

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION (1) AWARDING A GRANT AGREEMENT TO HOUSING CONSORTIUM OF THE EAST BAY IN AN AMOUNT NOT TO EXCEED \$6,800,000 FOR FISCAL YEAR 24/25, FOR THE COSTS TO LEASE THE 110-ROOM JACK LONDON INN AND TO OPERATE AN EMERGENCY SHELTER PROGRAM PRIORITIZING UNSHELTERED OAKLANDERS WHO ARE MEDICALLY FRAGILE AND/OR AGE 55 AND OLDER AND (2) AUTHORIZING THE CITY ADMINISTRATOR TO EXTEND THE GRANT THROUGH JUNE 30, 2026 FOR AN ADDITIONAL \$6,800,000 CONTINGENT ON FUND AVAILABILLY IN THE BIENNIAL BUDGET FOR FISCAL YEARS 2025-27.

WHEREAS, the City acknowledges that it is facing a serious affordable housing crisis, with thousands of residents living unhoused or in substandard housing conditions; and

WHEREAS, the number of homeless persons in the City of Oakland continues to increase, with the latest 2022 point-in-time count of 5,055 individuals experiencing homelessness in Oakland, an increase of 2,294 individuals from 2017; and

WHEREAS, the homelessness problem affects Oakland's population disproportionately, a majority of the homeless identify as Black or African American, while Black and African American households are a minority in the City's overall population; and

WHEREAS, the City has contracted with Housing Consortium of the East Bay (HCEB) since May 1, 2021, to operate an emergency shelter program prioritizing medically fragile and/or age 60 and older unhoused Oaklanders at Lake Merritt Lodge; and

WHEREAS, the City has leased Lake Merritt Lodge since April 27, 2021, and has extended the lease ever since; and

WHEREAS, the budget for Lake Merritt Lodge is currently \$6,000,000 per year, including security deposits; and

WHEREAS, the current lease extension for Lake Merritt Lodge expires June 30, 2024; and

WHEREAS, the 110 room Jack London Inn is available to lease at a considerable cost savings compared to Lake Merritt Lodge; and

WHEREAS, HCEB and the owner of the Jack London Inn have negotiated lease terms to utilize the property for the emergency shelter program currently housed at Lake Merritt Lodge; and

WHEREAS, moving the program from Lake Merritt Lodge to Jack London Inn will save the City \$1.5 - 2 million dollars annually; and

WHEREAS, a lease for Jack London Inn and a grant agreement with HCEB must be in place prior to the expiration of the lease for Lake Merritt Lodge on June 30, 2024; and

WHEREAS, resources for a lease for Jack London Inn and a grant agreement with HCEB must be in place prior to the expiration of the lease for Lake Merritt Lodge on June 30, 2024; and

WHEREAS, funding for the lease and the emergency shelter program in FY 24-25 has been identified in the General Purpose Fund (1010), Community Housing Services Org (78411), DP780 Administrative Project (1000017), and Fostering Safe and Healthy Communities Program (SC22) ; and

WHEREAS, City staff estimates that the FY 24-25 costs for leasing Jack London Inn and operating the program are as follows - \$2,088,622.10 for program expenses and \$4,665,847 for leasing the facility, for a total FY 24-25 cost of \$6,754,469.50; and

WHEREAS, staff recommends that the City Council, based upon the time sensitive need to enter into a grant agreement with Housing Consortium of the East Bay to lease the Jack London Inn and operate an emergency shelter program prioritizing medically fragile and/or age 55 and older unsheltered Oaklanders; now, therefore, be it

RESOLVED: That the City Council finds and determines that the foregoing recitals are true and correct and an integral part of this Resolution, and be it

FURTHER RESOLVED: That the City Administrator, or designee, is authorized to negotiate and enter into a grant agreement with Housing Consortium of the East Bay (HCEB) to operate an emergency shelter program prioritizing medically fragile and/or age 55 and older unsheltered Oaklanders out of Jack London Inn in the amount not to exceed \$6,800,000 for through June 30, 2025; and be it

FURTHER RESOLVED: That, given the urgent need to relocate the emergency shelter program out of Lake Merritt Lodge to a suitable facility no later than June 30, 2024, that the City Council finds it in the best interest of the City to execute a FY 24-25 grant agreement with HCEB to lease the Jack London Inn to operate said emergency shelter program prioritizing medically fragile and/or age 55 and older unsheltered Oaklanders out of Jack London Inn; and be it

FURTHER RESOLVED: That the City Administrator, or designee, is authorized to conduct all negotiations; execute and submit all documents, including but not limited to

applications, agreements, amendments, modifications, and payment requests; and to take any other related actions consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: Should additional funding be allocated in the 2025-27 Biennial Budget for this purpose for fiscal year 25/26, The City Administrator is authorized to extend the grant agreement for a term of twelve additional months through June 30, 2026 up to an additional \$6,800,000, for a total grant amount over the term not to exceed \$13,600,000;

FURTHER RESOLVED: That prior to execution, all agreements, grants, and amendments shall be reviewed and approved as to form and legality by the City Attorney and executed copies of same shall be filed with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, JENKINS, KALB, KAPLAN, RAMACHANDRAN, REID, AND
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____
ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California