

ITEM #:	<u>42</u>
DATE:	<u>06-25-24</u>
DEPT:	<u>ADMIN</u>

COUNCIL ACTION FORM

**SUBJECT: AMENDMENT IN THE AMOUNT OF \$100,000 TO ASSET CONTRACT WITH
THE SALVATION ARMY FOR TEMPORARY EMERGENCY SHELTER
SERVICES**

BACKGROUND:

On June 11, 2024, the City Council approved the FY 2024/25 ASSET contracts totaling \$1,780,999. The Council also approved \$143,579 in unallocated funds, where:

- a) \$117,322 is reserved for needs that may arise for emergency shelter services;**
- b) \$6,000 is reserved for needs that may arise for housing service coordination services; and,**
- c) \$20,257 remain undesignated for any ASSET-related service need(s) that may arise in FY 2024/25.**

In the approved contract with The Salvation Army (TSA) for FY 2024/25, the City approved \$5,000 towards purchasing emergency shelter services (hotel vouchers) at a cost per unit rate of \$75.67. However, much has changed since TSA first presented its ASSET request in August 2023. In spring 2024, TSA began seeing a significant increase in the community's need for emergency shelter services. In response to the need, in May 2024, TSA leadership was willing to ramp up its hotel voucher program if needed, and to add a full-time Resource Coordinator, who serves as the receptionist at their location and who assists clients with resource coordination.

To assist with these changes, in April 2024, TSA requested additional funding from ASSET funders for both FY 2023/24 and FY 2024/25 to provide emergency shelter services. The agency updated its cost per unit of service to \$103.15 for FY 2023/24 and \$105.75 for FY 2024/25. On May 14, 2024, the City Council approved amending the FY 2023/24 contract with TSA to add emergency shelter services at a cost per unit rate of \$103.15 and approved purchasing up to \$40,000 of services. At that time, staff noted that TSA's \$100,000 request for FY 2025/26, (this request), would come at a later date.

The table below summarizes the FY 2024/25 unallocated ASSET funds by funder (which can be used to fund unexpected needs that arise if it aligns with funder priorities), the TSA requested amount, and the balance if the request is fully funded:

ASSET Funder	Total Unallocated Funds	TSA Requested Amount	Balance of Funder's Unallocated Fund
City of Ames	\$143,579	\$100,000	\$43,579
Story County	\$169,884	\$120,000*	\$49,884
United Way of Story County	\$11,228	\$11,228*	\$0
TOTALS	\$231,228	\$91,000	\$93,463

*Emergency Shelter services remains a priority housing service for ASSET funders. United Way of Story County's board has already approved TSA's \$11,228 request and the Story County Board of Supervisors has also approved TSA's \$120,000 for FY 2024/25.

If the Council approves the additional \$100,000 request at the unit rate of \$105.75, the total amount approved for FY 2024/25 to TSA for emergency shelter services will be \$105,000. Therefore, the City will be purchasing 992 units of service. A unit of service includes 1 24-hour shelter service and a meal. Currently, there is not a clear long-term solution for emergency shelter services; however, there continues to be a community need for temporary housing.

TSA reported that the week of April 17-24, 2024, the organization assisted with 19 hotel rooms, serving 37 people, including some children. That same week, seven of the 18 individuals who requested assistance were newly unhoused households. TSA also reported on June 4, 2024, that shelter spaces for the community are full, and therefore they currently have 33 hotel vouchers being used. The pace of seeking assistance has not slowed down.

ALTERNATIVES:

1. Approve the amendment to The Salvation Army's FY2024/25 ASSET contract for an additional \$100,000 to provide temporary emergency shelter services from July 1, 2024 - June 30, 2025, at a cost per unit of \$105.75, thereby increasing their total appropriation to \$105,000.
2. Do not approve the amendment and funding request from The Salvation Army.

CITY MANAGER'S RECOMMENDED ACTION:

Staff will continue to engage in conversations with service providers to find a more sustainable, long-term solution. Until then, there continues to be a community need for emergency shelter services. In the interim, The Salvation Army has requested funding to assist with the immediate needs. Therefore, it is the recommendation of the City Manager that the City Council approve Alternative No.1 as stated above.

ATTACHMENT(S):

[Salvation Army - Amendment FY2024.25.pdf](#)