



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Sara Bedford  
Director, Human Services

**SUBJECT:** Extending timeframe of Kaiser  
Foundation Funding

**DATE:** November 2, 2020

City Administrator Approval

Date: November 19, 2020

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution Authorizing:**

- 1) Amendment Of The Grant Agreement With Bay Area Community Services To Provide Property Management Services And Operations Of The Interim Housing Program For Unsheltered Persons At 641 West Grand Avenue (The Holland), As Authorized By Resolution No. 87580 C.M.S., To Extend The Grant Term Through June 30, 2021 And**
- 2) Amendment Of The Grant Agreement With Bay Area Community Services For The Provision Of Property Management Services And Operations Of The Interim Housing Program For Unsheltered Persons At 559 16<sup>th</sup> St (The Henry J. Robinson Multi Service Center), As Authorized By Resolution No. 87697 C.M.S., To Increase The Grant Amount By Up To \$136,177, For A Total Not To Exceed Grant Amount Of \$451,181; And**
- 3) The Reallocation Of Previously-Appropriated Kaiser Foundation Funds.**

## **EXECUTIVE SUMMARY**

Adoption of this resolution will allow the City Administrator to amend the Holland grant agreement to extend through June 30, 2021 and amend the Henry J. Robinson grant agreement for a grant term of July 1, 2020 to June 30, 2021, using funds from the Kaiser Foundation.

## **BACKGROUND / LEGISLATIVE HISTORY**

In October 2018, the City Council approved Resolution No. 87399 C.M.S. authorizing the City Administrator to enter into a grant agreement with Bay Area Community Services (BACS) for eight hundred thousand dollars (\$800,000) to operate a transitional housing program at the Holland, located at 641 West Grand Avenue in Oakland, at which time staff also informed the City Council of the City's intent to apply for grant funding from the Kaiser Foundation for ongoing operations of the Holland for a few years.

City Council  
December 1, 2020

In February 2019, the Kaiser Foundation awarded the City a grant in the amount of three million dollars (\$3,000,000) to fund operations and services at the Holland through January 31, 2021. In March 2019, the City Council approved Resolution No. 87580 C.M.S. authorizing the City Administrator to accept and appropriate the grant funding awarded to the City, and to amend the grant agreement with BACS to increase the grant by an amount up to three million dollars (\$3,000,000) and extend the grant through January 31, 2021 to manage and operate the interim housing program for unsheltered adults at the Holland.

In fiscal year (FY) 2018-19, the Holland became part of Alameda County Care Connect's (AC3) Whole Person Care (WPC) demonstration program. The WPC pilot allows grantees to use Medi-Cal funding for services not usually thought of as healthcare, such as helping people find and stay in housing. Approximately \$750,000 was allocated for services at the Holland.

In May 2019, the City was awarded five hundred and eighty-four thousand dollars (\$584,000) in funding through the U.S. Department of Housing and Urban Development (HUD) Continuum of Care competition to support the ongoing operations of the Holland program.

### **ANALYSIS AND POLICY ALTERNATIVES**

As outlined above, in the ramp-up to opening the Holland, the City applied for, and was awarded \$3,000,000 in funds from the Kaiser Foundation to operate the program from January 2019 through January 31, 2021. It was anticipated that the funds from the Kaiser Foundation would sustain the program while ongoing funding streams were acquired.

- In FY 2018-19, the City obtained funding from the Alameda County Care Connect's (AC3) Whole Person Care (WPC) demonstration program in the amount of \$650,000 in each of the first two years, and \$325,000 in FY 2020-21, the final year of funding availability.
- Also in FY 2018-19 the Alameda County Probation Department began providing ongoing funding to the Holland in the amount of \$250,000 a year.
- In FY 2019-20 the City also applied for, and was awarded, a U.S. Department of Housing and Community Development Continuum of Care (CoC) grant in the amount of \$584,000 per year to fund the ongoing operations and services of the program.

This early influx of funding resulted in the Kaiser Foundation funds being spent down at a slower rate than anticipated.

In fiscal year 2020-2021, the Holland faces a three hundred and twenty-five-thousand dollar (\$325,000) reduction in Alameda County WPC funds. Extending the Kaiser Foundation grant terms and increasing the amount will allow the program to remain whole through FY 2020-21. In FY 2021-22 and beyond, the Holland will be fully funded through HUD CoC, Probation, and Measure Q funds. The Measure Q parcel tax was approved by voters in March 2020 to provide revenue for, among other things, services to address homelessness and enable unsheltered and unhoused residents to access temporary shelters, transitional and supportive housing, and permanent housing.

Current spending authority for the Kaiser Foundation funding for the Holland ends on January 31, 2021. The proposed amendment will extend authorization to spend the funds through June 30, 2021. The resolution authorizes an amendment to the grant agreement between the City and BACS to extend the grant term through June 30, 2021 and increase the grant by an amount up

to one million and one hundred and ninety-five thousand dollars (\$1,195,000) for the continuation of property management and homeless services at the Holland.

The Henry Robinson Multi-Service Center (the Henry) has operated at 559 16<sup>th</sup> Street in Oakland since 2013, serving an average 300 people per year. The success of the program model at the Henry led to the opening of the Holland in January 2019. The Henry has received ongoing funding through Alameda County Department of Social Services (SSA), and HUD CoC, however over the years this funding has remained largely flat while the cost of operating the program has increased, leaving the program less able to devote needed resources towards permanent housing exits. City staff recommends applying the remaining Kaiser funds to the Henry program. The additional resources from the Kaiser Foundation will fill the gap in operating costs in FY 2020-21. In the future, funds from Measure Q will supplement the HUD CoC and Alameda County SSA funds.

The City has taken emergency action in the past several years to provide expanded crisis beds and wrap-around services to the unhoused population as evidenced by expanded shelter efforts, and the implementation of the Community Cabins programs and safe parking initiatives. Sustaining these efforts, including the Henry and Holland interim housing programs, in addition to increasing the affordable housing inventory, is critical to effectively mitigating the homeless crisis in Oakland.

### **FISCAL IMPACT**

The Kaiser Foundation has awarded a grant to the City in the amount of three million dollars (\$3,000,000) for services and operations at the Holland from February 1, 2019 through January 31, 2021. In fiscal years 2018-2019 and 2019-2020, a total of one million, six hundred and sixty eight thousand, eight hundred and twenty three dollars (\$1,668,823) was expended on the Holland program, leaving a balance of one million and three hundred and thirty one thousand one hundred seventy seven dollars (\$1,331,177). Staff wish to allocate these funds towards the ongoing operations of the Henry and Holland programs in FY 2020-21.

The grant funds will be appropriated in the Private Grants Fund (2190), Community Housing Services Organization (78411), Third Party: Grants Contract Account (54912), and in Projects as identified in **Table 1** below:

**Table 1 Grant Funds Appropriations**

Fund	Organization	Account	Project	Amount
2190	<b>78411</b> Community Housing Services	54912	1004824	\$1,195,000
2190	<b>78411</b> Community Housing Services	54912	TBD	\$136,177

### **PUBLIC OUTREACH / INTEREST**

No outreach was deemed necessary for the proposed action beyond the standard City Council agenda noticing procedures.

### **COORDINATION**

This report and legislation were prepared in coordination with and reviewed by the Office of the City Attorney, Budget Bureau Human Services Department (HSD), and City Administrator's Office.

### **PAST PERFORMANCE, EVALUATION AND FOLLOW-UP**

In the first full year of operation (July 1, 2019 to June 30, 2020), the Holland served a total of 139 clients. Over the same period, 83 clients exited the program. Over sixty-three percent of clients who exited the program moved to permanent housing. Another thirteen percent of clients who exited were transferred to the Safer Ground and Operation Comfort emergency shelter programs as a result of the COVID-19 pandemic.

In the most recently completed program year at the Henry, a total of 225 clients were served. Over the same period, 113 clients exited the program, and seventy-five percent of clients who exited the program moved to permanent housing.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** The program will generate professional services and ongoing property management jobs in Oakland. Providing individuals with interim housing helps provide financial stability for extremely and very-low income households.

***Environmental:*** The provision of housing for at-risk and homeless persons is intended to address the environmental degradation caused by homeless families and individuals precariously housed or living on the streets. Both properties are also located near public transit, which will enable residents to further reduce any adverse environmental impacts of development.

***Race & Equity:*** In Oakland, the drivers of homelessness fall most squarely on the backs of the African American community who, due to long standing structurally racist practices such as red lining and employment discrimination, are most vulnerable to losing their homes. Ending homelessness in Oakland must be defined by what works for African Americans first and foremost in order to reduce the racial disparities. These drivers of homelessness include:

- Structural racism
- Insufficient controls on the rental housing market that create vulnerability and housing instability for tenants

- Insufficient housing units that are affordable to households with the lowest incomes, including particularly those whose incomes are below 20 percent of Area Median Income (AMI)
- Systematic barriers that often prevent residents who are returning home from incarceration from living with family members and/or accessing both public and private rental housing and employment opportunities
- Inadequate pay and benefits for many of the jobs that are available in the community, and insufficient access to quality employment opportunities that pay wages that meet the cost of housing

One of the goals of Oakland's Permanent Access to Housing (PATH) Plan is to eliminate racial disparities in the rates at which people experience homelessness, and in exits to stable housing. The City utilizes data from the Homeless Management Information System (HMIS) to track client demographics and outcomes. A project to disaggregate outcome data by race is currently underway.

According to the 2019 Point In Time count for Oakland, 70 percent of the population experiencing homelessness in Oakland identifies as Black or African American; however this demographic is only 24 percent of the general population. The data that is currently available shows that 71 percent of the population at the Henry and 83 percent of the population at the Holland identify as Black or African American. Additional information regarding African Americans' (and other demographic groups') ability to successfully navigate through the homeless services continuum and obtain safe, permanent housing will be available once the disaggregated data reports are finalized.

**ACTION REQUESTED OF THE CITY COUNCIL**

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- 3) The Reallocation Of Previously-Appropriated Kaiser Foundation Funds.

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

Respectfully submitted,



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