, to operate the 50 bed year-round emergency family shelter out of the “Richmond Hostel”. Families with the most urgent needs will be admitted to the shelter, as prioritized and coordinated by the Greater Richmond Continuum of Care and federally approved. The total amount of the grant contract is \$1,653,718.42. FY 24 costs total \$542,056, including \$101,080 for start-up and one-time equipment and \$440,976 in operating costs for the 7 months of the fiscal year. All cost obligations beyond FY24 costs are subject to Council appropriation. The length of the operating agreement is two years, with the option to

extend one additional year upon mutual agreement.

- 2) A lease for the 50-bed family shelter between the City and Potomac Area Hostels, owner of the “Richmond Hostel” at 7 North 2nd Street. The first month’s rent will be \$16,800 and \$15,000 per month for the duration of the lease without escalation. The lease term is two years. The equivalent of one month’s rent, \$15,000, would be provided as a security deposit when the lease is signed. The City has the option to extend one additional year if notice is given to the Owner six months in advance of the expiration of the two year lease. As part of the lease agreement, the City has a first right of negotiation to purchase the property, if the owner decides to sell the property before the lease expires. The City has the option to assign that “negotiation to purchase right” to the operator of the 50-bed year-round emergency shelter at the Hostel.
- 3) A sublease between the City and HomeAgain to operate the shelter at 7 North 2nd Street. There is no charge to HomeAgain to sublease the property from the City.
- 4) Re-appropriation of unspent shelter funds from FY23 non-departmental lines to fund FY24 costs to lease and operate the shelter.

Note: Ordinance No. 2022-349, adopted December 12, 2022, appropriated \$17,107,509.00 in surplus revenues to various agencies and non-departmental programs including \$3,129,685 appropriated in Non-Departmental for implementing inclement weather shelter. \$1,158,086 of the \$3,129,685 was appropriated to a new line item entitled “United Nations Church International of VA, Inc. - Inclement Weather Shelter.” \$693,084 of the \$1,158,086 was not spent in FY 23 and was rolled over into the FY24 budget as part of an encumbrance roll completed in September of 2023. The funds are not contractually obligated and are available to be transferred for the FY24 shelter-related purposes outlined in this O&R. This O&R request seeks to amend the FY 24 General Fund budget where the funds now exist. However, it does not seek to amend a specific ordinance, as the ordinance initially appropriating the funds was an FY23 budget ordinance. Funds carried over from year to year in an encumbrance roll do not show up in the budget adopted in May, as the roll does not occur until weeks or months after the budget is adopted.

FISCAL IMPACT/COST: The lease and security deposit will cost the City \$121,800 in FY24 and \$180,000 in FY25. The grant to HomeAgain to operate the shelter will cost \$542,056 in FY24 and a projected \$774,139.64 in FY25. All cost obligations in FY25 and beyond are subject to Council appropriations in those fiscal years.

BUDGET AMENDMENT NECESSARY: Yes

REVENUE TO CITY: None

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: October 10, 2023

CITY COUNCIL PUBLIC HEARING DATE: November 13, 2023

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Education and Human Services Committee

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: Budget and Strategic Planning, Finance, Human Services, Housing and Community Development

RELATIONSHIP TO EXISTING ORD. OR RES.: N/A

REQUIRED CHANGES TO WORK PROGRAM(S): N/A

ATTACHMENTS: Lease, Sublease, Grant Contract

STAFF: Stephen Harms, Senior Policy Advisor - Office of Chief Administrative Officer, 646-0043
Dominic Barrett, Strategic Projects and Grants Advisor - Office of Human Services, 646-5861