

# CITY OF OAKLAND

## AGENDA REPORT

2010 JUN 30 AM 11:08

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: Department of Human Services  
DATE: July 13, 2010

RE: **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.**

### SUMMARY

The City-owned 4-unit property at 1226-73<sup>rd</sup> Avenue has been used to provide housing for homeless persons since 1995. In 2008, the City Council authorized a grant in the amount of \$25,000 to Mercy Properties California for repairs at the property. The Council also authorized a 5-year renewal of the lease agreement with Mercy Properties California (MPC) to manage the building which is used to house low income households enrolled in the Shelter Plus Care program administered by Alameda County.

MPC informed the City last year that they did not want to continue managing the property and would prefer that City staff locate another nonprofit to take over their responsibilities. East Oakland Community Project (EOCP), an Oakland-based nonprofit organization with experience in managing and operating emergency and transitional housing facilities and programs has agreed to assume MPC's responsibilities as it relates to the property. EOCP is prepared to enter into a lease agreement with the City to manage the property. A staff report and ordinance has been prepared for the Council to authorize EOCP to assume the lease. Funding in the amount of \$25,000 authorized in 2008 for repairs and upkeep of the property will be made available to EOCP.

### FISCAL IMPACT

Approval of this resolution would authorize the City Administrator to execute a grant agreement which will provide \$25,000 from Community Development Block Grant (CDBG) funds for repairs at the property. The funding was authorized for this purpose in 2008 and is available in HUD-CDBG Fund (2108), Dept. of Human Services Organization (78111), Miscellaneous Services Account (53719) and CD Reprogram General DHS Project Number (G10051). The City does not expect to receive any revenue from its lease with East Oakland Community Project.

### BACKGROUND

The City adopted Ordinance No. 12858 C.M.S in 2008, authorizing a 5-year lease with Mercy Properties California to operate a Shelter Plus Care (S+C) program in the property at 1226-73<sup>rd</sup>

Item: \_\_\_\_\_  
Life Enrichment Committee  
July 13, 2010

Avenue for hard-to-serve homeless persons with disabilities. 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 to residents. The 73<sup>rd</sup> Avenue property has been used for the shelter plus care program since 1995.

MPC informed City staff last year that they were not interested in continuing the management of the property for the S+C program as it was not cost effective given the small size of the property, and that the company was moving towards managing larger properties. MPC requested that staff locate another non profit to assume their responsibility for the property by the beginning of 2010.

Under the terms of the lease, the rent the City is to receive from MPC is set at the balance remaining after operating expenses including property maintenance expenses are deducted from tenants' rents. To date, the City has not received any revenue from the property.

### **KEY ISSUES AND IMPACTS**

The property has never had a dedicated source of funds from the City for major repairs and structural upgrades, and as a result, repairs have had to be undertaken on an ad hoc basis and usually under emergencies. Funding has been provided by the City for urgent major structural repairs which threatened the health and safety of the residents. The property is currently in need of repairs to the ADA accessible ramp and other paved areas and the gate and fencing in the front of the property, for which the City Council authorized the grant funds of \$25,000. MPC did complete the repairs to unsafe railings and stairs.

The provision of funding for the repairs allows the continued use of the property to house the chronically homeless population who are disabled. The Shelter Plus Care program allows for the provision of housing and supportive services on a long-term basis for homeless persons who primarily have serious mental illness, chronic problems with alcohol and/or drugs and acquired immunodeficiency syndrome (AIDS) or related diseases. Since this population is very difficult to house, it is necessary for the City to continue to provide this resource in the community.

### **PROGRAM DESCRIPTION**

The Shelter Plus Care program provides housing and supportive services for homeless persons with disabilities. The program allows for the hard-to reach homeless population to have a choice in housing, and provides supportive services in response to the needs of the population.

East Oakland Community Project (EOCP) is a stable, experienced and well-respected Oakland-based nonprofit that provides housing and services for homeless people. EOCP currently manages three transitional housing programs funded by the Department of Housing and Urban Development through the City, for families and youth, and a 125-bed multi-service emergency housing facility for singles and families. EOCP's main office is located on International Blvd and 75<sup>th</sup> Avenue, in close proximity to the City-owned property on 73<sup>rd</sup> Avenue. EOCP has performed well under their contracts with the City.

**SUSTAINABLE OPPORTUNITIES**

*Economic:* Programs and services for the homeless provide opportunities for stability, training and support that assist residents with their transition to self-sufficiency and economic independence.

*Environmental:* Rehabilitation of the property will bring the units in line with current code and habitability standards.

*Social Equity:* The assumption of the lease by EOCP will enable the continuous provision of housing for the homeless.

**DISABILITY AND SENIOR CITIZEN ACCESS**

The property will be in compliance with disabled and senior citizen access standards.

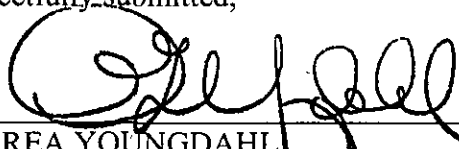
**RECOMMENDATION(S) AND RATIONALE**

That the City Council pass the attached resolution authorizing the assumption by East Oakland Community Project, of a grant agreement in the amount of \$25,000, and the City Administrator to enter into a grant agreement with EOCP to utilize the grant funds for repairs, maintenance and general upkeep of the property at 1226-73<sup>rd</sup> Avenue.

**ACTION REQUESTED OF THE CITY COUNCIL**

Approve the resolution authorizing the assumption by East Oakland Community Project, of a grant in the amount of \$25,000 which was previously awarded to Mercy Properties California and the City Administrator to execute a grant agreement with East Oakland Community Project for the use of said funds for repairs and upkeep of the City-owned property at 1226-73<sup>rd</sup> Avenue.

Respectfully submitted,

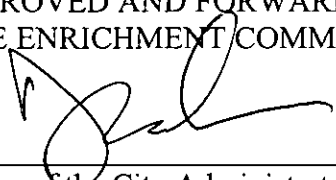


ANDREA YOUNGDAHL  
Director, Department of Human Services

Reviewed by: Susan R. Shelton, Manager  
Community Housing Services

Prepared by: Gladys Moore, Project Coordinator

APPROVED AND FORWARDED TO THE  
LIFE ENRICHMENT COMMITTEE:



Office of the City Administrator

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2010 JUN 30 AM 11:08

**OAKLAND CITY COUNCIL**

**RESOLUTION No. \_\_\_\_\_ C.M.S.**

*A. Gordon*

**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 these funds will be maintained in an account and continue to be used for maintenance and upkeep of the property; 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 and general maintenance needed 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), and 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