


CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AMENDING THE FISCAL YEAR 2022-23 MIDCYCLE BUDGET, WHICH WAS ADOPTED PURSUANT TO RESOLUTION NO. 89283 C.M.S. AND AMENDED BY RESOLUTION NO. 89377 C.M.S., TO ALLOCATE AN AMOUNT NOT TO EXCEED ONE HUNDRED AND EIGHTY THOUSAND DOLLARS (\$180,000) FROM THE GENERAL PURPOSE FUND TO BE USED IN SUPPORT OF APPLYING FOR A STATE OF CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL WAIVER TO ALLOW FOR TEMPORARY HABITATION AT THE FORMER ARMY BASE NORTH GATEWAY SITE

WHEREAS, the City of Oakland (City) is in the middle of an unprecedented homelessness crisis; and

WHEREAS, according to the 2022 Point-In-Time Homeless Count, the number of individuals in Oakland experiencing homelessness has swelled to 5,055 and nearly 50% of the unsheltered population in Alameda County live in Oakland; and

WHEREAS, the Wood Street encampment located in West Oakland was the largest encampment in the City and in July 2022, the California Department of Transportation (Caltrans) announced the closure of the Wood Street encampment on their right of way; and

WHEREAS, Caltrans began removing people on September 9, 2022—nearly 80 unhoused residents were evicted that day and Caltrans has continued that process; and

WHEREAS, the City had limited shelter beds to accommodate residents of the encampment who have been displaced; and

WHEREAS, on July 26, 2022, the Council adopted Resolution No. 89378 C.M.S., accepting, appropriating, and authorizing an agreement for receipt of an Encampment Resolution Funding Grant from the State of California in the amount of \$4,731,300.01 for interim housing

construction, operations, and services to house former residents of the Wood Street encampment and additional homeless residents throughout Oakland; and

WHEREAS, the City of Oakland is in possession of approximately 22 acres of public land, known as the “North Gateway parcel,” located at the former Oakland Army Base; and

WHEREAS, the North Gateway parcel is subject to recorded deed restrictions due to environmental contamination, which among other things, have federal and state restrictions that prohibit any residential housing; and

WHEREAS, the City is working with two recyclers, California Waste Solutions (CWS) and Custom Alloy Scrap Sales (CASS), to relocate their recycling operations to the North Gateway parcel; and

WHEREAS, in 2012, as a result of negotiations over community benefits, the City approved an Addendum to the 2002 Environmental Impact Report for the Oakland Army Base that revised the redevelopment project to, among other things, include relocation of CWS and CASS from the West Oakland neighborhood to the Oakland Army Base; and

WHEREAS, on July 21, 2021, the City Council authorized the City Administrator to enter into a Lease and Disposition and Development Agreement with CWS for approximately 14 acres of the parcel (Ordinance No. 13658 C.M.S.); and

WHEREAS, on September 21, 2021, the City Council adopted Resolution No. 88826 C.M.S., which authorized the City Administrator to enter into an exclusive negotiating agreement with CASS for the relocation of its recycling facilities to the North Gateway site; and

WHEREAS, on October 20, 2020, the City Council adopted Resolution No. 88341 C.M.S., adopting the 2020 Encampment Management Policy, and directing the City Administrator to work to establish part of the Oakland Army Base as a potential site to support unsheltered persons, but provided no funding for the Army Base or any other sites; and

WHEREAS, no funding has been allocated by the City Council subsequently for the Army Base site during any other budgeting actions; and

WHEREAS, pursuant to the direction in Resolution No. 88341 C.M.S., staff engaged with the California Department of Toxic Substances Control (DTSC) in 2021; and

WHEREAS, the conclusion of that engagement, which was shared with the District 3 Councilmember at the time, was as follows:

Based on feedback from DTSC, the critical factors to consider in determining whether a homelessness intervention can be accomplished on the North Gateway are: (1) the process and timeline requirements to obtain a waiver from DTSC, including the need for additional site testing and

health risk analysis, which process would require approximately 8-16 months; and (2) the timeline required to procure and install ground cover if DTSC approves a waiver, which could take up to another 8 months.

WHEREAS, on May 3, 2022, the City Council adopted Resolution No. 89166 C.M.S., which among other things, directed the City Administrator to study the feasibility of establishing a temporary homeless intervention site at the North Gateway parcel and report back to Council; and

WHEREAS, pursuant to Resolution No. 89166 C.M.S., Council received a report from the administration on June 7, 2022 (File Number 22-0459), regarding the feasibility of standing up a homeless intervention on the parcel and the report concluded that use of the parcel is not feasible due to environmental concerns and the need for remediation of the land to meet state regulatory requirements; and

WHEREAS, the June 7, 2022 report included the following section regarding costs:

The total estimated cost to stand up the site for 1,000 RVs and operate it for one year is \$23.4 Million. Ongoing operations are estimated at \$18 Million per year for 1,000 RVs. The costs for the DTSC waiver process total up to \$145,000 and additional costs would be required for environmental mitigation. There are currently no funds identified for this effort; and

WHEREAS, on June 30, 2022, the City Council passed Resolution No. 89283 C.M.S., which adopted the City of Oakland Midcycle Policy Budget Amendments for Fiscal Year (FY) 2022-23; and

WHEREAS, on July 26, 2022, the City Council passed Resolution No. 89377 C.M.S., which amended the adopted the City of Oakland Midcycle Policy Budget Amendments for FY 2022-23; and

WHEREAS, on October 4, 2022, the City Council passed Resolution No. 89434 C.M.S., directing the City Administrator to develop a plan, in collaboration with unhoused community members as well as leaders from the State and Alameda County, to establish a stable, temporary housing solution with supportive services at the stated site to serve unhoused communities from various encampments throughout District 3, with priority to residents from the Wood Street and Martin Luther King Jr. Way encampments; and

WHEREAS, funding for the work needed to start the DTSC waiver process is now estimated to be \$180,000 and since this expense was not contemplated in the Adopted FY 2022-23 Midcycle Budget, should the City Council wish to advance this process, it should amend the approved budget and reallocate funds as described in **Exhibit 1**; and

WHEREAS, the longer-term direction of establishing a housing solution on the site with supportive services does have financial implications and will require the administration to collaborate with all relevant parties to create a plan and seek out the necessary funds; and

WHEREAS, addressing homelessness and improving the quality of life for all of our residents requires us to explore all options and take bold steps, including utilizing available public land for displaced people; now, therefore, be it

RESOLVED: That the City Council hereby amends the Fiscal Year 2022-23 Midcycle Budget, as adopted pursuant to Resolution No. 89283 C.M.S. and amended by Resolution No. 89377 C.M.S., to allocate an amount not to exceed one hundred and eighty thousand dollars (\$180,000) from the General Purpose Fund to be used in support of applying for a California Department of Toxic Substances Control waiver to allow for temporary habitation at the former Army Base North Gateway site, as set forth in **Exhibit 1** to this Resolution.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES – FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO,
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

ASHA REED

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

EXHIBIT 1
FY 2022-23 Budget Amendment - Army Base North Gateway Site
General Purpose Fund (1010)

EXPENDITURE REDUCTIONS (NEGATIVE #)

| Item # | Fund | Dept. | Description (Include Job Class & FTE) | FY 2022-23 Ongoing | FY 2022-23 One-Time | FY 2022-23 Total | Notes |
|---|------|-----------------------------|---------------------------------------|--------------------|---------------------|------------------|---|
| A1 | 1010 | CAO - Homelessness Division | Homeless program consulting | | (100,000) | (100,000) | Consulting will be paid for using HUD funds |
| A2 | 1010 | Human Services Department | Pilot security program | | (80,000) | (80,000) | \$120,000 remains for a pro-rated pilot project |
| Subtotal of Expenditure Reductions | | | | | (180,000) | (180,000) | |

| | FY 2022-23 Ongoing | FY 2022-23 One-Time | FY 2022-23 Total | Notes |
|--|--------------------|---------------------|------------------|-------|
| FUNDS AVAILABLE FOR PROGRAMMING | | 180,000 | 180,000 | |

EXPENDITURE ADDITIONS (POSITIVE #)

| Item # | Fund | Dept. | Description (Include Job Class & FTE) | FY 2022-23 Ongoing | FY 2022-23 One-Time | FY 2022-23 Total | Notes |
|--|------|----------------------|---|--------------------|---------------------|------------------|----------------|
| B1 | 1010 | Oakland Public Works | Department of Toxic Substances Control waiver process | | 180,000 | 180,000 | |
| Subtotal of Expenditure Additions | | | | | - | 180,000 | 180,000 |

| | FY 2022-23 Ongoing | FY 2022-23 One-Time | FY 2022-23 Total | Notes |
|----------------------------|--------------------|---------------------|------------------|-------|
| SURPLUS / (DEFICIT) | - | - | - | |