TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER   DEPARTMENT: COMMUNITY SERVICES

DATE: JANUARY 28, 2002          CMR: 130:02

SUBJECT: APPROVAL OF AMENDMENT NUMBER TWO TO THE URBAN MINISTRY OF PALO ALTO AGREEMENT S2135801 TO INCREASE FUNDING IN THE AMOUNT OF $28,000 FOR FISCAL YEAR 2001-02.

RECOMMENDATION
Staff recommends that the Council approve and authorize the Mayor to execute the attached amendment to contract S2135801 with Urban Ministry of Palo Alto (UMPA), to increase 2001-02 funding by $28,000 (from $42,475 to $70,475) to provide food and shelter services for homeless individuals.

BACKGROUND
On June 19, 2001, the City Council approved the Human Services Resource Allocation Program (HSRAP) funding which designated $33,475 to Urban Ministry of Palo Alto to provide food and shelter services in Palo Alto. On August 3, 2001, staff recommended, and the City Council approved, amendment number one to the UMPA contract for an additional $9,000 because UMPA administration notified staff that the rotating shelter program was in danger of closing it doors due to a 30 percent increase in demand for services and a 50 percent reduction in fundraising from the previous year. The additional $9,000 increased the contract to $42,475.

After the events of September 11, 2001, the decline in funding for UMPA has become more critical. The UMPA Board of Directors is requesting the additional $28,000 from the City to assist UMPA in sustaining basic services through the rest of the fiscal year.

DISCUSSION
UMPA is the only service provider in Palo Alto who provides services to the hardest homeless population to serve. The agency fills an important role in the continuum of services and addresses one of the City’s highest ranked needs in the HSRAP Service Needs Priorities. Other homeless service providers depend on UMPA to serve the dual diagnosed mentally ill homeless population.
UMPA has implemented organizational and financial changes to avoid future fiscal crises. The agency has signed an agreement with InnVision, the largest homeless services provider in San Jose, to assume administrative and fiscal management of UMPA.

Amendment number two will enable UMPA to continue to provide services to the homeless in Palo Alto for fiscal year 2001-2002 without any disruption and allow for a smooth transition for InnVision management as it assumes administrative responsibilities for UMPA.

**RESOURCE IMPACT**
The additional appropriation of $28,000 to UMPA will have no impact on the General Fund Budget Stabilization Reserve. The Human Services Division of the Community Services Department will absorb this one-time expense.

**POLICY IMPLICATIONS**
This recommendation is consistent with existing City policies.

**TIMELINE**
The additional $28,000 of one-time funding will be added to the remaining quarterly payments to UMPA.

**ENVIRONMENTAL REVIEW**
This program is not a project as defined by the California Environmental Quality Act and is not subject to CEQA requirements.

**ATTACHMENTS**
Attachment A: Agreement S0115708
Attachment B: 2001-02 Human Services Contracts (revised)

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Director of Community Services

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