

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

# CITY OF OAKLAND

## AGENDA REPORT

2010 JUL 15 PM 3:46

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: Department of Human Services  
DATE: July 20, 2010

RE: **A Supplemental Report Responding to July 13, 2010, Life Enrichment Committee's Request Stating That Said Funds For Repairs At the Property Will Be Fully Expended Within Six Months Of The Contract That Will Amend The Following:**

- 1. Resolution Authorizing The Assumption By East Oakland Community Project, Of A Grant In The Amount Of \$25,000 Awarded Previously To Mercy Properties California By The City For Repairs And Upkeep Of The City-Owned Property Located At 1226-73<sup>rd</sup> Avenue Which Is Used For Households Enrolled In The Shelter Plus Care Program, And Superseding Resolution No. 81132 C.M.S. And**
- 2. An Ordinance Authorizing The Assumption By East Oakland Community Project, Of A Lease On A City-Owned Property Located At 1226-73<sup>rd</sup> Avenue And Previously Awarded To Mercy Properties California For Use As A Shelter Plus Care Housing Facility, And An Extension Of The Lease Period For Another Three Years Until June 2015**

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### SUMMARY

On July 13, 2010, the Life Enrichment Committee directed staff to amend the contract to state that all repairs would be completed within the first six (6) months of the contract execution. Attached to this report is the amended resolution and ordinance stating EOCP will utilize said funds for repairs at the property and that said funds will be fully expended within six months of contract execution.

### ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends approval of the attached supplemental resolution.

Respectfully submitted,



ANDREA YOUNGDAHL, Director  
Department of Human Services

Reviewed by: Susan Shelton, CHS Manager

Prepared by: Gladys Moore, Project Coordinator

APPROVED AND FORWARDED TO THE  
CITY COUNCIL.



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Office of the City Administrator

Item: \_\_\_\_\_  
City Council  
July 20, 2010

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

APPROVED AS TO FORM AND LEGALITY

INTRODUCED BY COUNCIL MEMBER \_\_\_\_\_  
2010 JUL 15 PM 4:02

*M. Moradoni*

City Attorney

**OAKLAND CITY COUNCIL**  
**ORDINANCE No. \_\_\_\_\_ C.M.S.**

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**AN ORDINANCE AUTHORIZING THE ASSUMPTION BY EAST OAKLAND COMMUNITY PROJECT, OF A LEASE ON A CITY-OWNED PROPERTY LOCATED AT 1226-73<sup>RD</sup> AVENUE AND PREVIOUSLY AWARDED TO MERCY PROPERTIES CALIFORNIA FOR USE AS A SHELTER PLUS CARE HOUSING FACILITY, AND AN EXTENSION OF THE LEASE PERIOD FOR ANOTHER THREE YEARS UNTIL JUNE 2015**

**WHEREAS**, the City of Oakland owns a 4-unit complex at 1226-73rd Avenue that is comprised of two two-bedroom and two one-bedroom units ("the Property"); and

**WHEREAS**, pursuant to Ordinance No. 12858 C.M.S. passed in 2008, the City Council authorized a 5-year renewal of the lease agreement with Mercy Properties California (MPC) for the continued use of the property to house homeless persons enrolled in the Shelter Plus Care (S+C) program; and

**WHEREAS**, a collaboration of Alameda County, the City and nonprofit providers apply and receive funding from the Department of Housing and Urban Development (HUD)'s Shelter Plus Care program to provide rental assistance in connection with supportive services for hard-to-serve homeless persons with disabilities; and

**WHEREAS**, MPC informed City staff early last year that they wanted to be released from the lease agreement and to have another non profit organization assume their role and responsibilities in 2010, as it was not cost effective for them to manage the property due to its small size; and

**WHEREAS**, City staff has solicited East Oakland Community Project (EOCP), an Oakland-based non profit with significant experience in managing and operating emergency and transitional housing facilities and programs, to assume the lease on the Property and continue the use of the property for S+C clients; and

**WHEREAS**, the property has never had a dedicated source of funds for major repairs and structural upgrades, and such repairs have had to be undertaken on an adhoc basis and usually under emergencies, and as a result, the City authorized grant funds in the amount of \$25,000 for repairs and general maintenance of the property and that said funds will be fully expended within six months of contract execution; and

**WHEREAS**, the City desires to have EOCP assume the lease on the Property, extend the lease period for another three years until 2015 and make the grant funds available to EOCP; and

**WHEREAS**, Ordinance Number 10142 C.M.S., which established procedures for the sale and lease of City-owned real property which is not surplus property, allows for negotiated leases in certain circumstance; now, therefore

**THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

**Section 1.** The City Administrator is authorized to allow East Oakland Community Project to assume the lease previously awarded to Mercy Properties California for the property at 1226-73<sup>rd</sup> Street and to extend the lease period for three more years until June 2015.

**Section 2.** The City Administrator is authorized to enter into a lease agreement with East Oakland Community Project for a minimum of 5 years for the use of the property at 1226-73<sup>rd</sup> Avenue as long term housing under the Shelter Plus Care program. The rent for the property shall be set as the balance available after operating expenses are deducted from rental payments.

**Section 3.** All Agreements shall be reviewed as to form and legality by the Office of the City Attorney and copies shall be files with the City Clerk.

**Section 4.** Pursuant to Ordinance Number 10142 C.M.S., the City Council determines that the best interests of the City would be served by leasing the property by means of a negotiated lease because of the need to utilize the specialized experience of East Oakland Community Project in operating the property for use as housing for homeless persons.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2010

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

**NOTICE AND DIGEST**

**AN ORDINANCE AUTHORIZING THE ASSUMPTION BY EAST OAKLAND COMMUNITY PROJECT, OF A LEASE ON A CITY-OWNED PROPERTY LOCATED AT 1226-73<sup>RD</sup> AVENUE AND AWARDED PREVIOUSLY TO MERCY PROPERTIES CALIFORNIA FOR USE AS A SHELTER PLUS CARE HOUSING FACILITY, AND AN EXTENSION OF THE LEASE PERIOD FOR ANOTHER THREE YEARS UNTIL JUNE 2015**

  
City Attorney

# OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

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**RESOLUTION AUTHORIZING THE ASSUMPTION BY EAST OAKLAND COMMUNITY PROJECT, OF A GRANT IN THE AMOUNT OF \$25,000 AWARDED PREVIOUSLY TO MERCY PROPERTIES CALIFORNIA BY THE CITY FOR REPAIRS AND UPKEEP OF THE CITY-OWNED PROPERTY LOCATED AT 1226-73<sup>RD</sup> AVENUE WHICH IS USED FOR HOUSEHOLDS ENROLLED IN THE SHELTER PLUS CARE PROGRAM, AND SUPERSEDING RESOLUTION NO. 81132 C.M.S.**

**WHEREAS**, the City of Oakland owns a 4-unit complex at 1226-73rd Avenue (“the Property”) that is used by the City as part of its homeless programs; and

**WHEREAS**, pursuant to Ordinance No. 12858 C.M.S. passed on February 5, 2008, the City Council authorized a 5-year renewal of the lease agreement with Mercy Properties California (MPC) for the use of the Property to house homeless persons with disabilities through the Department of Housing and Urban Development’s Shelter Plus Care (S+C) program which provides rental assistance and supportive services; and

**WHEREAS**, pursuant to Resolution No. 81132 C.M.S. passed on March 18, 2008, the City also provided a \$25,000 grant to MPC, for needed repairs and for general maintenance at the Property as the City is responsible for structural, mechanical and other major repairs at the Property; and

**WHEREAS**, MPC informed the City early last year that they are not interested in continuing to manage the property for the S+C program because it was not cost effective and the company was moving towards managing larger properties, and requested that the City locate another non profit to assume their responsibility for the property in 2010; and

**WHEREAS**, even though MPC agreed to complete the repairs at the property before turning the property over to another non profit to manage, some of the repairs have not been undertaken; and

**WHEREAS**, City staff solicited East Oakland Community Project, an Oakland-based nonprofit corporation with experience managing emergency and transitional housing facilities, to accept the property management responsibility for the property, undertake the necessary repairs not completed by MPC, and continue to manage the property for the Shelter Plus Care program; and

**WHEREAS,** funds in the amount of \$25,000 from the Community Development Block Grant (CDBG) program allocated to MPC to be used for the repairs at the Property are still available; now, therefore, be it

**RESOLVED:** That the City Council authorizes the assumption by East Oakland Community Project, of a grant in the amount of \$25,000 which was previously awarded to Mercy Properties California for the repair and upkeep of the City-owned property at 1226-73<sup>rd</sup> Avenue; and be it

**RESOLVED:** That EOCP will utilize said funds for repairs at the property and that said funds will be fully expended within six months of contract execution; and be it

**FURTHER RESOLVED:** That the City Council authorizes the City Administrator to enter into a Grant Agreement with East Oakland Community Project for the use of said funds for repairs at the Property, and to conduct all negotiations, execute and submit all documents, including but not limited to applications, agreements, amendments, modifications, payment requests, and related actions which may be necessary to complete the repair work and to ensure that the property meets all Health and Safety Code standards; and be it

**FURTHER RESOLVED:** That funds are available from CBDG funds, HUD-CDBG Fund (2108), Dept. of Human Services Organization (78111), Miscellaneous Services Account (53719), CD Reprogramming Project (G10051), and Fostering Family Safe and Healthy Communities Program SC22; and be it

**FURTHER RESOLVED:** That said agreements shall be reviewed as to form and legality by the City Attorney and copies shall be filed in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2010

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and  
PRESIDENT BRUNNER

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California