
File ID: 2025-01618

10/21/2025

Supplemental Agreement: North 5th Navigation Center Supplemental Agreement with The Gathering Inn [Published for 10-day Review 10/09/2025]

File ID: 2025-01618

Location: 700 North 5th Street, District 4

Recommendation: Pass a **Motion** authorizing the Interim City Manager or designee to execute Supplemental Agreement No. 2 to City Agreement No. 2024-1367 with The Gathering Inn for an amount not to exceed \$2,741,581 for operation of the North 5th Street Navigation Center, bringing the total not to exceed amount to \$6,182,995.

Contact: Brian Pedro, Director, (916) 808-7816, bpedro1@cityofsacramento.org; Rodolfo Davidson, Program Manager, (916) 808-3703, rdavidson@cityofsacramento.org; Department of Community Response

Attachments:

- 1-Description/Analysis
- 2-The Gathering Inn Supplement Agreement

Description/Analysis

Issue Detail: Homelessness is an issue that impacts communities without regard to geographic or political boundaries and for which there is no single answer or approach. Shelters play a significant role in addressing homelessness and as such it is necessary to create a systemic approach to addressing homelessness, which includes low-to-no barrier crisis shelters. The City of Sacramento recognizes the important role that such shelters play in helping move people out of homelessness and into permanent housing.

The City of Sacramento has made a significant investment of resources to increase the access and availability of shelter beds, services, and permanent housing to those experiencing homelessness. The positive impact from these investments can be seen from the latest Sacramento Point-In-Time (PIT) count that was released in June 2024. According to the 2024 Sacramento PIT count released by the Sacramento County Continuum of Care (CoC), the County of Sacramento had an estimated homeless population of 6,615, a 28.7% decrease from the 2022 PIT count. Between 2022 and 2024, the number of people experiencing homelessness in shelters increased by 2.2%, from 2,614 to 2,671. In contrast, the number of unsheltered individuals decreased by 40.8%, dropping from 6,664

to 3,944. Despite recent improvement in the number of individuals experiencing homelessness, Sacramento has still seen a 19% increase in homelessness from the 2019 PIT count.

North 5th Shelter

The North 5th Street Navigation Center is a County-owned facility that is operated by the City of Sacramento. In October 2019, the City collaborated with the County to release a Request for Proposals for the operations of the North 5th Street Navigation Center (Navigation Center). After a review process, Shelter Inc. was selected and operated the Navigation Center from December 2019 - October 2024.

The Navigation Center provides shelter services 24 hours a day, seven days a week for up to 163 adult men and women. The program ensures low barriers for entry and allows for accommodations of participants with pets, partners, and personal belongings. On-site case management connects participants to stable income, public benefits, and community support services, preparing individuals to return to permanent housing. From January 1, 2020, through October 31, 2024, Shelter Inc. served 1,551 people at the Navigation Center. During that time 330 people exited to positive locations, including 225 that have obtained permanent housing.

On June 20, 2024, City staff released a Request for Proposals for North 5th Street Emergency Shelter Operations and Rehousing Services. A review panel, including City, County, and Sacramento Steps Forward staff, unanimously recommended The Gathering Inn's proposal.

On October 15, 2024, City Council passed Motion No. 2024-0299 authorizing the execution of a five-month agreement with The Gathering Inn for an amount not to exceed \$1,543,593, for the operation of the Navigation Center using available HHAP-3 and HHAP-4 funds.

On March 25, 2025, City Council passed Motion No. 2025-0077 authorizing the execution of Supplement Agreement No. 1 to extend operations of the Navigation Center for seven months with The Gathering Inn for an amount not to exceed of \$3,441,414 using available HHAP-4 and HHAP-5 funds.

Since The Gathering Inn (TGI) took over operations of the North 5th Street Navigation Center on November 1, 2024, TGI has:

- Overhauled the safety and security of the site;
- Staffed the entrance 24/7 to welcome guests and monitor entries and exits;
- Performed a deep cleaning of the entire shelter including removal of trash and unusable items and replacement of all shelter mattresses;
- Launched eight computer stations for guests which are used for housing, income, employment, and educational pursuits;
- Established standards, policies, and rules for the shelter and focused heavily on HMIS data

clean up;

- Increased the creations and completions of Individual Service Plans (ISP) for guests which highlighted a stronger focus on structure and goal-oriented planning;
- Pursued outreach and engagement with landlords;
- Collaborated with the Sacramento County Homeless Engagement and Response Team (HEART) team, and integrated on-site mental health clinicians to provide one-on-one and group clinical therapy;
- Activated the North 5th lobby for weather respite this past winter for a total of 44 nights;
- Expanded partnerships with local mental health providers and recovery organizations;
- Converted two office rooms into therapy rooms for guest use;
- Added eight additional cubicles in the common area for more one-on-one case management and client intakes.

Overall, TGI has provided 697 individuals with shelter and services at the Navigation Center, 148 have exited to positive locations, including 70 that have obtained permanent housing.

City staff recommend extending the current agreement with The Gathering Inn for operations at the North 5th Street Navigation Center for 12 additional months using the City's available HHAP-5 funds.

Policy Considerations: Pursuant to Sacramento City Code Section 3.04.020, any agreement involving an expenditure of \$250,000 or more requires City Council approval.

City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to council action. This item was published for 10-Day review on October 9, 2025, in compliance with City Code.

Recommendations are consistent with the Governor's Executive Order N-23-20 to reduce street homelessness, break down barriers to homeless individuals accessing health care and other critical services, and to increase housing options for those experiencing homelessness.

Economic Impacts: None.

Environmental Considerations: This report concerns activities that do not constitute a "project" under the California Environmental Quality Act (CEQA) because they do not have the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment (CEQA Section 15378(a)). Additionally, this report concerns activities that would be exempt from the CEQA because they do not have the potential for causing a significant effect on the environment (CEQA Guidelines section 15061(b)(3)).

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: Services provided by this supplemental agreement address the ongoing need for both shelter and supportive services for individuals experiencing homelessness.

Financial Considerations: Sufficient funding is available (Operating Grants, Fund 2702) in the HHAP-5 Grant Project (G02000990) to execute the agreement with The Gathering Inn for an amount not to exceed \$2,741,581.

Local Business Enterprise (LBE): The Gathering Inn is local to the Sacramento Region and will partner with LBEs in the City of Sacramento.

CONTRACT ROUTING SHEET

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, it is NOT part of the contract.

General Information (Required)

Original Contract # (supplements only): 2024-1367 Supplement/Addendum #: 02
Assessor's Parcel Number(s): _____
Contract Effective Date: 11/01/2025 Contract Expiration Date (if applicable): 10/31/2026
\$ Amount (Not to Exceed): \$ 6,182,995.00 Adjusted \$ Amount (+/-): \$ 2,741,581.00
Other Party: The Gathering Inn
Project Title: North 5th Street Navigation Center
Project #: G02000973 Bid/RFQ/RFP #: _____
City Council Approval: YES if YES, Council File ID#: 2025-01618

Contract Processing Contacts

Department: City Manager Project Manager: Rodolfo Davidson x3703
Contract Coordinator: Michele Kashiwagi x7948 Email: mkashiwagi@cityofsacramento.org

Department Review and Routing

Accounting:

(Signature) (Date)

Supervisor:

(Signature) (Date)

Division Manager:

Rodolfo Davidson Oct 6, 2025

(Signature) (Date)

Other:

(Signature) (Date)

Special Instruction/Comments (i.e. recording requested, other agency signatures required, etc.)

☐

Recording Requested

☐

Other Party Signature Required

-----FOR CLERK & IT DEPARTMENTS ONLY – DO NOT WRITE BELOW THIS LINE-----

SUPPLEMENTAL GRANT AGREEMENT

Project Title and Job Number: North 5th Street Navigation Center – G02000973

Date: October 21, 2025

Purchase Order #: 78586

Supplement No.: 02

The City of Sacramento ("City") and The Gathering Inn ("Grantee"), as parties to that certain Homeless Housing, Assistance, and Prevention Program Grant Agreement designated as Agreement Number 2024-1367, including any and all prior supplemental agreements modifying the Agreement (the Grant Agreement and supplemental grant agreement are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The term of the Agreement specified in Section 1 (Term) is hereby extended for an additional 12-month term through October 31, 2026, subject to early termination under Section 6.
2. As of November 1, 2025, the revised Budget attached hereto as Attachment 8 supersedes the Budget set forth in Attachment 7.
3. In consideration of the additional services described above, the maximum not-to-exceed amount of \$3,441,414 that is specified in Section 2 (Disbursement of Funds) of the Grant Agreement is **increased** by \$2,741,581, and the Agreement's maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	\$1,543,593.00
Net change by previous supplements:	\$1,897,821.00
Not-to-exceed amount prior to this supplemental agreement:	\$3,441,414.00
Increase by this supplemental agreement:	\$2,741,581.00
New not-to-exceed amount including all supplements:	\$6,182,995.00

4. Grantee warrants and represents that the person or persons executing this supplemental grant agreement on behalf of Grantee has or have been duly authorized by Grantee to sign this supplemental grant agreement and bind Grantee to the terms hereof.
5. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Grantee shall perform all of the services, duties, obligations and conditions required under the Agreement, as supplemented and modified by this supplemental grant agreement.

[SIGNATURES ON FOLLOWING PAGE]

CITY OF SACRAMENTO, a municipal corporation,

GRANTEE: The Gathering Inn

REQUESTED FOR APPROVAL BY:

Brian Pedro

Brian Pedro (Oct 7, 2025 07:15:58 PDT)

Brian Pedro, Director

Dated: Oct 7, 2025

Keith Diederich

Keith Diederich (Oct 7, 2025 08:33:17 PDT)

Keith Diederich, President and CEO

Dated: Oct 7, 2025

APPROVED AS TO FORM:

Arvinder Kaur

Arvinder Kaur (Oct 6, 2025 16:43:09 PDT)

Arvinder Kaur, Deputy City Attorney

APPROVED BY:

Ryan Moore, Assistant City Manager

ATTEST:

City Clerk

Attachment 8: Budget
November 1, 2025 - October 31, 2026

COMPONENT	CURRENT BUDGET	SUPPLEMENT #2 BUDGET	NEW BUDGET
STAFFING			
Sr. Director of Programs (.25 FTE)	23,700.00	23,700.00	47,400.00
Program Director (1 FTE)	97,500.00	97,500.00	195,000.00
Site Manager (2 FTE)	150,000.00	150,000.00	300,000.00
Case Manager (8 FTE)	465,920.00	349,440.00	815,360.00
Housing Specialist (1 FTE)	58,240.00		58,240.00
Older Adult Specialist (1FTE)	58,240.00		58,240.00
SUD Counselor (1 FTE)	58,240.00		58,240.00
Monitor (17 FTE)	813,325.00	621,325.00	1,434,650.00
Staffing Contingency	37,000.00	37,000.00	74,000.00
Mental Health Clinician (.25 FTE)	75,000.00	75,000.00	150,000.00
Taxes & Benefits	356,610.00	270,793.00	627,403.00
SUBTOTAL	2,193,775.00	1,624,758.00	3,818,533.00
OPERATIONS			
Guest Food	675,000.00	675,000.00	1,350,000.00
Guest Supplies	60,000.00	48,000.00	108,000.00
Mileage/Guest Transportation	12,000.00	12,000.00	24,000.00
Facility Lease	30,000.00	30,500.00	60,500.00
Equipment Lease	2,500.00	2,500.00	5,000.00
Office Supplies	7,300.00	7,300.00	14,600.00
Equipment	9,600.00	9,600.00	19,200.00
Technology	9,600.00	9,600.00	19,200.00
Janitorial Supplies	10,500.00	10,500.00	21,000.00
Pest Control	6,000.00		6,000.00
Trash	24,500.00	24,500.00	49,000.00
Communications/Internet	25,000.00	25,000.00	50,000.00
Staff Training, Uniforms, Background	18,500.00	6,000.00	24,500.00
Legal & Professional	5,000.00	5,000.00	10,000.00
Insurance	47,000.00	47,000.00	94,000.00
SUBTOTAL	942,500.00	912,500.00	1,855,000.00
REHOUSING SERVICES			
Renter Assistance	55,000.00		55,000.00
One-Time Housing Costs	25,000.00	25,000.00	50,000.00
SUBTOTAL	80,000.00	25,000.00	105,000.00
In-direct Costs (not to exceed 7%)	225,139.00	179,323.00	404,462.00
TOTAL PROGRAM COSTS	3,441,414.00	2,741,581.00	6,182,995.00