



CITY COUNCIL STAFF REPORT



April 23, 2024

ITEM TITLE

Unsheltered Policy: Adding Chapter 5.14 “Service Providers” to the Chula Vista Municipal Code to Establish a Permitting Process for Service Providers, and Amending Chapter 4 of the City’s Master Fee Schedule to Add Service Providers Fees

Report Number: 24-0121

Location: No specific geographic location

Department: Housing and Homeless Services

G.C. § 84308: No

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act (“CEQA”) State Guidelines. Therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

Place an ordinance on first reading adding Chapter 5.14 “Service Providers” to the Chula Vista Municipal Code requiring an operational permit for service providers conducting outreach and/or placing unsheltered person(s) in Chula Vista **(First Reading)**; and adopt a resolution amending Chapter 4 of the City’s Master Fee Schedule to adopt fees related to the Service Provider permit.

SUMMARY

It is estimated that six to eight hotels and motels participate in some form of a voucher program (temporary lodging subsidy) by external service providers within the City of Chula Vista. Since 2020, there has been an increase in calls for service at or around these hotels/motels and an influx of unsheltered persons looking for resources within our community. Unfortunately, there is currently no mechanism in place to monitor who is being placed in these hotels/motels and what types of services the individuals are provided to prevent them from becoming homeless in Chula Vista after their vouchers expire. This item adds Chapter 5.14 to the Chula Vista Municipal Code, entitled “Service Providers”, which creates permit and operational requirements for service providers conducting outreach or placing unsheltered persons in hotels/motels or other temporary housing in Chula Vista.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines, because the proposed activity consists of a reporting action that will not result in a physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

The Housing and Homeless Advisory Commission has been updated on the Council priorities related to homeless policy as discussed at the Council meetings of October 5 and December 5, 2023.

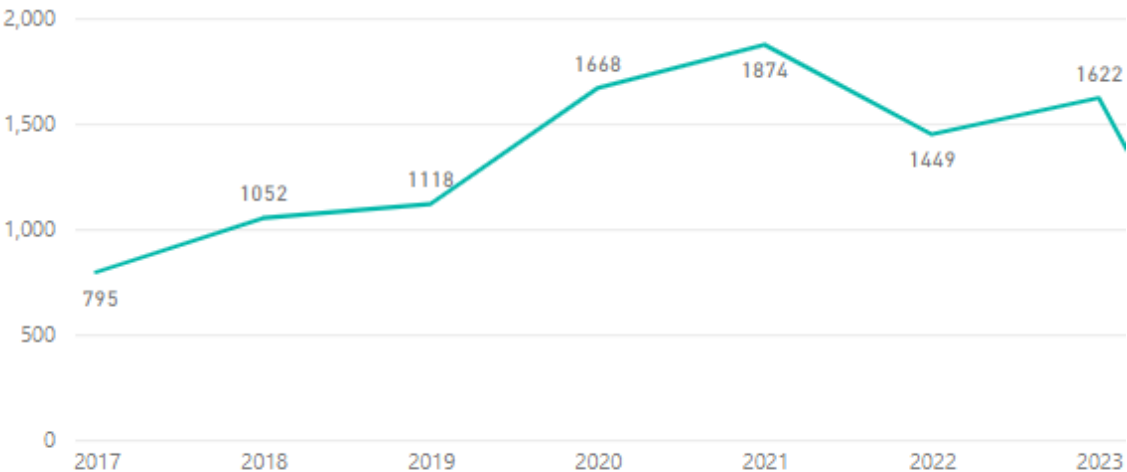
DISCUSSION

Background

Hotel/motel voucher programs are widely used by jurisdictions and other providers to secure immediate and emergency housing for individuals and families experiencing homelessness or temporarily displaced from their permanent housing. Typically, these programs are subsidized by governmental funding or non-profit funds and run in increments of up to 28 days at a time. While the City operates a hotel/motel voucher program, it is administered and case-managed in-house by the Homeless Outreach Team and Department of Housing & Homeless Services. Today, the internal Chula Vista hotel/motel voucher program is rarely utilized, as the goal is to serve as a bridge to quickly transition into stable housing, in one of the many housing options the city offers.

Since the COVID Pandemic in 2020, the City noticed an increase in the number of unsheltered persons in the City, and particularly a rise in number of hotel/motel rooms utilized for emergency shelter. This resulted in a surge of calls for service and criminal activities at six to eight participating hotels. As illustrated below, prior to 2020, the hotel/motel calls for service averaged under 100 calls per month (798 to 1,118 annually), while the calls peaked to an all-time high of 1,874 in 2020. Since the start of the pandemic average monthly calls have remained over 100 per month, ending 2023 with a total of 1,622.

Hotel/Motel Calls for Service by Year (2017-2023)



It is estimated that as of the writing of this report, there are over 200 households living in Chula Vista hotels under external hotel/motel voucher programs administered through outside service providers. This raises concerns, as we are unaware of the clients placed in our hotels and their ability to secure housing after their vouchers expire, potentially placing additional strain on City resources as individuals and families seek services or end up homeless on our streets.

Options

Staff has explored options to mitigate the effects of this practice, particularly from other jurisdictional efforts such as the City of El Cajon. Through an amendment to their municipal code in 2023, El Cajon established a mechanism to facilitate oversight on all service providers conducting services within their city. Specifically, they placed conditions to require:

- Hotels/motels to inform the City of whether they participate in a voucher program, how many rooms are designated for this use, which agencies they have contracts with, and the room rates being charged; and
- External Service Providers to follow the Chula Vista Homeless Outreach Team practice of conducting a criminal background check on those being housed prior to placement. This would provide the knowledge of who is staying in the City and assess potential risks. The check is processed by the external provider and the El Cajon police department.

Current Requirements and Proposed Additions to the Chula Vista Municipal Code

A business license is required in the City of Chula Vista for any person who transacts, engages in, or carries on any business within the corporate limits of the city via Chula Vista Municipal Code (CVMC) Section 5.02.020. Depending on the nature of the business, the city may require an additional permit or license to operate. For example, on an annual basis the Chula Vista Police Department requires hotels to apply for a permit to operate prior to issuance of a business license. In October of 2023, motel and hotel operators were notified that beginning January 1, 2024, they would need to internally begin tracking their voucher activity and submit such information as part of the application process for the following year. This information will be required starting in October 2024 with applications submitted for the 2025 calendar year. Reporting information will include the month and number of days per voucher stay, number of occupants, issuing organization, and nightly rate.

Similar to Chula Vista's Police Department's hotel/motel permit process, tonight's action would add provisions to the Municipal Code, Chapter 5.14, that require service providers operating in the City obtain a permit to operate and provide monthly reports to the City about their policies and placements. Such regulations would provide the city with more comprehensive information regarding the placement of persons in City hotels/motels who are homeless or at risk of homelessness, and the services being provided to those persons. If this item is approved, service providers operating in the City would be required to obtain the Service Provider permit by January 1, 2025.

Proposed Fees

The required Service Provider permit would be processed by the Department of Housing and Homeless Services and would require an application and annual renewal fee of \$315 and \$235, respectively, as reflected in the proposed amended Chapter 4 of the City's Master Fee Schedule (Attachment 1). The proposed Service Provider application and renewal fees are recommended in order to offset the reasonably anticipated

cost of processing the Service Provider application and renewal permits as reflected in Attachment 2 and summarized below.

Description	Hours	Amount
Service Provider Permit – Application and Reporting	2.0	\$315
Service Provider Permit – Renewal and Reporting	1.5	\$235

Because this is an entirely new program, the time spent providing Service Provider Permit services will be monitored and adjustments to these fees will be brought to the City Council for consideration in the future, if appropriate.

Conclusion

The proposed addition of CVMC 5.14 is intended to address the community impacts generated by the growing inflow of unknown voucher clients and to improve service delivery and coordination for all unsheltered persons (Chula Vista and non-Chula Vista) in the City. Staff recommends that Council adopt the proposed Ordinance adding Chapter 5.14 to the Chula Vista Municipal Code, and adopt the proposed Resolution amending Chapter 4 of the City’s Master Fee Schedule to reflect the Service Provider Permit application and renewal fees.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not a site- specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov’t Code §87100, et seq.).

CURRENT-YEAR FISCAL IMPACT

Adopting the resolution amends the Master Fee Schedule to establish full cost recovery fees for Service Provider Permit applications, renewals, and monitoring. This action supports optimal cost recovery for the City, per the guidelines of the City’s Cost Recovery Policy (City Council Policy No. 159- 03).

Impacts to revenues in the current fiscal year will vary based upon actual requests for Service Provider permitting services. No current year appropriation of these revenues is proposed.

ONGOING FISCAL IMPACT

Adopting the resolution amends the Master Fee Schedule to establish full cost recovery fees for Service Provider Permit applications, renewals, and monitoring. This action supports optimal cost recovery for the City, per the guidelines of the City’s Cost Recovery Policy (City Council Policy No. 159- 03).

Impacts to revenues in future years will vary based upon actual requests for Service Provider permitting services. If the resolution is approved, future budgets will reflect actual revenues generated by the new fees.

ATTACHMENTS

1. Redline Master Fee Schedule Chapter 4
2. Cost of Service Analysis

*Staff Contact: Angélica Davis, Homeless Solutions Manager
Stacey Kurz, Director of Housing and Homeless Services*