



CONSENT CALENDAR

City of San Bernardino Request for Council Action

Date: November 20, 2024

To: Honorable Mayor and City Council Members

From: Rochelle Clayton, Acting City Manager;
Gabriel Elliott, Director of Community Development & Housing

Department: Community Development & Housing

Subject: **Amendment No. 1 to the Motel Voucher Program Professional Services Agreements with Anand Patel (All Wards)**

Recommendation

It is recommended that the Mayor and City Council of the City of San Bernardino, California:

1. Approve Amendment No. 1 with Anand Patel (Pa-An, Inc., Namaste Sitiye Inc., and SB Hotel North LLC) for the provision of 130 motel rooms and 200 beds and extend the term of the agreements to December 31, 2026.
2. Authorize the City Manager or their designee to take further actions and execute any additional agreements or documents necessary to continue implementing the Emergency Shelter Program.

Executive Summary

The City of San Bernardino currently operates a Motel Voucher Program, which provides temporary shelter/interim housing to unhoused residents. The amendment extends the program's term through December 31, 2026, and expands the number of available rooms/beds through agreements with Anand Patel's motels (Pa-An, Inc., Namaste Sitiye Inc., and SB Hotel North LLC), following the cancellation of the City's contract with Century RSVP LLC. This expansion increases capacity to 130 motel rooms and 200 beds to ensure adequate shelter options and the timely expenditure of grant funding. Due to the lack of available shelter beds in the City, distributing motel vouchers will help keep people off the streets during the development and construction of SB HOPE Campus, the City's permanent navigation center. This amendment will allow the City to continue providing essential services to those in need during this transitional period.

Background

The City of San Bernardino's Motel Voucher Program is a critical initiative designed to provide temporary shelter and supportive services to individuals experiencing homelessness. The program emerged from the City's comprehensive strategy to address the growing homelessness crisis through non-congregate shelter options, while working toward permanent solutions.

The development and implementation of the Motel Voucher Program has progressed through several key Council actions:

- October 27, 2022: The City hosted a Homeless Workshop that identified the critical need to increase shelter bed capacity for those experiencing homelessness.
- December 7, 2022: The Mayor and City Council demonstrated their commitment to addressing homelessness by allocating \$12.5 million in American Rescue Plan Act (ARPA) funding for the development and operation of a low-barrier, non-congregate Navigation Center. An additional \$4.5 million in ARPA funding was approved to support the navigation center's operation.
- February 1, 2023: The City declared a Homelessness State of Emergency in response to the escalating crisis.
- May 17, 2023: The Mayor and City Council approved the Homelessness Declaration Implementation Plan, which emphasized the urgent need for emergency and interim shelters due to existing shelters operating at near-full capacity.
- July 19, 2023: The City Council amended \$9,732,162 in Permanent Local Housing Allocation (PLHA) Funds of which \$1,232,740.52 was reallocated to support interim shelter activities.
- August 16, 2023: The Mayor and City Council approved a Substantial Amendment to the FY 2020-2021 Annual Action Plan to reallocate \$1,145,201 in Community Development Block Grant Coronavirus (CDBG-CV) funds. Funds are used to support interim shelter activities.
- September 11, 2023: The City released an initial Request for Proposal (RFP) seeking motel operators to participate in the Motel Voucher Program. Four proposals were received, with two motels located outside city limits.
- December 6, 2023: The City Council formally approved the Motel Voucher Program, authorizing Professional Service Agreements with motel operators to provide interim shelter. Staff were specifically directed to seek local motel operators due to concerns about facilities outside city limits. The total amount of grant funding allocated to this program was \$3,044,190.
- December 6-22, 2023: An expedited RFP was issued and completed, resulting in the selection of Anand Patel's three local motels to provide access to 130 motel rooms and 200 beds.
- March 20, 2024: The City entered into agreements with Anand Patel for the use of three motels—Pa-An, Inc., Namaste Sitiye Inc., and SB Hotel North LLC—for a total of \$2,751,840. Due to an ongoing injunction between the City and the ACLU, the program experienced several months of delay, ultimately launching on July 8, 2024. With the injunction now lifted, services are expected to increase significantly.

Discussion

The Motel Voucher Program is a critical part of the City of San Bernardino's emergency shelter strategy, providing immediate non-congregate lodging for individuals experiencing homelessness. While the City advances plans to establish the SB HOPE Campus—a permanent navigation center focused on long-term housing stability—the Motel Voucher Program continues to serve as a vital interim shelter option through partnerships with local motel operators. This amendment addresses the growing demand for emergency shelter and the recent cancellation of the City's contract with Century RSVP LLC. It ensures the program's sustained capacity of 130 rooms and 200 beds, extending its operational term through December 31, 2026.

Currently, the Motel Voucher Program operates with 107 rooms through partnerships with Anand Patel's motels, including Pa-An, Inc., Namaste Sitiye Inc., and SB Hotel North LLC. Following the termination of the Century RSVP LLC contract, the City identified a gap in shelter capacity, prompting the need for additional room allocations. In response, the City negotiated expanded room availability with Anand Patel's motels, resulting in an amendment that increases the program's capacity to 130 rooms and 200 beds and extends the term of service through December 31, 2026. This amendment not only addresses the service gap left by Century RSVP LLC but also supports the City Council's previously approved funding for 200 beds, reinforcing the City's homelessness response goals.

The Motel Voucher Program offers flexible stay durations, from one to twenty-eight days, based on individual needs assessed by the City's outreach team. Extensions beyond 28 days may be granted for participants awaiting permanent housing placement. This amendment is crucial to sustaining the program's shelter capacity and supports the City's short-term and long-term homelessness strategies. By increasing the available rooms and extending the program's duration, the City reaffirms its commitment to providing immediate shelter options while moving forward with the development of the SB HOPE Campus.

Emergency Shelter Program Funding Allocation

The City has allocated \$2,751,840 for the Motel Voucher Program, sourced from the following funding streams:

Permanent Local Housing Allocation (PLHA): \$1,237,939

Community Development Block Grant Coronavirus Relief (CDBG-CV): \$540,401

American Rescue Plan Act (ARPA): \$973,500

This funding allocation allows the emergency shelter program to operate within the approved budget, ensuring financial compliance through the extended term ending December 31, 2026.

Extension of Program Agreements to December 2026

Extending the term to December 31, 2026, aligns with ARPA, CDBG-CV, and PLHA funding requirements and enables continued support for individuals experiencing homelessness. This extension provides flexibility for managing potential delays or overflow as the SB HOPE Campus nears completion.

The Motel Voucher Program continues to serve as a vital bridge solution, providing essential shelter services to homeless individuals during the development and construction of the SB Hope Campus.

Supportive Services and Basic Needs Assistance

Following the cancellation of the City's agreement with Century RSVP LLC, \$604,800 in Community Development Block Grant Coronavirus (CDBG-CV) funding will be reallocated to establish a food assistance program. This program will align with CDBG-CV guidelines under public services (24 CFR 570.201(e)), addressing food insecurity among eligible participants in the Motel Voucher Program who meet HUD's homeless definition under 24 CFR 578.3. The City will issue a Request for Proposals (RFP) to select a vendor to distribute restricted-use food assistance cards to qualified participants, ensuring compliance with CDBG regulations and federal procurement standards under 2 CFR 200.318–200.327.

2021-2025 Strategic Targets and Goals

The request to approve the Subrecipient Agreements aligns with Strategic Target No. 3: Improved Quality of Life by reducing the burden of homelessness through enjoyment, collaboration, and partnership with other entities.

Fiscal Impact

There is no impact on the General Fund. This program is funded with ARPA, PLHA, and CDBG-CV funds.

Conclusion

It is recommended that the Mayor and City Council of the City of San Bernardino, California:

1. Approve Amendment No. 1 with Anand Patel (Pa-An, Inc., Namaste Sitiye Inc., and SB Hotel North LLC) for the provision of 130 motel rooms and 200 beds and extend the term of the agreements to December 31, 2026.
2. Authorize the City Manager or their designee to take further actions and execute any additional agreements or documents necessary to continue implementing the Emergency Shelter Program.

Attachments

Attachment 1	Amendment #1 to Professional Services Agreement with PA-AN Inc. (Studio 6 Suites)
Attachment 2	Amendment #1 to Professional Services Agreement with Namaste Sitiye Inc. (Rodeway Inn)

Attachment 3	Amendment #1 to Professional Services Agreement with SB Motel North LLC (Motel 6 North)
Attachment 4	Professional Services Agreement with PA-AN Inc. (Studio 6 Suites)
Attachment 5	Professional Services Agreement with Namaste Sitiye Inc. (Rodeway Inn)
Attachment 6	Professional Services Agreement with SB Motel North LLC (Motel 6 North)

Ward

All Wards

Synopsis of Previous Council Actions

August 4, 2021	Mayor and City Council received a report and discussed the allocation of ARPA Funds.
December 7, 2022	Mayor and City Council approved a Homelessness Solutions Action Plan, and \$24.5 million in ARPA funds to help mitigate homelessness.
February 1, 2023	Mayor and City Council declared a Homelessness State of Emergency.
May 17, 2023	Mayor and City Council approved a Homelessness State of Emergency Implementation Plan.
July 19, 2023	Mayor and City Council approved an Amendment to Permanent Local Housing Allocation Funds to assist individuals experiencing homelessness.
August 13, 2023	Mayor and City Council approved a Substantial Amendment to FY2020-2021 Annual Action Plan associated with Community Development Block Grant Coronavirus Relief Funds to support interim shelter activities.
December 6, 2023	Mayor and City Council approved a Motel Voucher Program and authorized Professional Service Agreements with motel operators to provide interim shelter
March 6, 2024	Mayor and City Council approved the Emergency Shelter Program with Anand Patel in the amount of \$2,751,840 while reallocating unspent PLHA funds in the amount of \$327,591.