



# ADMINISTRATIVE REPORT

**TO:** Honorable Mayor and City Council  
**FROM:** Alan Tandy, City Manager  
**CREATED BY:** Jacqui Kitchen, Assistant City Manager  
**DATE:** 10/25/2019  
**SUBJECT:** Update on City Efforts to Address Homelessness: Emergency Shelter

**STAFF RECOMMENDATION:** Authorize the City Manager to: (1) negotiate preparation of a Purchase and Sale Agreement (PSA) with terms to be consistent with the executed Letter of Intent (LOI), with Calcot LTD to purchase 7.24 acres and associated Office Complex for \$3,827,000 and 10-acres of adjacent vacant land for \$1,100,000, all located at 1900 E. Brundage Avenue (\$4,927,000 total); and, (2) immediately initiate actions to begin conversion of the property as described in Administrative Report (\$1,900,000 estimated).

## BACKGROUND:

### HOMELESS CRISIS IN BAKERSFIELD

In recent years, the State of California has experienced an increase in the number of homeless individuals throughout the State, including within the City of Bakersfield. The annual 2019 “Point in Time Count” showed 1,330 homeless individuals in Kern County with 1,150 (or 80%) located within the Metropolitan Bakersfield area. These numbers represent an overall increase of 50% over the prior year, with 643 unsheltered individuals in the Metro area.

### SEPTEMBER 11, 2019 WORKSHOP

On September 11, 2019, a comprehensive workshop was presented to the City Council to review the action items that the City of Bakersfield has taken to address homelessness. Discussion included an overview of past City actions to support homelessness service providers and the City’s new 3-Point approach to address homelessness:

1. Acknowledge the Crisis
2. Strengthen Existing Providers
3. Implement new PSVS funds

At the conclusion of the September 11, 2019 Workshop, the City Council gave Staff specific direction for 5 Action Items, as noted in **Table 1: City Council Action Items – Status**.

### SEPTEMBER 25, 2019 WORKSHOP

On September 25, 2019, Staff provided a status update on the 5 “Action Items” and the City Council acted to complete Action Items 1, 2 and 3 (See Table 1: City Council Action Items – Status).

## EMERGENCY SHELTER LOCATION UPDATE

Since the September 11, 2019 City Council meeting, Staff has been working through negotiations to secure an appropriate location for the Emergency Shelter Facility. Staff used a 3-part approach to search for a property that met specific criteria, as detailed in the September 11, 2019 Administrative Report and supporting Research Analysis (attached). Staff submitted a Letter of Intent (LOI) to purchase on two qualified properties and negotiated offers and counter offers with the two property owners.

### RECOMMENDED SITE – CALCOT OFFICE COMPLEX

Based on a thorough review of the two final sites, costs and benefits associated with each property, staff recommends the purchase and development of a “Low Barrier Emergency Shelter Facility” at Site number 1, the Calcot Office Complex (1900 East Brundage Lane).

The full Calcot facility is a 110-acre property, located north of Highway 58 in east Bakersfield. The Facility address is 1900 E. Brundage Lane, and the site is between Martin Luther King Boulevard and Washington, and south of Virginia Ave. The facility has been home to a cooperative of California cotton farmers since the 1930s and once employed several hundred office workers and more than 500 seasonal employees each year.

The northern three-quarters of the Facility site (not being purchased) is developed with approximately 40 metal storage buildings, averaging 40,000 square feet each. The southern 17.25-acres of the site, as proposed for purchase, includes the main Office Complex on 7.24-acres, consisting of 34,832 square feet of office space and 34,975 square feet of connected warehouse space. The remaining 10-acres east of the Office Complex is vacant and fronts East Brundage Lane.

### BENEFITS OF CALCOT

The Calcot Office Complex meets all necessary criteria identified in the Staff Research documents presented to City Council on September 11, 2019 and is recommended for the following reasons:

1. **Suitable Location.** The Site is sufficiently buffered from sensitive users and businesses and is zoned M-2 (General Manufacturing), which means that this use is permitted “by right.” This is important because it means that the City Council has already made a finding that “Emergency Shelters” are an appropriate land use on properties zoned M-2; and there are no further discretionary hearings needed.
2. **Sufficient Space.** As demonstrated on the attached “Conceptual layout,” the Calcot Office Complex includes 7.8-acres which has sufficient room to locate the City’s Low Barrier Emergency Shelter Campus and all of the necessary amenities; including but not limited to:
  - Up to 450 emergency beds, constructed in 2-3 Phases
  - Existing office space to house all Service Providers on-site.
  - Existing office space for new Bakersfield-Kern Regional Homeless Collaborative staff.
  - Existing conditioned warehouse for Possessions Storage with minimal renovations.
  - Existing Day-room and Green-Space.
  - Existing cafeteria area and room for a commercial kitchen.
  - Appropriate layout and access for Coordinated-Entry
  - Ability for on-site “referral only” drop off system via shuttle and coordination with partners.
  - Space for on-site employee parking that will not interfere with operations.
  - Room for future addition of “safe parking area” if needed.

3. **Future Police Substation.** The Office Complex has space to house a Substation to serve the residents of Southeast Bakersfield. The Police Department needs more space due to staff expansion. This location is good because it covers the southeast and creates geographic balance with the main Downtown Police Station and the Westside Substation. It will also be less costly to retrofit the Calcot space than to building a new facility.
4. **Adjacent 10-Acres.** In addition to the Office Complex, the sale also includes 10-acres of adjacent vacant property directly to the East; which offers several development options; subject to future approval of the City Council:
  - Development of “next step” permanent Affordable Housing (Permanent and Supportive Housing);
  - Development of a City Corporation Yard;
  - Development and re-sale of the property to private developer (promotes economic development); or,
  - Combination of the above.
5. **Second Site Considered.** The second site did not have the same capacity for future growth. It is 1.89 acres as opposed to 17 acres. It also does not have the same level of existing building space and would require construction of a dining tent and portable trailers. It was also adjacent to single family residential area on one side.

## BUDGET CONSIDERATIONS

**Site Acquisition & Phase 1 Construction.** The property acquisition includes two parts: (1) the Office Complex on 7.24 acres for \$3,827,000 and (2) 10-acres of adjacent vacant land for \$1,100,000 (See attached Letter of Intent, 10/29/19).

To prepare the site for Phase 1 (100 beds), construction activities will include, but are not limited to: Electric and water utilities connection modifications, exterior updates, and installation of: 100 Dorm beds, bathrooms and showers, animal cages, dining tables and chairs, laundry machines, commercial kitchen construction, securitization of unused portions of the building, bathroom conversion to comply with American Disability Act (ADA), replacement of glass offices windows, and day room furniture (See **Table 2. Calcot Facility Components & Phase 1 Construction Needs**). The estimated construction cost for Phase 1 is \$1,900,000.

Property Acquisition: Office Complex on 7.24 acres and Utility improvements:	\$3,827,000
Property Acquisition: 10-Acres of Adjacent Vacant Property	\$1,100,000
Property Adaption: Update for Phase 1 needs:	<u>\$1,900,000</u>
Total:	\$6,827,000

**Operating Budget.** Staff has researched the annual operating budgets of existing facilities throughout California and the nation. A sample of known budgets is illustrated in **Table 3, Operating Budget Research**. As shown in this table, Annual Operating Budgets vary significantly, based on several factors including the staff to client ratio, private vendor costs, food costs, degree of donor participation and more. Table 3 illustrates an estimated annual budget for Phase 1 and Full Build out at the Calcot Facility; however, final costs will be dependent on the actual bids received for services and the level of partnership with existing local services providers and benefactors.

A list and description of the anticipated services and potential partners is included in **Table 4, Operational Needs and Potential Partners**.

**Fund Availability.** The FY 19/20 adopted budget contains \$9.0 million to address housing for the homeless; including \$4.0 million for Shelter acquisition/construction and \$5.0 million for Affordable Housing to act as a potential “next step” for homeless clients after their time at the Emergency Shelter Facility.

Staff has issued a Request for Proposals for the affordable/homeless housing component; however, it is unlikely that those funds will be fully committed in this fiscal year. Acquisition of the Calcot Facility facilitates completion of the Shelter component of the project; and also enables the acquisition stage of the Affordable Housing component. \$2.173 million would remain unallocated for the next initial phases of the Affordable Housing project. It is also anticipated that a portion of the funds will convert in future fiscal years from capital investment to operations and maintenance.

## NEXT STEPS

Timing is of the essence in moving this important project forward. Therefore, Staff recommends that the City Council direct Staff to take the following actions:

1. Authorize the City Manager to enter into a Purchase and Sale Agreement for the Calcot Property.
2. Issue Request for Proposals for Operational Services, as noted in Table 4. Upon receipt of bids; define and Operational budget and return to Council with Agreements.
3. Retain an Architect for professional Facility Advisory Services, with experience designing Emergency Shelter Facilities or similar.
4. Return to Council with Agreement to initiate actions to begin Phase 1 retrofit of the facility, as described in Table 2.

Based on the information provided to date, Staff is confident that Phase 1 of the facility can begin operations within five to six months.

Table 1. City Council Action Items – Status Table				
	Action Item	Direction to Staff	Status	Next Steps
1	<b>Downtown Cleaning</b>	Return to Council with Contract for cleaning service.	RFP Issued 9/13/19. 2 responses received. Recommended bid: \$90,740	<b>Complete.</b> City Council approved Contract 9/25/19
2	<b>Private Security</b>	Return to Council with Contract for private security service.	RFP Issued 9/13/19. 3 responses received. Recommended bid: \$86,856.32	<b>Complete.</b> City Council approved Contract 9/25/19
3	<b>Homeless Collaborative</b>	Return to Council with MOU and budget appropriation to support the Homeless Collaborative.	MOU prepared; Budget Appropriation: \$155,000	<b>Complete.</b> City Council approved Contract 9/25/19
4	<b>Emergency Shelter</b>	Within 30 days, return to Council with a Purchase or Lease Contract for property.	Item set for discussion at 11/6/19 City Council hearing.	<b>Action Needed:</b> 11/6/19 City Council Agenda Item
5	<b>Community Prosecution Program</b>	Negotiate with Kern County to provide partial funding in support of the Program.	City Staff has been engaged in ongoing meetings with Kern County Staff to discuss plan & costs. County continuing to prepare operational and cost calculations.	<b>Pending:</b> City Staff awaiting further cost estimates from Kern County

**Table 2. Calcot Facility Components & Phase 1 Construction Needs**

What	How
<b>Low Barrier Components</b>	
Possessions Storage	Add storage space within existing Warehouse 2
Pet Area	Install Kennel Space
Partners	Created Dedicated space within dorm area
<b>On-site Amenities</b>	
Safe Clean Sleeping area	Add dorm beds to Warehouse 1
Showers	Upgrade or Install portable (Phase 1)
Restrooms	Upgrade or Install portable (Phase 1)
Green Space	Fence/secure existing green space (Phase 1)
Dining	Renovate existing Cafeteria & Install Kitchen
Laundry	Install permanent Machines
Parking	Fence parking area for Employees
<b>On-site Services</b>	
Facility Manager	Approximately 30 separate offices exist at the facility. A majority are in “ready” working condition and need simple modifications (replacement of glass with durable materials, furniture etc.) to become operational.
Facility Operator	
Case Manager (1/20 beds)	
Housing Navigators	
Medical Provider (at least 3x week)	
Mental Health (at least 3x week)	
Transportation	
Food Service (3 meals per day)	
Vet Tech/Animal Care & Veterinarian	
Private Security (onsite & offsite)	Provide check-in area and data sharing.
Note: Other construction components include but are not limited to utility connection modifications, exterior updates, securitization of unused portions of the building, bathroom conversion to comply with American Disability Act (ADA), replacement of glass	

**Table 3. Operating Budget Research**

Loc	Annual	Beds	Person/Yr	Person/Day	100 Bed Annual
SD Alpha	\$5,317,209	325	\$16,361	\$45	\$1,636,064
SD Alpha Bridge 2	\$3,050,500	150	\$20,337	\$56	\$2,033,667
SD Father Joes	\$2,247,713	150	\$14,985	\$41	\$1,498,475
SD Veterans Village	\$2,300,000	200	\$11,500	\$32	\$1,150,000
SLO 40 Prado	\$1,290,500	100	\$12,905	\$35	\$1,290,500
<b>Average</b>	<b>\$3,551,481</b>	<b>231</b>	<b>\$15,217</b>	<b>\$42</b>	<b>\$1,521,741</b>
Calcot Est - Phase 1	\$1,521,741	100	\$15,217	\$42	\$1,521,741

**Table 4. Operational Needs and Potential Partners**

	Service	Description	Potential Partners*
1	Facility Manager	General Management: - All administrative activities - Oversee all sub-contracts - Professional accounting & reporting - Coordinated entry - Coordinate case managers - IT Support (if capable) - Other day to day as needed	CAPK, BHC, Mission, or other third party or combination thereof
2	Facility Operator	Daily Operation of the facility: - 24-hour client management - Daily Programming - Bedding Materials	Same as item 1
3	Facility Maintenance	Daily on-going maintenance: - General Repairs and upkeep. - Janitorial (Including Toiletries supply) - Gardening including supplies	Same as item 1
4	Facility Meal Program	3 meals per day. To include food orders/ delivery and on-site full or partial preparation (depending on kitchen set-up)	Same as item 1
5	Laundry Service	Weekly service of on-site machines, possible management of "credit" system.	Vendor
6	Transportation Service	Shuttle system and direct referral and transport to facility. A bus has ability, has been donated and grants are being explored.	Flood, GET, BPD, Rapid Response Teams, County, etc.
7	Case Managers	Ratio Goal: 1 per 20 beds	BHC, HACK, variety of others
8	Housing Navigators	Provide housing placement; goal within 90 days.	HACK
9	Medical Provider	On-site multiple times per week, as recommended by Provider.	KMC, Good Sam
10	Mental Health Provider	On-site multiple times per week, as recommended by Provider.	KCBH
11	Insurance & Funding Match	On-site to connect to programs (CalFresh, Calworks, Medi-cal, etc.)	KCBH, KMC, KC Human Services, etc.
12	Job Training Programs	On-site to connect and train	KCETR
13	Veteran's Services	On-site to connect to programs	KC Veterans Service
14	Vet Technician or Animal Care Veterinarian Services	Weekly visits for minor medical needs, to provide vaccines	Vendor
15	Private Security - Onsite	To support Facility Operator	Vendor
16	Private Security - Offsite	To support Facility Operator	Vendor
17	Portable Showers	Weekly service/maintenance.	Vendor
18	Portable Restrooms	Weekly service/maintenance.	Vendor
19	Utilities	Monthly Power, Sewer, Water	Utilities
20	Misc City Support (City staff oversight, Technical Support)		City

**NOTES**

- Items 1-4 can be all separate parties, one party or a combination of several.
- City has had preliminary discussions with the noted parties to gain an understanding of services provided, scope, and need; however, no formal contracts or proposals have been extended.
- Individual Vendors will be required to provide Insurance consistent with City requirements; however, City of Bakersfield is investigating additional insurance needs/costs.