

2018 OCT 11 PM 3:55

**OAKLAND CITY COUNCIL**

RESOLUTION No. 87399 C.M.S.

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**RESOLUTION:**

- 1) AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A GRANT AGREEMENT WITH BAY AREA COMMUNITY SERVICES (BACS) FOR AN AMOUNT NOT TO EXCEED \$800,000 TO PROVIDE AN INTERIM HOUSING PROGRAM FOR UNSHELTERED PERSONS AT THE CITY-OWNED PROPERTY LOCATED AT 641 WEST GRAND AVENUE FOR A TERM OF NOVEMBER 1, 2018 THROUGH JUNE 30, 2019; AND
- 2) FINDING AND DETERMINING THAT THE LEASE OF THE PROPERTY AT 641 WEST GRAND AVENUE TO BACS FOR LESS THAN ITS FAIR MARKET RENTAL VALUE IS IN THE BEST INTEREST OF THE CITY; AND
- 3) DETERMINING THAT THE ACTIONS AUTHORIZED BY THIS RESOLUTION ARE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA GUIDELINES SECTION 15301

**WHEREAS**, the number of unsheltered persons in the City of Oakland exceeds 1,900 per the most recent Point-In-Time Homeless Count and Survey, conducted in January 2017, which is a 26 percent increase from the same survey conducted in January 2015; and

**WHEREAS**, approximately 50 percent of the homeless population in Alameda County resides in Oakland; and

**WHEREAS**, the current number of unsheltered persons in Oakland significantly exceeds the number of available shelter and interim housing beds; and

**WHEREAS**, the City Council finds that urgent and expeditious efforts are necessary to develop additional shelter solutions that are safe and meet basic habitability standards, and that flexibility and broad-based approaches are essential to increase capacity; and

**WHEREAS**, analysis and evidence has demonstrated that providing safe and stable interim housing combined with essential support services are two primary components of a successful transition out of homelessness; and

**WHEREAS**, on June 19, 2017, the City Council approved Resolution No. 86774 C.M.S., which authorized issuance of the first tranche of Measure KK housing bond funds in an amount not to exceed \$50 million (subsequently amended on June 29, 2017, per City Council Resolution No. 86814 C.M.S. to increase the amount to \$55 million), including funds for the purchase of a transitional housing facility or facilities in an amount up to \$14 million dollars; and

**WHEREAS**, on May 1, 2018, the City Council approved Ordinance No. 13484 C.M.S., which authorized the purchase of a 70-unit SRO residential hotel located at 641 West Grand Avenue for \$7 million for use as transitional housing; and

**WHEREAS**, following the purchase, City staff proposes to lease the City-owned property at 641 West Grand to Bay Area Community Services (“BACS”) for a term of eight months commencing on November 1, 2018 through June 30, 2019, which may be extended upon the end of the initial eight month term for up to four separate annual terms upon mutual agreement of the City and BACS, to allow BACS to expand the interim housing model it is currently providing at the Henry J. Robinson Multi Service Center to the newly acquired property located at 641 West Grand Avenue; and

**WHEREAS**, City staff proposes to execute a grant agreement with BACS in an amount not to exceed eight hundred thousand dollars (\$800,000) to provide funding for BACS to operate an interim housing program for unsheltered adults at 641 West Grand Avenue during a grant term commencing on November 1, 2018, and ending June 30, 2019; and

**WHEREAS**, the one-time funds are available in the amount of up to \$800,000, during the grant term, as identified in the table below:

Fund	Organization	Account	Project	Amount
1870 <u>Affordable Housing Trust Fund</u>	<b>78411</b> Community Housing Services	<b>54919</b> <u>Services: Miscellaneous Contract</u>	1003813 <u>GPF Second Henry HRMSC</u>	\$800,000

; and

**WHEREAS**, an interim housing program at 641 West Grand Avenue is projected to provide interim housing to approximately 90 unhoused persons at any given time and to approximately 180 persons during the grant term; and

**WHEREAS**, one-time funding is available in the amount of \$800,0000 in the Affordable Housing Trust Fund (1870), Community Housing Services Organization (78411), Miscellaneous Contract Services Account (54912), Second Henry HRMSC Project (1003813), Fostering Safe and Healthy Communities Program (SC22) and additional funding is expected to be available from Alameda County and the State of California; and

**WHEREAS**, Oakland Municipal Code (“OMC”) 2.42.110 provides that City-owned real property must be leased for a rent equal to or exceeding the property’s fair market rental value unless the City Council has made a finding and determination that the lease of the property for less than its fair market rental value is in the best interest of the City; and

**WHEREAS**, in making the required finding and determination, the City Council may consider the value of in-kind services to the City or the community at-large provided by the lessee such as but not limited to property security and maintenance, social and cultural benefits to the community or other services; and

**WHEREAS**, BACS will operate a transitional and rapid re-housing program at 641 West Grand Avenue to mitigate the homeless crisis by providing respite, shelter, nourishment, case management, and housing navigation services to approximately 180 unsheltered persons annually; now, therefore, be it

**RESOLVED:** That the City Administrator is hereby authorized to enter into a grant agreement with Bay Area Community Services in an amount not to exceed \$800,000 to operate an interim housing program for unsheltered adults at 641 West Grand Avenue during a grant term commencing on November 1, 2018, and ending June 30, 2019; and be it

**FURTHER RESOLVED:** That the City Administrator is hereby authorized to negotiate, submit and execute all documents, including, but not limited to, applications, contracts, grant agreements, amendments, payment requests, reports, and related actions for the completion of this program during the grant term without returning to Council; and be it

**FURTHER RESOLVED:** That the City Council hereby determines that the actions authorized by this Resolution are exempt from CEQA pursuant to CEQA Guidelines Section 15301, which exempts the operation of existing private or public facilities involving negligible or no expansion of use; and be it

**FURTHER RESOLVED:** That the above agreements shall be reviewed and approved by the Office of the City Attorney to form and legality and placed on file in the Office of the City Clerk; and be it

**FURTHER RESOLVED:** That based on the in-kind services provided by BACS as discussed above and in the City Administrator's report accompanying this resolution, the City Council hereby finds and determines that leasing the property at 641 West Grand Avenue to BACS for less than the property's fair market value is in the best interest of the City.

OCT 30 2018

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

**PASSED BY THE FOLLOWING VOTE:**

AYES - ~~7~~ CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, AND PRESIDENT REID - 7

NOES - 0

ABSENT - 0

ABSTENTION - 0

Excused - Brooks - 1

ATTEST:



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