



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Sara Bedford
Director, Human Services

SUBJECT: Supplemental Report on Human
Services Measure Q
and Measure W Expenditures

DATE: April 7, 2022

City Administrator Approval

Date: Apr 7, 2022

RECOMMENDATION

Staff Recommends That The City Council Accept A Supplemental Report On The Human Services Department Spending of Measure Q and Measure W Funds.

REASON FOR SUPPLEMENTAL

The following supplemental report provides spending information from the Human Services Department on Measure Q and Measure W funds.

Human Services Department Measure Q

On December 15, 2020, the City Council adopted Resolution No. 88451 C.M.S. which awarded grant agreements to homeless service providers for the provision of homeless intervention services for FY 2020-21 and on March 20, 2021, the City Council adopted Resolution No. 88602 C.M.S., which awarded grant agreements to homeless service providers for the provision of homeless intervention services for FY 2020-21. Together these two pieces of legislation authorized spending on a range of services to address homelessness within Oakland.

Funding Strategy

Unlike other recent additions to the City's homelessness funding (State HHAP funds, Federal ESG-COVID funds) which are one time, Measure Q represented an opportunity to incorporate a new and *ongoing* revenue source into homeless services planning. Therefore, these funds were strategically allocated primarily to brick and mortar programs, to services connected to long term housing subsidies, and to other interventions where an ongoing funding source is critical. Some key programs supported by these funds include:

Family Matters Shelter: This new 60 bed family shelter opened in FY 20-21. It is co-located with 23 units of deeply affordable permanent housing for homeless seniors in a building acquired through the HomeKey Round 1 process.

Expansion of the Oakland PATH Rehousing Initiative (OPRI) program: The OPRI program is a 12-year partnership with the Oakland Housing Authority (OHA). OHA provides funds for

long term rental subsidies and the City provides services dollars to support various populations of people experiencing homelessness to obtain and maintain housing. Measure Q funds were used to expand the program to support up to 40 homeless family households.

Youth Spirit Artworks- Tiny Home Transitional Housing program: The Tiny Homes Village provides transitional housing and supportive services for transitional age youth (TAY) who are homeless.

HomeBase COVID response shelter: This program provides emergency shelter to 128 homeless individuals at high risk of serious illness or death due to COVID. The program uses FEMA trailers which are connected to full utilities. Each trailer serves either one or two people depending on size and household composition.

Community Homelessness Services Outreach/Case Manager position: Measure Q funds one of two new case manager positions created in FY 20-21 to provide support to encampments which are receiving hygiene interventions (portapotties, wash stations, garbage pick-up). These positions play a crucial role in supporting leadership roles within the encampments, ensuring that the hygiene services are appropriately used and maintained, and supporting encampment residents to comply with the City's Encampment Management Policy.

Spending

Total spending for Measure Q to date is approximately \$4.19 Million. This includes approximately \$90,843 in administrative costs and approximately \$4.1 Million in program costs. The first two years of Measure Q funds coincided with the COVID pandemic and the unexpected infusion of additional and time limited COVID response funding to address homelessness. HSD has prioritized spending these time limited funds so that no funding would be unused and recaptured. HSD expects to fully spend the entire allocation of Measure Q funds in FY 21-22 and FY 22-23.

Carryforward

As discussed in a supplemental report at the December 21, 2021 Council Meeting (**Attachment A**), the total available Measure Q carryforward balance in December 2021 was \$2,356,955. On January 18, 2022, the City Council adopted Resolution 88983 C.M.S. (**Attachment B**) allocating:

- \$330,000 to install full utilities at the E 12th/2nd Ave Pallet Shelter site
- \$100,000 to pay for utility costs at the E 12th/2nd Ave Pallet Shelter site and the 3rd/Peralta Pallet Shelter site
- \$1,000,000 to Lao Family Community Development Corporation for the provision of a transitional housing program for people experiencing homelessness

A Measure Q carryforward balance of approximately \$926,000 remains. HSD staff recommend that Council direct staff to return with authorizing legislation for the following two priorities:

HSD Recommendations for Avail CF balance in Measure Q	
Total AVAILABLE CF Balance	
	\$926,000
Recommendation	ESTIMATED Costs**
Plumbed bathrooms/showers at several existing sites. These include: <ul style="list-style-type: none"> • Mandela North and Mandela South (76 ppl)- infrastructure costs, purchase and installation of bathroom unit(s) • 3rd/Peralta (40 ppl)- purchase and installation of bathroom unit(s) • E12th/2nd Ave (up to 80 ppl) – purchase and installation of bathroom unit(s) 	\$660,000
Existing security charges* owed for services provided prior to opening the Wood St RV site, E 12 th /2 nd Ave site, and 3 rd /Peralta site	\$84,000
Total	\$744,000

*due to delays in opening related to having PG&E electrify sites, security was needed to secure the sites after infrastructure was installed and before the program opened.

** these costs represent initial estimates. Final costs will be determined based on the number and type of bathroom units needed at each site and other factors.

Human Services Department Measure W

In the FY 20-22 budget process, the City Council allocated \$2.2 million in one-time Measure W funds to provide exit resources for the Lake Merritt Lodge. Due to the Federal Emergency Management Agency (FEMA) extending the time period for reimbursement, the building has remained open longer than originally planned and these funds have not been used yet. These funds are still available and staff plan to use them for the building in FY 22-23 as discussed in a Council report on March 15, 2022 (**Attachment C**).

To date, HSD spending of Measure W funds is approximately \$49,000. These funds were used to support a position in the City Administrator’s office.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Accept A Supplemental Report On The Human Services Department Spending of Measure Q and Measure W funds

For questions regarding this report, please contact Lara Tannenbaum, Community Homelessness Services Manager, at 510-238-6187.

Respectfully submitted,



SARA BEDFORD
Director, Human Services Department

Prepared by:
Lara Tannenbaum, Manager
Community Homelessness Services

Attachments (3):

Attachment A- Supplemental Council Report on Dec 21, 2021

Attachment B- Resolution 88983 C.M.S

Attachment C- Lake Merritt Lodge Council report on March 15, 2022



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Sara Bedford
Director, Human Services

SUBJECT: HHAP 2 and 3 Funds Supplemental Report

DATE: December 16, 2021

City Administrator Approval

Date:

Dec 16, 2021

RECOMMENDATION

Staff Recommends That The City Council Accept A Supplemental Report To Respond To Questions Related To:

1. **Creating RV Dump Stations That Could Be Used By People Experiencing Homelessness Who Are Living In RVs.**
2. **Breakdown Of The Human Services Department’s Measure Q And Measure W Carryforward.**
3. **Current Baseline Of Performance Metrics**

REASON FOR SUPPLEMENTAL

The following supplemental report provides responses to questions and provides information requested at the December 13, 2021 Life Enrichment Committee meeting.

Creating RV Dump Stations

Council requested information on the potential costs of dumping stations to address the need for RVs to dispose of their wastewater in an economical and appropriate manner. Costs for one-time capital may vary depending on the site infrastructure needs. There is high need in both West and Central/East for this service. In addition to capital costs, there would be a need for a site operator to manage sites and keep them open at specific hours. The following costs are estimated by the City’s current contractor and would vary by site, fees/waivers needed, and subject to provider and vendor bidding.

Intervention	One Time Capital Costs	Ongoing operational costs	Total costs in year one
RV Dump station	\$200,000	\$100,000	\$300,000/site

Human Services Department Measure Q and Measure W Carryforward

HSD does not have Measure W carryforward as it was never part of our baseline budget in FY 20-21.

FY 20-21 HSD Carryforward in Measure Q Fund 2244 is estimated to be \$2.3 million in encumbrances and \$1.5 million in available unprogrammed funds. Of the existing encumbrances the uses are as follows:

Table 1 below outlines the total amount of HSD Measure Q carryforward available for funding.

TABLE 1 - Measure Q Carryforward		
FY20-21 Contracts Carryforward	Carryforward (CF) Contractual Encumbrances at end of FY 20-21	\$2,373,763
	Invoices paid out against encumbrances and active contracts for FY21-22	(\$638,605)
Subtotal available CF to be liquidated from FY20-21 encumbrances		\$1,735,158
Council Approved Measure Q projects (Contracts in process)	Clifton Hall Operating Subsidy	(\$719,000)
	Beach St RV site – FY 21-22 PSA	(\$200,000)
Subtotal uncommitted CF balance from liquidations		\$816,158
Available Measure Q HSD Funding	Uncommitted balance from liquidations available to be re-programmed	\$816,158
	Unencumbered project CF at the end of FY 20-21	\$1,540,797
Total available CF balance		\$2,356,955

Table 2 below outlines staff proposed uses for HSD Measure Q carryforward.

TABLE 2 - HSD Recommendations for Avail CF balance	
Total AVAILABLE CF Balance	\$2,356,955
Utility overages at E 12th remainder parcel sites	(\$330,000)
Utility payments at E 12th sites and 3rd/ Peralta	(\$100,000)
Total AVAILABLE after HSD Recs	\$1,926,955

Lake Merritt Lodge

The Lake Merritt Lodge (LML) provides 92 rooms of shelter to approximately 115 COVID vulnerable Oaklanders who were formerly unsheltered. The hotel is currently funded by the Federal Emergency Management Agency (FEMA) through March 31, 2022 unless extended by the Federal Government. Staff anticipated a Homekey application from LML and the property owner and the service provider were pre-qualified in the summer of 2021 under the City's Request for Qualifications and indicated their intent to apply. However, no proposal was submitted to the actual Homekey Request for Proposals which closed in November. Staff sought clarity on what happened and it appears that there was not alignment on financing among the parties with ownership interest in the building and/or alignment with Homekey requirements. Staff will explore with the owner and provider if there is an intent to apply for subsequent Homekey rounds in 2022.

The services contract for the building is \$2.27M for 12 months which is comparable to other large transitional housing programs funded by the City. The current annual costs of the lease which is priced like a motel is approximately \$4.5 million per year (at \$135/ night/unit) which is far greater than typical leasing costs. At a total annual program cost of \$6.7 million or nearly \$59,000 per person annually, the current cost of the building is not sustainable. EWD Real Estate is currently in negotiations with the building owner to determine if more reasonable rental terms could be secured for this facility starting in April 2022 when FEMA expires.

In the FY 2021-23 Biennial Budget, Council allocated \$2.3 million to HSD in one-time Measure W funds to provide exit resources for the building. Aside from the allocations that Budget set aside for ISFs and personnel, these funds have not been encumbered and are available. *Staff recommends this Measure W funding be used to extend the lease through the FY 21-22 fiscal year (April, May, June).* This would allow for more time to problem solve the program's path forward. However, if Council approves this recommendation, this action also would require Council to subsequently identify funds in its MidCycle budget process to either keep LML open for the FY 22-23 or at a minimum extend the LML lease through December 2022 and replenish the exit resource funds to ensure a smooth transition. Exact costs of extending the LML lease are not known at this time since staff are in active negotiations with the building owners. At current rates, staff estimates sustaining the building for an additional six months, July--December 2022, would be at an estimated \$3.4M. There would also be the need for an additional \$2.2M of exit resources. This combines to a total of \$5.6M in additional funding Council would need to identify to continue LML until December 2022

Without committed funding, the only other alternative would be to begin the building closure in January 2022 in order to close the program by the end of the current fiscal year. This action would also require funds of potentially \$1.6M or less to extend the lease beyond March 2022 to fully support this ramp down.

Current Baseline of Performance Metrics

HHAP Round 3 funding, and presumably Round 4 as well, requires the submission of a funding plan compliant with the state regulations and aligned with the performance metrics used currently by federal HUD funding. The plan needs to identify metrics and outcomes that if met by June 2024 will unlock bonus funding from the state for Oakland. System-wide metrics required by the state are as follows.

- Reducing the number of persons experiencing homelessness.
- Reducing the number of persons who become homeless for the first time.
- Increasing the number of people exiting homelessness into permanent housing.
- Reducing the length of time persons remain homeless.
- Reducing the number of persons who return to homelessness after exiting homelessness to permanent housing.
- Increasing successful placements from street outreach.

Oakland’s FY 20-21 baseline of these measures is in **Table 3** below. Staff are working with HUD technical assistance providers to obtain this data more easily.

Table 3:

	FY 19-20	FY 20-21	Percent change
Reducing the number of persons experiencing homelessness (PIT Count)	2761	4017	+47%
Reducing the number of persons who become homeless for the first time. (no homeless services in the system within the past 24 months)	1,651	1,006	-39%
Increasing the number of people exiting homelessness into permanent housing	662 ppl/27%	784 ppl/40%	+15%
Reducing the length of time persons remain homeless (people in shelter and transitional housing)	230.23	232.23	+ .008%
Reducing the number of persons who return to homelessness after exiting homelessness to permanent housing	Data not currently available		
Increasing successful placements from street outreach	Data not currently available		

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Accept A Supplemental Report To Respond To Questions Related To:

1. Costs for Creating RV Dump Stations That Could Be Used By People Experiencing Homelessness Who Are Living In RVs.
2. Breakdown Of The Human Services Department's Measure Q And Measure W Carryforward.
3. Current Baseline Of Performance Metrics

For questions regarding this report, please contact Lara Tannenbaum, Community Homelessness Services Manager, at 510-238-6187.

Respectfully submitted,



SARA BEDFORD, Director
Human Services Department

Prepared by: Lara Tannenbaum, Manager,
Community Homelessness Services

FILED
OFFICE OF THE CITY CLERK
Oakland, CA

22 JAN ...7 AH 8:52

Approved As To Form And Legality

1? - 00
City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. 88983 C.M.S.

INTRODUCED BY COUNCIL PRESIDENT BAS AND COUNCILMEMBER THAO

RESOLUTION:

1. AWARDING A GRANT IN THE AMOUNT OF ONE MILLION DOLLARS (\$1,000,000,000) TO LAO FAMILY COMMUNITY DEVELOPMENT INC. FOR THE PROVISION OF TEMPORARY HOUSING AND SUPPORT SERVICES TO ASSIST HOMELESS RESIDENTS IN FINDING PERMANENT AFFORDABLE HOUSING AND ACHIEVE LONG-TERM FINANCIAL SECURITY;
2. WAIVING COMPETITIVE BIDDING AND AUTHORIZING THE CITY ADMINISTRATOR TO AMEND THE CONSTRUCTION CONTRACT WITH SUSTAINABLE URBAN NEIGHBORHOODS TO INCREASE THE AMOUNT BY THREE HUNDRED THIRTY THOUSAND DOLLARS (\$330,000) FOR INSTALLATION OF UTILITIES AT THE EAST 12TH STREET/2ND AVENUE AND 3RD STREET/PERALTA STREET PALLET-SHELTER SITES;
3. ALLOCATING ONE HUNDRED THOUSAND DOLLARS (\$100,000) TO BE USED AS CONTINGENCY FUNDS FOR PAYMENT OF UTILITY COST AT THE EAST 12TH STREET/2ND AVENUE AND 3RD STREET/PERALTA STREET PALLET-SHELTER SITES; AND
4. DIRECTING THE CITY ADMINISTRATOR TO PRIORITIZE INDIVIDUALS WHO WERE OAKLAND RESIDENTS PRIOR TO BECOMING HOMELESS FOR THE PURPOSE OF PROVIDING HOMELESS INTERVENTIONS.

WHEREAS, homelessness has long-term and serious consequences to the health and safety of those who experience it, and are at risk of health problems including life-long behavioral health challenges; and

WHEREAS, the US Department of Housing and Urban Development deemed homelessness a national crisis, citing in their 2018 Annual Homelessness Assessment Report that 553,000 Americans were experiencing homelessness on any single day; and

WHEREAS, according to this 2018 Report, California's homeless population accounted for 24% of the nation's total homeless population; and

WHEREAS, in the most recent Homeless Persons Point-In-Time Count conducted in 2019 by the County of Alameda, there were 4,071 unsheltered individuals in Oakland, a 47% increase from the 2017 Point- in-Time Count; and

WHEREAS, of those 4,071 unsheltered individuals, 78% lived within Alameda County prior to becoming homeless; and

WHEREAS, 54% of those who lived in Alameda County prior to becoming homeless were residents in the County for over 10 years; and

WHEREAS, the City Council since February 26, 2019, pursuant to Resolution No. 87538, has found, proclaimed and renewed homelessness as a local, public health emergency due to the welfare and safety concerns of those who experience homelessness or who are at risk of becoming homeless; and

WHEREAS, the City recognizes the need for varied interventions to address the needs of homeless residents, including but not limited to emergency beds, co-governed sites, RV safe parking, hotel rooms, and modular housing; and

WHEREAS, the East 12th St. Median Encampment (at 16th Avenue) in the San Antonio Neighborhood is home to approximately 40 to 60 people who are striving for more dignified living conditions, including water, sanitation, power, and other basic needs to preserve the human rights, health, safety and dignity of residents; and

WHEREAS, the East 12th St. Median Encampment has experienced significant public safety issues, emergencies, and other notable impacts, including a history of multiple fires, homicides, illegal dumping and sanitation concerns, illegal parking, abandoned vehicles, and electrical wire tapping; and

WHEREAS, Lao Family Community Development Inc. serves homeless residents from diverse backgrounds with their model of shelter and integrated services to advance the wellbeing and economic mobility of clients through specialized employment, housing, education, and support services for homeless individuals; and

WHEREAS, Lao Family Community Development Inc. has created multiple successful programs since 2017 that have effectively and efficiently transitioned over 550 households (over 2,100 individuals) into permanent affordable housing and full-time employment throughout Alameda, Contra Costa and Sacramento Counties; and

WHEREAS, Lao Family Community Development Inc.'s pilot to Achieve Permanent Housing for Oakland Families at the Care Campus at 8480 Edes Avenue seeks to transition 260 homeless families into permanent housing per year; and

WHEREAS, City Council wishes to award a grant in the amount of \$1,000,000 in one-time funding to Lao Family Community Development Inc. for Fiscal Year 2021 - 2022 to serve approximately 40 to 50 homeless individuals at the East 12th Median Encampment in the San Antonio Neighborhood and surrounding area with 6 months of housing and case management to support health, job placement and permanent housing; and

WHEREAS, the Lakeview Village project at East 12th Street and 2nd Avenue (hereinafter "Lake Village") provides temporary housing and comprehensive, trauma-informed and harm reduction services that aim to offer relief and stabilization using a holistic service model to address physical, mental, income, and community support needs; and

WHEREAS, the Lakeview Village project, located on city-owned public land, serves high-needs District 2 unhoused residents, in single occupancy, "tiny home" pallet shelter structures, transitioning them into permanent housing; and

WHEREAS, the 3rd and Peralta Street co-governed project will house unsheltered residents in District 3, providing pallet shelter structures to residents and allowing them to help design, manage and govern the program along with a partner service provider; and

WHEREAS, City Council wishes to provide up to \$430,000 in additional funding for installation of utilities, including running water and sewer hookup, and other utility costs to support up to 71 clients at the Lakeview Village and 3rd and Peralta Street pallet-shelter sites; and

WHEREAS, Oakland Municipal Code ("OMC") section 2.04.050. 1.5 provides that the Council may waive advertising and competitive bidding requirements for construction contracts upon a finding that it is in the City's best interests to do so; and

WHEREAS, on June 1, 2021, the Council adopted Resolution No. 88675 C.M.S. with the goal of identifying property in every Council District to be used for homeless intervention programs; and

WHEREAS, city staff continue to evaluate on a regular basis City-owned, other publicly-owned and privately owned parcels in each Council District for use as emergency homelessness interventions in terms of priority, readiness and feasibility; and

WHEREAS, Resolution No. 88675 C.M.S. also waived competitive bidding and authorized the City Administrator to execute an as-needed construction contract with Sustainable Urban Neighborhoods for site preparation work on City-owned or City-leased property designated for homelessness intervention programs; and

WHEREAS, Council now wishes to authorize amendment of the contract with Sustainable Urban Neighborhoods to increase the amount by \$330,000 for installation of utilities at the Lakeview Village and the 3rd and Peralta Street pallet-shelter sites; and

WHEREAS, Council also wishes to allocate up to \$100,000 to be used as contingency funds for payment of utility cost at the Lake Village and 3rd and Peralta Street pallet-shelter sites; and

WHEREAS, funding for the grant to Lao Family Community Development Inc. and for installation of utilities and other utility costs at the Lake Village and 3rd and Peralta Street pallet-shelter sites is available in Measure Q Fund 2244; now, therefore, be it

RESOLVED: That the City Administrator is directed to prioritize serving individuals who were Oakland residents prior to becoming homeless for the purpose of providing homeless interventions; and be it

FURTHER RESOLVED: That the City Council hereby awards a grant agreement for Fiscal Year 2021-22 in the amount of One Million dollars (\$1,000,000) to Lao Family Community Development Inc. for the provision of temporary housing and support services to assist homeless residents in finding permanent affordable housing and achieve long-term financial security; and be it

FURTHER RESOLVED: That, for all the foregoing reasons, the City Council finds and determines that it is in the City best interest to waive advertising and competitive bidding requirements pursuant to O.M.C. section 2.04.050.1.5 and authorize amendment of the Sustainable Urban Neighborhoods construction contract a'ld so waives the requirements; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator to amend the contract with Sustainable Urban Neighborhoods to increase the amount by Three Hundred Thirty Thousand dollars (\$330,000) for a total contract amount not to exceed Two Million Seven Hundred Thirty Thousand dollars (\$2,730,000) for installation of utilities at the Lake Village and 3rd and Peralta Street pallet-shelter sites; and be it

FURTHER RESOLVED: That City Council hereby allocates up to One Hundred Thousand dollars (\$100,000) to be used as contingency funds for payment of utility costs at the Lake Village and 3rd and Peralta Street pallet-shelter sites; and be it

FURTHER RESOLVED: That the City Administrator is authorized to conduct all negotiations; execute and submit all documents, including but not limited to applications, agreements, amendments and payment requests, and to take any other action consistent with this Resolution and its basic purpose; and be it

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

IN COUNCIL, OAKLAND, CALIFORNIA,

JAN 18 2023

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO AND **-6**
PRESIDENT FORTUNATO BAS ;

NOES- **0**

ABSENT-

ABSTENTIO1f- **.0**

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ATTEST: f/f/ +-----

(ASHA REED)

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



AGENDA REPORT

TO: Edward D, Reiskin
City Administrator

FROM: Sara Bedford
Director, Human Services

SUBJECT: Supplemental Report - Lake Merritt
Lodge Lease Extension

DATE: March 7, 2022

City Administrator Approval

Date:

Mar 10, 2022

RECOMMENDATION

Staff Recommends That The City Council Accept A Supplemental Report To Update The Staff Report That Published On March 4, 2022 For The March 15, 2022 City Council Meeting.

REASON FOR SUPPLEMENTAL

On March 1, 2022 the Biden Administration issued a memo extending the time period of the Federal Emergency Management Agency (FEMA) reimbursements for COVID response activities, including emergency non congregate shelter, through June 30, 2022. As a result, the costs of the proposed policy alternatives need to be adjusted. The full White House Memo can be found here: <https://www.whitehouse.gov/briefing-room/presidential-actions/2022/03/01/memorandum-on-maximizing-assistance-to-respond-to-covid-19-2/>

ANALYSIS AND POLICY ALTERNATIVES

Policy Direction for FY 22-23

Staff recommends that the City Council provide some policy direction during its mid-cycle budget deliberations on the final disposition of the building. The updated chart below (**Table 2**) identifies three policy alternatives for Council consideration and their associated costs for supporting the building and providing permanent housing placements for all clients. All alternatives assume 6 months are necessary to successfully place all clients and estimates the cost of those placements at \$2.2 million. All three options below have been updated to reflect full FEMA reimbursement through June 30, 2022.

Table 2: Policy Alternatives

Policy Alternatives	Scenario 1: 6 Months	Scenario 2: 9 months	Scenario 3: 15 months
Term	April 2022-September 2022	April 2022-December 2022	April 2022-June 2023
Actions	Building does not backfill vacancies starting April 1, 2022 and closes in September 2022.	Building does not backfill vacancies starting July 1, 2022 and closes in Dec 2022.	Building does not backfill vacancies starting January 1, 2023 and closes in June 2023
Building Lease***	\$1,140,000	\$2,280,000	\$3,420,000
Client Support Services	\$569,262	\$1,138,524	\$1,707,786
Exit Resources	\$2,200,000	\$2,200,000	\$2,200,000
Total Funding Needed	\$1,709,262	\$5,618,524	\$7,327,786
Resources already budgeted and available **	\$2,200,000	\$2,200,000	\$2,200,000
Funding Gap*	+\$500,000	\$3,418,524	\$5,127,786

*Funding Needed to be identified

**Funding Currently Available

***Maximum costs as lease terms may lead to lower leasing costs as individual floors are vacated.

During the mid-cycle budget deliberations, staff recommends that the City Council identify the funding to adopt *policy alternative #2* that will support LML through December 2022 and provide sufficient funding for exit strategies for all households in the facility. With this plan, LML would maintain current clients and continue work on exit strategies. During the six months between July and December no backfill of rooms will take place and all residents will be supported to have a safe and stable exit to permanent housing. The cost of this scenario is estimated at a maximum of \$5,618,524 and of this cost, \$2.2 million is already available for the exit in Measure W, requiring additional funding of \$3.4 million to be identified.

In addition, keeping the building open through December 2022 provides time for staff to explore any new opportunities for using the building on a permanent basis (through purchase or long term lease). This could include HomeKey round three funds from the state or other new funding opportunities. Without a permanent funding source identified to buy and operate the building, staff does not recommend keeping the building open past December 2022.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Accept A Supplemental Report To Update The Staff Report That Published On March 4, 2022 For The March 15, 2022 City Council Meeting.

For questions regarding this report, please contact Lara Tannenbaum, Community Homelessness Services Manager, at 510-238-6187.

Respectfully submitted,



SARA BEDFORD
Director, Human Services Department

Reviewed by:
Lara Tannenbaum, Manager
Community Homelessness Services

Reviewed by:
Brendan Moriarty,
Real Property Asset Manager
Economic & Workforce Development
Department

Prepared by:
Lara Tannenbaum, Manager
Community Homelessness Services

