



# MEMORANDUM

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**TO:** Mayor and City Councilors

**FROM:** Rich Olson, City Manager  
Morgan Jethro, Community Development Manager

**DATE:** November 21, 2013

**REF:** Consideration - 709 Herrington Road Property

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***BACKGROUND:***

During the City Council meeting held on October 28, 2013, staff was directed by the Council to investigate options for the City to operate a homeless shelter at 709 Herrington Road. Staff was asked to report back to the Council in 30 days.

***ANALYSIS:***

The site, formerly known as the "Garden of Hope" house at 709 Herrington Road, was operated by a 501c3 nonprofit organization as a homeless shelter, and ceased operation in September 2013 due to lack of funding. The site was issued a Special Use Permit by the Board of Zoning Adjustments to permit no more than eight residents, volunteers and/or staff. According to the UDO, a Special Use Permit would be required to be obtained before another organization can operate a homeless shelter at the site. If the site is operated by the City, no Subrecipient Agreement would be necessary; however the Special Use Permit will be required.

A Request for Proposals for Service Delivery and Management of the site was advertised in the Sunday, November 3, 2013 edition of *The Daily Advance* (see attached copy of the ad). No proposals were received, although one inquiry regarding operation of the shelter was received by City staff.

Due to CDBG funds being utilized for the purchase of the facility, a Subrecipient Agreement would be required of any subsequent group wishing to operate the shelter. The Subrecipient Agreement would require a public hearing.

Upon staff inspection of the facility, it was determined that approximately \$16,500 in expenses will be required for new carpet, paint, and other basic repairs before the shelter can be reopened.

The shelter will be required to have staff members operating the facility 24 hours a day, 7 days a week. A minimum of 3.5 full time staff members and one part time staff member would be needed, working eight-hour rotating shifts daily. Vacation time, sick leave, etc. has not been factored into the minimum staffing requirements. It is estimated that staff salaries with benefit package is approximately \$100,100 with one part time staff member and three full time staff members. The City will be required to pay its employees' salaries based upon Federal Law; therefore, the cost of staffing is more than double the cost for a private 501c3 organization, which is not held to the same standards. Staff members would be requested to have an array of educational backgrounds, including nursing, counseling, therapists, and substance abuse.

All persons wanting to gain entrance to the shelter program would have a mental health screening process. An assessment would be made based upon any issues that may be uncovered, as well as a course of action. This must be accomplished by a medical professional with a background in mental health. The shelter would have the ability to make referrals to the various local mental health facilities. Substance abuse issues may be a problem for persons wishing to enter the facility. Referrals would be made for those individuals.

The shelter staff will be responsible for ensuring that all residents are up in the morning, make their beds, take care of their personal hygiene, clean their living space, and assist with assigned chores at the shelter home. The Resident Manager will conduct weekly "house meetings" with all residents. Transportation assistance would be provided for food, Food Bank assistance, clothing needs, referral services, medical and mental health appointments, Social Services, the Employment Security Commission, the Elizabeth City-Pasquotank School system, and the local colleges and University. Since transportation is needed, a City van would be required for the shelter.

### ***FINANCIAL:***

Staff prepared a proposed one year operational budget for the shelter that compares expenses for a City-operated facility and a facility operated by a 501c3 non-profit organization (see attached spreadsheet).

Staff contacted seven large cities throughout the state concerning their participation in operating a "City Homeless Shelter". We could not find a



jurisdiction that directly operated the shelter, but most indicated that they contributed funds to other organizations as financial assistance.

The City has been advised by Community Investment that any funds acquired from the sale of the property must be utilized to assist individuals of low to moderate income within the City. Funds may be utilized towards the Elizabeth City Middle School Renovation Project, which is also a CDBG grant project.

City staff's recommendation to the Finance Committee during their meeting of November 20, 2013 included having the property appraised and the Council adopting a resolution declaring the property surplus with the intention of pursuing a sale of the property in order to use the proceeds for the Middle School project.

However, during the Finance Committee's discussion of this issue, all members agreed that the operation of a shelter to serve the homeless population is a worthy and needed service. Both Councilman Donnelly and Councilman Brooks (who also attended the Finance Committee meeting) advised that they had received inquiries from prospective operators that did not submit a proposal during the RFP process. The Committee felt it was appropriate to winterize the home to prevent damage during cold weather in order to provide additional time (until January 2014) to make sure no one comes forward that is able to operate the shelter.

***STAFF RECOMMENDATION:***

As the City Council directs.

RCO/vdw

## **REQUEST FOR PROPOSALS**

### **CITY OF ELIZABETH CITY**

**Service delivery and management of  
Homeless Shelter at 709 Herrington Road  
Elizabeth City, NC**

SEALED Proposals will be received by the City of Elizabeth City in the City Manager's Office, located on the Second Floor, 306 E. Colonial Avenue, Elizabeth City, NC 27907-0347 on or before 3:00 p.m. local time on November 20, 2013.

The City of Elizabeth City is accepting proposals from non-profits organizations (501[c][3]) interested and qualified to provide services and manage the homeless shelter located at 709 Herrington Road, Elizabeth City, North Carolina 27907. For more information and a copy of the RFP please contact Morgan Jethro at 252-337-6672, ext 251 or Vivian White at 252-337-6864.

The City reserves the right to reject any or all proposals and to accept the proposal that in its judgment best meets the requirements of the City.



**Proposed One Year Operational Budget Expenses**

	<u>City Operated</u>	<u>501c3 Operated</u>
Utilities	\$3,000	\$3,000
Heating Gas/Oil	\$4,000	\$4,000
Professional Fees	\$1,000	\$1,000
Computer Repairs	\$500	\$500
Fund Raising	\$0	\$2,000
Salaries/Payroll Taxes	\$100,100	\$30,000
Building	\$2,500	\$2,500
Grounds	\$1,000	\$1,000
Janitorial Supplies	\$500	\$500
Pest Control	\$1,200	\$1,200
Office Supplies	\$2,500	\$2,500
Privilege License	\$0	\$100
Office Equipment Repairs	\$500	\$500
Postage	\$1,000	\$1,000
Seminars/Education	\$1,000	\$500
Travel Expense	\$0	\$500
Mileage Reimbursement	\$0	\$2,000
Food Bank of the Albemarle Building Ins/Worker's Comp.	\$4,500	\$500
Director/Officer Insurance	\$1,000	\$3,200
Meals/Entertainment	\$500	\$1,000
Cable/Internet	\$1,000	\$500
<b>Totals:</b>	<b>\$126,300</b>	<b>\$59,000</b>