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September 2, 2021

City of San Marcos  
630 E. Hopkins St  
San Marcos TX 78666

To Whom It May Concern

We are the owners of three motels in San Marcos: The Classic Inn, Best Budget Inn and Executive Inn. We have been working with several non profit organizations to provide shelter for individuals who are impacted by covid or who have medical needs requiring them to be sheltered. We have worked with H.O.M.E. Center for almost two years. We began working with the Salvation Army in 2020. We understand that this pandemic has been difficult for people and we wanted to assist in any way we could, so when we were approached by these nonprofits about housing individuals, we were open to providing motel stays for their clients. We do have concerns about the way things have been handled by some of the nonprofit groups we have worked with and we have concerns about a lack of communication from city staff, especially regarding a grant that is being considered for a program that would be operating at our motel. We are currently owed \$27,385 and are still unclear about who is responsible for paying this balance and what the city's role in this is.

In October 2020, Roland Saucedo with the Salvation Army approached us about creating an MOU with the Salvation Army for emergency motel stays. Since we had been working with HOME Center on a similar program for emergency vouchers, and some long term transitional housing stays for their clients, we felt confident about working with the Salvation Army. We had a positive experience working with HOME Center. They always handled issues with their clients directly, paid the amount owed according to our agreement, and were responsive to any concerns we might have.

Since the Salvation Army was a larger, well-known organization, we felt like a contract with them would be mutually beneficial. We have often assisted unhoused individuals who have needed a motel room for a night, or two, when necessary during emergencies. We enjoy being able to assist them when it is financially possible, so this seemed like a beneficial program that would do a lot to assist our homeless community.

Initially, we provided motel rooms for emergency stays for the Salvation Army through Roland Saucedo. He provided his assurance that there would never be any issue with payment if we agreed to work with the Salvation Army. When we first began working with Roland Saucedo, and the Salvation Army, for their emergency housing program, we had no issues.



We later met with the Salvation Army District Manager, Anthony Torres, Manager Lisa Cruz and Board Member, Roland Saucedo. We came to an agreement and signed an MOU for emergency motel stays and for transitional housing (GAP) stays. Roland assured us that if there were any damages to property, if there were any guests that would not be paid under the Salvation Army's program, or if we had any other billing issues, he would personally pay from his bank account for that. We have no record of payments from Roland for damages or for hotel stays (other than a few small payments for a couple of night's stays) that were not covered by the Salvation Army's program.

In February during the snow storms, the Salvation Army chose to release individuals from their emergency motel program, at which point, HOME Center took over the payments for those individuals because there were several more days of freeze remaining. The manager of the local Salvation Army said there were not sufficient funds for them to continue to house individuals, when HOME Center found out about the Salvation Army not continuing peoples stays they took over the guest bills in order to keep individuals sheltered. They provided meals which were delivered to the guests three times per day, helped clean if the guest made a mess, removed guests who violated the terms of our agreement, and checked on each guest personally each day. When a guest set off the smoke alarm, someone from HOME Center came immediately to speak with the guest, even in the snow.

Guests for HOME Center and Salvation Army caused property damage during the freeze. The damage by the Salvation Army's guests was extensive. We requested payment for damages, but that was never paid. HOME Center offered to pay if we would submit an invoice for the damages caused by their guests, however, it did not seem fair to bill HOME Center for damages when we could not get payment for the damages caused by the guests placed by the Salvation Army. Multiple attempts to collect that money failed. Roland had initially assured us that he would pay for any bills or damages not paid by the Salvation Army, but we have never received payments from Roland Salvation for hotel stays or damages to property. We still have damage to the roof of the Classic Inn that has not been paid for. HOME Center has offered to pay for a portion of those damages if the Salvation Army, or Roland's program, would pay the difference since guests from both organizations caused the damage.

1. HOME Center paid for all motel stays for their guests within the next couple of weeks, once the invoices were submitted. There were no issues with payment. We had no problems working with HOME Center and received payment in a timely manner. On the other hand, there were issues receiving the money owed from the Salvation Army.

The Salvation Army was billed for their vouchers, and some were paid within a week or two. Most were not paid until March, and we had to contact Salvation Army headquarters in Dallas about payment. We were informed, at that time, that Anthony Torres had not turned in the billing information for those vouchers to the Salvation Army for payment. We submitted it all to the individual in the Dallas office ourselves.

Around mid June, we contacted the Dallas Headquarters for the Salvation Army because we had not been paid for hotel stays for the Salvation Army since February for the GAP program being managed by Roland Saucedo. Will Hale, Divisional director of development from the Dallas headquarters, contacted us within the next few weeks. We were told the payment for the motel stays would be processed around May 26. We were asked to provide some information about some inconsistencies in billing. We emailed them the documentation that was required for processing the payments.

Will Hale contacted us after this interaction to let us know that the money would be mailed to us and we would receive payment in full. At this point, we were informed that the GAP program does not exist, was never authorized by the Salvation Army and Anthony Torres was terminated for setting up an unauthorized program under the Salvation Army. We had sent invoices to Lisa Cruz, Anthony Torres, and Roland Saucedo multiple times with no response about payment for multiple months. We had never had any indication from them that the GAP program had not been authorized by the Salvation Army.

We were satisfied that the Salvation Army had paid all except the damages caused by their guests during the freeze, but were unsure about payment for the GAP program. The Dallas headquarters finally issued payment, but The Salvation Army stated they would no longer be funding any emergency stays through Roland Saucedo, and that the unauthorized GAP program would no longer operate.

Roland Saucedo approached us after this to state that his non-profit, Together For A Cause, would be managing the GAP program and would be funding that program because there had been issues with the Salvation Army. He said the problems that existed with the Salvation Army, and the misunderstandings about the GAP program, had been the fault of the Salvation Army. He wanted to come to an agreement with us to work with Together for a Cause and its GAP program instead.

He informed us that Together for a Cause has existed for many years, was an established non-profit with a 501c3, and that he would be receiving a grant from the city to pay for funding for up to 30 individuals. He said that he had been operating a GAP program on a smaller scale with that program, but wanted to expand it once he received approval for his grant.

We have not yet signed an MOU with Roland Saucedo's program, Together for a Cause, and have not received adequate documentation in writing from him for that program. We requested an MOU that reflected changes we requested for that MOU. The revisions that we requested were never agreed upon by all parties so it was not signed. We also expressed concerns when we learned that Anthony Torres would be managing the GAP program because the Dallas organization had told us that it was his mismanagement of their program, and funds, that led to his termination from their organization.

There was also confusion because there were clients under the program who were under a medical program with the GAP program. They did not pay anything to be part of the program.



Other guests on the program were part of a work program and were expected to make payments to Together for a Cause. The guests were often confused by this, and were unsure if they were paying Roland this money, or paying directly to the motel. We had to negotiate with Roland that all payments would be made by his guests to Together for a Cause rather than directly to the motel. We also requested that the MOU reflect that none of our staff members would be able to qualify for the program. We provided edits that we wanted included in the MOU, but we never received a copy with those revisions.

Although guests were paying Roland Saucedo money for Together for a Cause, no payment was submitted to the motel for the hotel stays. We have not received payment consistently for hotel stays for their clients. Initially, we billed Roland Saucedo with Together for a cause, and he paid by credit card. He also assured us that if there were ever any issues with payment from the Salvation Army, then he would pay us directly from his own bank account. We have no record of Roland Saucedo paying from his personal account, although he did later provide a card for payment under another person's name (Albert Vargas, founder of Together for a cause). He stated that this credit card belonged to one of his benefactors. We also were charged fees for use of the credit card. We prefer to receive payment from someone who is officially connected to the organization and who we have knowledge of. We requested that Roland make future payments by check and so he agreed to pay off all pending bills at the time by August 3rd. When no payment was made by the 3rd we had asked for payment on the 5th and he said he would pay but move the program elsewhere. Yet no payment was made nor has the program been moved, He had instead asked for an extension until september 7th.

We contacted Carol Griffin with the City of San Marcos to verify that payment would be received in September, since we were being asked to wait for payment for a large sum of money. We were willing to work with Together for a Cause if the city staff could provide a guarantee that the funds would be available at that time. She informed us that his non-profit was not an established 501c3, so he might not qualify for the grant. She told us that she would speak with him and would contact us after she had spoken with him.

He said on Friday August 20th, "if I get any more money, I will bring it to you", but he said we may have to wait until September 7 when the City Council meets to discuss his grant application. He seemed certain that he would receive these funds from the city and that we would be paid at that time. We asked if we could attend the meeting also, but Roland stated that we would not be able to attend because the meetings were private.

After these events and conversations with Carol Griffith, we feel like we are ending up down the same path with the same people that we had with salvation army

When we threatened to have the guests moved out, Roland Saucedo threatened to take his program elsewhere. He stated that there were other motels where his guests could stay and the motels would work with him. He did not at that time say when, or if, he would provide payment for the current bill owed if he removed his guests.

On August 25, Carol Griffith, Housing and Community Development Manager | Planning & Development Services sent this email to us:

*Aayush and Roland,*

*I am working on the terms of the contract with Together for a Cause and am emailing to let you know that invoices and documentation for the Together for a Cause program from the motel should be provided to Roland Saucedo by email so that he can combine the documentation with a confirmation and records for each client and email the information to the City to submit it for payment. Here is the draft language of this section for your review:*

- 1. Communications from the City directly to a participating motel will be confirmed or delivered by email, with a copy to Roland Saucedo and Anthony Torres. Meetings of City Planning and Development Staff with participating motels will include either Roland Saucedo or Anthony Torres.*
  - 2. Payments for hotel stays will be made directly to the motel upon receipt of a pay request and appropriate documentation from motel records through Together for a Cause, to the City along with written confirmation from Roland Saucedo or Anthony Torres that the motel guests listed are participating in the Together for a Cause program. It is preferred that this written confirmation be accompanied by copies of the first and last page of the signed client participation contract; it is understood that not all clients will have signed the contract by the time payment is due for hotel stays.*
  - 3. Payment arrangement with motels will be as follows: Each Wednesday the motel will provide a payment request and billing summary listing Together for a Cause clients currently in residence to Together for a Cause. The payment request will be for any nights spent by new clients since the prior payment request, plus payment for a week in advance for all clients currently staying in the hotel.*
  - 4. The per room rate that will be paid by the grant to the motel for one person is \$45 per night, and for two or more people is \$60 per night.*
  - 5. Participating motels (or owners) must register with the City as vendors so direct payments can be made.*
  - 6. If the Together for a Cause submits a payment request and the billing summary for each guest showing the unpaid balance by close of business Wednesday, City staff will endeavor to review and submit the request to the Finance Department by Friday at noon so that the payment can be made the following week.*
  - 7. Weekly on Wednesday, Together for a Cause shall provide a program summary as described in outputs. The names or participant numbers listed on this summary will be compared to the payment request documentation received from the motel to verify that the motel guest is a member of the Together for a Cause program.*
  - 8. Payments will be calculated on a weekly basis, and will only be paid as long as funds last. Please feel free to provide comments or suggestions. Let's all keep in touch with each other by including all three of us on any email sent related to the motel.*
- Thank you. Carol*



This email is unclear about whether or not payment will be made to us as a direct payment from the city, or by Together for a Cause. We have forwarded the invoices to Together for a Cause multiple times already. We would like a clear understanding about who will be making this payment of \$27,385 (9-2-21) that is currently owed on this account, and when we can expect this payment. We do not want to put people onto the streets, especially when there are women and children involved, some who are sick with Covid. We do need to know when, and how, payment will be received. We still have bills that have to be paid and cannot afford to provide a free service for this purpose. We want to help these families, but we are not in a position to provide a shelter without the past due payment.

We are confused because we have this verbal contract with Together for a Cause for the GAP program, and expected payment from them for their guests. Instead, we are attempting to negotiate payment with the city. We do not want another situation similar to the one we had with the Salvation Army in the past. We need a clear description of the program, and we need clear guidelines about who will be making these payments going forward.

We are willing to provide a location for a GAP, or transitional housing, program, but we want to be clear on who we are working with, how payment will be received and where the funding for the program will be coming from. We expect to receive our funds within an acceptable time frame of billing for the motel stays. We were initially told that we would be paid in advance if we worked with Together for a Cause, so we provided a discounted rate based on this understanding. Not only have we been providing the organization with a discounted rate based on our initial agreement, we have provided staffing for room cleaning and supplies for cleaning these rooms despite not receiving payment. If payment will not be paid in advance, as previously discussed, we may want to renegotiate the terms of the price of the motel stay.

We request a statement in writing from all parties concerned outlining the terms of this agreement moving forward. If the city is providing funding for a grant to be used at our location, we want to be part of the decision making on that grant. If we are going to provide this location for a transitional, or emergency shelter, we also want to ensure that we are working together and having ongoing communication with the parties involved, which includes city staff. We expect city staff to respond to our concerns, and work with us if they are providing the funding for a program that operates at our facility. We would like to be included in any meeting that involves grants for funds for any program that wishes to operate at our facility.

As we have mentioned, we do want to work with the city, and we want to support the unhoused people of our community, if possible. We only ask for clear guidelines that are agreeable to all parties, and we ask to be involved in decisions that are being made about funding a program that will operate at our facility.

We are open to the possibility of leasing the entire motel to an organization, rather than renting the individual room to a nonprofit. We could possibly provide a lower rate to lease the building for a year, rather than doing monthly or weekly invoicing, especially if the organization would

take responsibility for property damages, staffing and cleaning the property. We have spoken about this possibility with HOME Center, who has stated they are working on grant applications for this purpose. If they are able to get a grant for transitional housing, we would like to work with them, but until then, we are willing to work with the city and Together for a Cause if we are able to work out the current misunderstandings and determine how payment for this program will be made.

Thank you,

Chetna Patel

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Aayush Nagar

*Editors note: This letter was amended to remove personal contact information.*

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