



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 Gigi Whitley, Chief of Finance and Administration Edilyn Velasquez, Director, Contracts
<b>Date</b>	March 21, 2024
<b>Subject</b>	Grant Agreement Approval: Urban Alchemy   33 Gough Cabins

<i>Agreement Information</i>	
<b>F\$P#</b>	1000023172
<b>Provider</b>	Urban Alchemy
<b>Program Name</b>	33 Gough Cabins
<b>Agreement Action</b>	2 <sup>nd</sup> Amendment
<b>Agreement Term</b>	December 1, 2021 – March 31, 2025

**Agreement Amount**

Current Budget <sup>1</sup>	Amended	New	Contingency <sup>2</sup>	Total Not to Exceed (NTE)
\$8,123,932	\$2,686,150	\$10,810,082	\$765,385	\$11,575,467

**Funding History**

Fiscal Year (FY)	Budget	Actual Spent	Amended to Add	New Budget
2021-22	\$1,880,409	\$1,335,074	--	\$1,335,074
2022-23	\$3,258,851	\$3,096,801	--	\$3,096,801
2023-24	\$3,692,057	\$1,300,186 <sup>3</sup>	\$155,733	\$3,847,790
2024-25	\$0	\$0	\$2,530,417	\$2,530,417
<b>TOTAL</b>	<b>\$8,831,317</b>	<b>\$5,732,061</b>	<b>\$2,686,150</b>	<b>\$10,810,082</b>
			<i>12% Contingency</i>	<i>\$765,385</i>
			<b>Total NTE<sup>4</sup></b>	<b>\$11,575,467</b>

<i>Funding Information</i>	
<b>Funding Sources<sup>5</sup></b>	85% Our City, Our Home (Prop C) 15% Encampment Resolution Fund

<sup>1</sup> Current budget adjusted for actuals. Current Not-to-Exceed Amount is \$9,428,477.

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

<sup>3</sup> Amount spent through November 2023.

<sup>4</sup> NTE is calculated using the Actual Spent for prior years.

<sup>5</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 33 Gough Cabins for the period of December 1, 2021 to March 31, 2025 in an additional amount of \$2,686,150. The addition of funds includes the provision of four months of meals during FY23-24 (March-June 2024), until an expected agreement with a dedicated shelter meal provider takes effect on July 1, 2024. The amendment also includes nine additional months of performance based on ongoing FY23-24 funding, to align with the current lease of the site through March 2025. The new amount is \$10,810,082, plus a 12 percent contingency of \$765,385 on current and outgoing years, for a total amount not to exceed of \$11,575,467.

### **Background**

The lots at 33 Gough St., between Market and Mission, were activated in response to COVID as a city-sanctioned “safe sleeping village,” holding 44 tents for unhoused people while they searched for permanent housing. HSH replaced the tents with 70 tiny homes, dubbed cabins, similar to those already in use in Oakland, the Peninsula and San Jose.

Dignity Moves and the City of San Francisco, with the support of Tipping Point Community, Urban Alchemy, and HomeFirst Services, partnered to develop this Cabin Program for people experiencing homelessness in San Francisco. The site has 70 transitional cabin units, which serve as an alternative to traditional congregate shelter. HomeFirst owns the cabin units and Urban Alchemy operates and provides services at the site, including staffing coverage 24 hours a day, seven days a week.

### **Services to be Provided**

The purpose of the grant is to provide time-limited and as-needed Cabin Pilot Program services to single adults, 18 years old and older, who are experiencing homelessness and do not have a fixed, regular, or adequate nighttime residence. Grantee will provide services to at least 70 units with a budgeted staff of 34.27 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 for 33 Gough most recently in FY22-23. The site visit was conducted on May 15, 2023, and the program met its contractual service level. There were a few findings that were found during the audit and have been corrected: 1. Supervisor Reviews were missing



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in case files. 2. Cases were missing service plans. 3. Quarterly Satisfaction Reports were missing in Carbon. 4. Monthly reports were not submitted in a timely manner.

