

AGENDA ITEM 3.B

RECOMMENDATION

Staff recommends the Tracy Homelessness Advisory Committee receive an informational report regarding expenditures paid from November 1, 2023, through April 30, 2024 by the City to The Salvation Army for its operations of the City's interim shelter facilities.

EXECUTIVE SUMMARY

Staff recommends that the Tracy Homelessness Advisory Committee (THAC) receive and accept this informational report on the first 6-months of operational invoices from the current shelter operator, The Salvation Army, for operating of the interim shelter facilities.

BACKGROUND AND LEGISLATIVE HISTORY

On October 3, 2023, the Tracy City Council awarded the Salvation Army a Professional Service Agreement (PSA), to operate the City's Temporary Emergency Housing Facility for an initial one-year term, with a not-to-exceed annual cost of \$2.6 Million, and with an option to extend an additional year, if the Salvation Army satisfactorily performed all requirements in the PSA. On October 26, 2024, The Salvation Army and City formally executed the contract and The Salvation Army commenced operation of the facility.

On May 14, 2024, the members of the THAC and the public requested information on the monthly invoices from the current shelter operator, The Salvation Army. The purpose of the request was to receive an accounting for expenditures on the site operations for the first 6 months. Concurrent with this request staff was preparing to and is currently working on a 6-month review of both operations, client files and the physical review of the site. We are including the 6-month invoice review as part of the shelter operations assessment that we provide for our internal contract review process. The review is intended to determine if operations in the first months of operation have occurred as provided for per the PSA and in a satisfactory manner. Staff has prepared the attached Exhibit A in response to the request. Exhibit A reflects the operational expenses paid by the City to The Salvation Army from November 1, 2023, through April 30, 2024.

ANALYSIS

The request made by THAC and the members of the public is consistent with the need to conduct an assessment of the satisfactory performance of shelter operations as will be required prior to the potential extension of the 1-year PSA. A key component of the satisfactory performance of the PSA includes fiscal accountability and management by the shelter operator. The presentation of the invoices from the shelter operator for the first 6 months of operation afford THAC, staff and members of the public to assure that the public dollars spent on this important project are spent appropriately and consistent with THAC and Council direction.

Staff's concurrent review of shelter operations are designed to provide the THAC the other component of satisfactory operations which include services provided, records and measurable outcomes that can substantiate the expenditures to date. The transparent presentation of the

financial and operational information to THAC will provide an opportunity for assessing the success and performance of the shelter operator.

FISCAL IMPACT

There will be no fiscal impact associated with this informational item.

PUBLIC OUTREACH/ INTEREST

Staff will post this information to the City of Tracy's Homeless Services Division webpage for members of the public who may wish to review but do not attend THAC.

CEQA DETERMINATION

Review under the California Environmental Quality Act is not applicable for this report.

STRATEGIC PLAN

This agenda item is consistent with the City Council's adopted 2021-2023 Strategic Priorities, Public Safety Strategy Plan, Goal No. 2, Implementation of the Adopted Homelessness Strategic Plan, Item No. 3, to partner and contract with shelter service provider to operate the facility.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends the Tracy Homelessness Advisory Committee receive an informational report regarding expenditures paid from November 1, 2023, through April 30, 2024 by the City to The Salvation Army for its operations of the City's interim shelter facilities.

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Bijal Patel, City Attorney

Approved by: Midori Lichtwardt, City Manager

ATTACHMENTS

Attachment A- 6-Month Review for The Salvation Army

