



Shireen McSpadden, Executive Director

London Breed, Mayor

|                |   |
|----------------|---|
| <b>To</b>      | Homelessness Oversight Commission   |
| <b>Through</b> | Shireen McSpadden, Executive Director   |
| <b>From</b>    | Marion Sanders, Chief Deputy Director<br>Gigi Whitley, Chief of Finance and Administration<br>Edilyn Velasquez, Director, Contracts |
| <b>Date</b>    | March 21, 2024  |
| <b>Subject</b> | Grant Agreement Approval: Urban Alchemy   711 Post (Ansonia Hotel)  |

| <i>Agreement Information</i> |                                 |
|------------------------------|---------------------------------|
| <b>F\$P#</b>                 | 1000023929                      |
| <b>Provider</b>              | Urban Alchemy                   |
| <b>Program Name</b>          | 711 Post (Ansonia Hotel)        |
| <b>Agreement Action</b>      | 1 <sup>st</sup> Amendment       |
| <b>Agreement Term</b>        | March 21, 2022 to June 30, 2026 |

#### Agreement Amount

| Current Budget <sup>1</sup> | Amended      | New          | Contingency <sup>2</sup> | Total Not to Exceed (NTE) |
|-----------------------------|--------------|--------------|--------------------------|---------------------------|
| \$13,213,397                | \$14,569,240 | \$27,782,637 | \$2,622,463              | \$30,405,100              |

#### Funding History

| Fiscal Year (FY) | Budget              | Actual Spent             | Amended to Add               | New Budget          |
|------------------|---------------------|--------------------------|------------------------------|---------------------|
| 2021-22          | \$0 <sup>3</sup>    | \$0                      | \$0                          | \$0                 |
| 2022-23          | \$7,035,620         | \$5,928,777              | \$0                          | \$5,928,777         |
| 2023-24          | \$7,284,620         | \$2,677,847 <sup>4</sup> | \$0                          | \$7,284,620         |
| 2024-25          | \$0                 | \$0                      | \$7,284,620                  | \$7,284,620         |
| 2025-26          | \$0                 | \$0                      | \$7,284,620                  | \$7,284,620         |
| <b>TOTAL</b>     | <b>\$14,320,240</b> | <b>\$8,606,624</b>       | <b>\$14,569,240</b>          | <b>\$27,782,637</b> |
|                  |                     |                          | 12% Contingency              | \$2,622,463         |
|                  |                     |                          | <b>Total NTE<sup>5</sup></b> | <b>\$30,405,100</b> |

| <i>Funding Information</i>         |  |
|------------------------------------|--|
| <b>Funding Sources<sup>6</sup></b> | 100% State Grant: Homeless Housing, Assistance and Prevention Program (HHAP) |

<sup>1</sup> Current budget adjusted for actuals. Current Not-to-Exceed Amount is \$18,736,820.

<sup>2</sup> Contingency only applied to FY23-24, FY24-25, and FY25-26 budgeted amounts.

<sup>3</sup> Program opening delayed until July 2022 after contract sized for full year. FY21-22 year adjusted to actuals.

<sup>4</sup> Amount spent through November 2023.

<sup>5</sup> NTE is calculated using the Actual Spent for prior years.

<sup>6</sup> The funding sources listed reflect current and future years.

The Department of Homelessness and Supportive Housing (HSH) Contracts team requests authorization to amend the existing grant with Urban Alchemy for the provision of shelter services and operations at 711 Post (Ansonia Hotel) for the period of March 21, 2022 to June 30, 2026, in an additional amount of \$14,569,240. The addition of funds includes two additional performance years at FY23-24 funding levels. The requested new NTE amount is \$30,405,100, including a \$27,782,637 budget and 12 percent contingency of \$2,622,463 on current and outgoing years.

**Background Summary:**

711 Post, a former youth hostel, can accommodate up to 250 guests with large common spaces, high shower and toilet ratios, laundry machines, upgraded elevators and electrical, lockers, and luggage storage. Urban Alchemy provides site operations and services, including case management and 24/7 staffing on site. The site opened in July 2022.

**Services to be Provided**

The purpose of the grant is to provide emergency shelter operations and support services to adults experiencing homelessness. Grantee will provide services to 250 adults with a budgeted staff of 56.18 full time equivalents (FTE).

**Selection**

The Board of Supervisors adopted Ordinance No. 61-19, which authorizes HSH to enter into and amend contracts and grants without adhering to the Administrative Code provisions regarding requirements for construction work, procurement, and personal services related to the shelter crisis, which is valid until May 2024, or until the Point In Time (PIT) count is at 5,350. Urban Alchemy was selected for provision of these services based on the organization’s experience and ability to begin services in a timely manner.

**Performance History**

Urban Alchemy underwent citywide nonprofit fiscal monitoring most recently in FY22-23 and there were no unresolved findings.

Urban Alchemy was issued one corrective action letter within the last 12 months (in July 2023), largely involving high spending compared to budget last fiscal year. The provider has been working to address the concerns, and HSH issued a follow-up in December closing the corrective actions.

Urban Alchemy underwent program monitoring at 711 Post most recently in FY22-23. The program year annual monitoring was conducted on May 11, 2023. The provider had no findings.

