



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** OCTOBER 4, 2022

**DEPARTMENT:** COMMUNITY DEVELOPMENT DEPARTMENT

**FROM:** MEGAN HUNTER, DIRECTOR

**THROUGH:** ROD POWELL, PLANNING MANAGER

**BY:** MARIA CAMBRON, COMMUNITY DEVELOPMENT ANALYST

**TITLE:** ARPA/PRK MOTEL PROGRAM MASTER LEASE WITH MARINA HOTELS Ci, LLC, AND AGREEMENT FOR SERVICES WITH BENITEZ SECURITY SERVICES, INC.

**RECOMMENDED MOTION:**

A motion to approve a Resolution:

1. authorizing the Mayor, on behalf of the City of Salinas, to execute a Master Lease Agreement with Marina Hotels Ci, LLC; and
2. authorizing the Mayor, on behalf of the City of Salinas, to execute an Agreement for Services with Benitez Security Services, Inc.

**RECOMMENDATION:**

It is recommended that City Council approve a Resolution:

1. authorizing the Mayor, on behalf of the City of Salinas, to execute a Master Lease Agreement with Marina Hotels Ci, LLC; and
2. authorizing the Mayor, on behalf of the City of Salinas, to execute an Agreement for Services with Benitez Security Services, Inc.

**EXECUTIVE SUMMARY:**

Currently, through sub-agreements with Central Coast Center for Independent Living (CCCIL), Marina Hotels Ci, LLC (County Inn) and Benitez Security Services, Inc., emergency housing opportunities and 24-hour security services are being provided for a regional, jointly funded City/County of Monterey (County) American Rescue Plan Act (ARPA)/Project Roomkey (PRK) Motel Program. Due to administrative capacity and financial limitations, CCCIL has notified staff that it is no longer able to maintain and administer these existing agreements. To ensure continuous, non-disruptive program services, the City is seeking to assume a direct administrative

role under the two proposed agreements within the Community Development Department's Housing and Community Development Division.

### BACKGROUND:

On October 26, 2021, City Council approved a resolution authorizing the allocation of City American Rescue Plan Act (ARPA) funds and the acceptance of County Project RoomKey (PRK) funds to implement an emergency shelter ARPA/PRK Motel Program. More recently, on September 20, 2022, City Council approved a resolution authorizing the execution of two amendments to the initial agreement with the County of Monterey to extend the agreement term and to accept and administer an additional \$1,500,099.92 of County of Monterey ARPA funds. Through existing agreements with CCCIL and California State University Monterey Bay Community Health Engagement (CSUMB CHE), the program has and continues to provide non-congregate, emergency shelter, stabilization and case management services, and permanent housing navigation and placement to unhoused individuals.

Up until recently, through existing sub-agreements, CCCIL has served as the contracting entity with Marina Hotels Ci LLC and Benitez Security Services, Inc. However, due to current organizational capacity and cash-flow limitations, CCCIL has notified the City that it can no longer serve in this capacity. In consideration of this emerging issue and to ensure continuous program operations, City staff are seeking to assume a more substantive administrative role in the program through the execution of the proposed agreements. Direct client interaction and services will continue to be provided by CCCIL and CSUMB CHE.

### DISCUSSION:

Since the inception of the ARPA/PRK Motel Program in November 2021, through an agreement with a program sub-recipient CCCIL, the County Inn has served as a primary site for program services. This site was chosen not only for its centralized regional location but also due to a much higher per room costs and a continued lack of site availability within the City of Salinas resulting from increased, sustained competition from local agricultural labor contractors seeking to house H2A employees.

The proposed agreement with Marina Hotel Ci LLC will provide up to sixty (60) rooms at Country Inn at a total cost not to exceed \$657,000, with the term of October 1, 2022 through February 28, 2023. The proposed agreement with Benitez Security Services, Inc. will provide necessary 24-hour, on-site program security at a cost not to exceed \$321,783, with the term of September 1, 2022 through December 31, 2022. Both proposed agreements have an option for a month-to-month extension, if desired. Existing agreements with CCCIL and CSUMB CHE to provide direct client services will remain unaffected.

In upcoming months, as the demand for local H2A worker housing declines, it is staff's intention to continue to look for additional opportunities to expand program services to a motel site within the City of Salinas to better facilitate the likely transition of ARPA/PRK Motel Program participants to a permanent, supportive housing placement at a Homekey location.

#### CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

#### STRATEGIC PLAN INITIATIVE:

The proposed agreements will advance the City of Salinas Strategic Plan 2022-2025 Goals and Strategies of Public Safety, Housing/Affordable Housing, and Effective and Culturally Responsive Government.

#### DEPARTMENTAL COORDINATION:

This agenda item is solely administered by the Community Development Department with contributions from both the City Attorney and Finance Department.

#### FISCAL AND SUSTAINABILITY IMPACT:

Authorization to execute the proposed agreements has no fiscal impact to the General Fund as the ARPA/PRK Motel Program is solely funded by City and County ARPA funds and County CDSS Project RoomKey funds.

#### ATTACHMENTS:

1. Resolution
2. Master Lease Agreement – Marina Hotels Ci LLC - Draft
3. Agreement for Services – Benitez Security Services, Inc. - Draft