



# AGENDA REPORT

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

**FROM:** Estelle Clemons,  
Interim Director, Human  
Services

**SUBJECT:** Community Cabin Program at 2601  
Wood Street

**DATE:** October 3, 2022

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City Administrator Approval 

Date: Oct 6, 2022

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## RECOMMENDATION

Staff Recommends City Council Adopt A Resolution:

1. **Accepting, Appropriating, And Authorizing Agreement For Receipt Of Additional Encampment Resolution Funding (ERF) Funding In The Estimated Amount Of Three Million Six Hundred Thousand Dollars (\$3,600,000) Expected To Be Awarded From The State Of California To Fund Interim Housing Construction, Operations, And Services At 2601 Wood Street Through June 30, 2024;**
2. **Authorizing The City Administrator To Enter Into A Professional Services Agreement With A Provider To Be Selected By The Human Services Department Through A Competitive Request For Qualifications (RFQ) Process Using ERF Funds In An Amount Not To Exceed \$2,243,274 For The First Year And A Total Amount Not To Exceed \$4,486,548 For The Full Term, To Operate And Manage An Interim Community Cabin Program At 2601 Wood Street From November 1, 2022 Through June 30, 2024, With An Option To The Extend The Term Within The Limits Of The ERF Award;**
3. **Authorizing The City Administrator To Negotiate And Execute A Lease Amendment Between The City And Game Changer (Marine) LLC For 2201 And 2601 Wood Street, Oakland, To Extend The Term To June 30, 2024, With Three 1-Year Extensions In An Amount Not To Exceed \$35,000 Per Year, To Operate An Interim Recreational Vehicle (RV) Safe Parking Program And Community Cabin Program; And**
4. **Making Appropriate Findings Under The California Environmental Quality Act.**

## EXECUTIVE SUMMARY

Adoption of the proposed resolution would authorize the City Administrator to accept and appropriate additional State Encampment Resolution Funds (ERF) in an estimated amount of \$3.6 million to provide emergency shelter services at the City-leased private property at 2601

City Council  
October 18, 2022

Wood Street. The term of the contract with the State will expire June 30, 2024. These funds would augment the roughly \$4.7 million accepted by the City Council this past July.

The proposed resolution will allow the City Administrator to enter into an agreement with a provider, to be selected by the Human Services Department (HSD) through a competitive Request for Proposal (RFQ) process, for site management and housing navigation services for a term through fiscal year 2023/2024. The provider will provide emergency interim shelter for a minimum of 50 homeless households currently residing in encampments along Wood Street. The addition of these funds would bring the total sized of the intervention to 100 cabins. The proposed resolution will also allow the City Administrator to extend the term of this agreement should the State extend the expenditure deadline.

The proposed resolution will also allow the City Administrator to extend the City's existing lease of approximately 4 acres of real property at 2201 and 2601 Wood Street from the private owner (Game Changer (Marine) LLC) through at least June 30, 2024, to continue operating the existing RV safe parking program and add a community cabin program. Consistent with the existing lease, the rent due under the extension shall not exceed \$35,000 per year.

## **BACKGROUND / LEGISLATIVE HISTORY**

The City Council has prioritized solving homelessness in the City of Oakland and committed to keep it at the forefront of the City's priorities.

On February 26, 2019, City Council approved Resolution No. 87538 C.M.S., declaring a local emergency due to the welfare and safety conditions of those who are homeless or at risk of homelessness and pursuant to Government Code section 8630, and has renewed that declaration several times, including as recently as July 2022.

Wood Street is one of the largest encampments in the City with an estimate of over 300 unsheltered individuals living on and around Wood Street. Reports of widespread illnesses, such as COVID, have been reported in the area.

The City along with Cal Trans has been working to relocate people from the street and transition them into other emergency housing shelters. In fiscal year 2021/2022 a 40 space safe and secure RV site was stood up on an approximately 4-acre City-leased private property at 2201 and 2601 Wood Street (aka/the Game Changer Property) to help assist residents residing on the street in the area. The City is now planning to provide a minimum of 50 Community Cabins, on the second half of the Game Changer Property to support the unsheltered residents of Wood Street with emergency shelter and housing navigation services. The addition of these funds would bring the total sized of the intervention to 100 cabins.

In 2022, through a competitive process, the City applied for the Encampment Resolution Fund Program (ERF) from the State of California to fund construction and operation at the currently vacant lot located at 2601 Wood Street. This grant is intended to support residents residing in encampments move from the streets into safe shelter. In April 2022, the State awarded the City four million seven hundred thirty-one thousand three hundred dollars and one cent (\$4,731,300.01) through this funding opportunity. On July 26, 2022, the City Council approved

Resolution No. 89378 C.M.S. to accept these funds to provide interim housing to approximately 50 homeless households in Oakland, relocating residents from homeless encampments to safe and stable shelter. These grant funds must be expended no later than June 30, 2024.

The State has since notified the Human Services Department of additional funds available through the ERF opportunity. The State plans to allocate the additional funds originally requested by the City for the Wood Street cabin site in an amount of approximately three million six hundred thousand dollars (\$3,600,000). The State is currently working on the agreement and plans to send it to the City for signature.

The City's existing lease of 2201 and 2601 Wood Street was executed in November 2020 with an initial two-year term and rent not to exceed \$35,000 per year pursuant to Section 2.41.050 of the Oakland Municipal Code, which authorizes the City Administrator to enter into leases of private property when the total consideration does not exceed \$100,000 for the lease term. The proposed resolution authorizing the lease amendment would extend the existing lease through at least June 30, 2024, to implement the ERF grant-funded program on the property. The proposed amendment would include three 1-year extensions to extend the lease up to June 30, 2027. The rent due under the amendment shall not exceed \$35,000 per year, and funds for the three 1-year lease options are subject to further Council appropriation and any possible liquidated damages are subject to further Council appropriation and authorization.

The current estimated cost to construct the site is \$1,619,240 plus the purchase of the cabins at a cost of approximately \$950,000. The City will contract with Sustainable Urban Neighborhoods (SUN) for the construction and the purchase of the cabins because they have served as the General Contractor for several interventions and donate project management costs as an in-kind donation. The in-kind donation for this site from SUN equals \$72,000. SUN also negotiated the donation of \$44,863 in base-rock. Also, the architectural design work is donated by Mike Pyatok Associates at a total of \$71,000, bringing the total donated construction and site prep costs to over \$189,000. SUN is a certified Small Local Business Enterprise (SLBE) and will seek other certified SLBE's to subcontract out various parts of the contract to ensure local hiring and investment.

### **ANALYSIS AND POLICY ALTERNATIVES**

Given the immense shortage of interim and permanent affordable housing options in Oakland, the incidence of homeless encampments throughout the city has increased significantly. In the recent Point In Time Count taken in February 2022, the number of unsheltered persons in the City of Oakland exceeded 3,300, which is a 24% increase from the same survey conducted in January 2019.

Residents in the area of Wood Street have expressed a desire to live in a cabin site on the Game Changer Property. Discussions between HSD and City Administrator staff led to the program design described below. Implementation of the program will require an amendment of the City's lease of the Game Changers Property to extend the term of the lease. The proposed resolution would enable the City Administrator to amend the lease to extend the term through June 30, 2024, with three additional one-year options to extend until June 30, 2027. The rent

would be up to \$35,000 per year, as currently provided under the existing lease. This amendment is necessary to implement the ERF grant-funded program on the property.

The proposed resolution will secure funding from the ERF grant through June 30, 2024, providing an additional 50-100 beds for the homeless community potentially sheltering one to two hundred residents across a two-year period. The goal of the program is to use a data-informed, innovative service delivery model with cross system collaborations. This will support individuals experiencing homelessness in encampments move towards a meaningful self-determined path to safe and stable housing through non-punitive, low-barrier, person centered, Housing First approaches. The program will provide interim housing and resources to assist clients towards stable housing. It will also have on-site site management, housing navigation support, peer/ community building supports, and connect clients to community resources. Targeted outreach will be conducted on City-owned, Cal-Trans owned, in the Wood Street area. In accordance with the City-wide priority of housing, economic and cultural security we are providing emergency shelter for the underserved residents of Oakland; and in accordance with City-wide priority of holistic community safety, we are providing safe and dignified space for Oakland's unhoused individuals. Should this site not be established, residents in the area will be forced to relocate to other Oakland streets and remain unsheltered. In addition, Oakland would be abandoning its commitment to unhoused residents on Wood Street to provide safe and stable shelter that they requested and helped design.

### **FISCAL IMPACT**

The funds for the 2601 Wood Street Community Cabin Project have been designated through Resolution No. 89378 C.M.S and appropriated in the State of California Other Fund (2159), Community Housing Service Organization (78411), Encampment Resolution Funds Project (1006324), Third Party Grants Contact Account (54912), and in Homeless Services and Support Program (NB41). The additional \$3.6 million ERF funding will be appropriated to the same funding code.

### **PUBLIC OUTREACH / INTEREST**

Human Services Department along with the City Administrator's office, City Planning Department and contractors have met and will continue to meet with neighborhood residents and the Wood Street encampment residents to discuss the site plans and development of the project through an on-going open dialogue and community meetings.

### **COORDINATION**

Coordination has occurred between the Human Services Department, Office of the City Attorney, and Budget Bureau in the preparation of this report and legislation.

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

In the last fiscal year of 2021/2022 approximately 469 people have been served across the seven Community Cabins sites with 66% of them being African American and 430 of all individuals coming from literal homelessness or lacking a fixed, regular, and adequate nighttime residence.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** These funds will provide interim housing and services to prevent, address and end homelessness.

***Environmental:*** The provision of housing and services for homeless persons is intended to address the environmental degradation caused by homeless families and individuals precariously housed or living on the streets and will support cleaner and safer city street.

***Race & Equity:*** In Oakland, a disproportionate number of African American residents are unhoused due to long standing structurally racist practices, such as red lining and employment discrimination, and are most vulnerable to losing their housing. According to the 2022 Point In Time Count for Oakland, nearly 60 percent of the population experiencing homelessness in Oakland identifies as Black or African American; however African Americans make up only 23 percent of the Oakland population. Passing this resolution will increase access to interim housing for those experiencing high rates of homelessness who shelter in recreational vehicles, tents and uninhabitable living conditions. The expenditure of these funds is targeted to the unhoused, at-risk populations in the City to provide essential and basic human services.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

The Community Cabins Program, including the actions authorized under this Resolution, extension of the lease agreement for 2201 and 2601 Wood Street, and the operation and administration of the proposed Community Cabins Program, is exempt from additional review and analysis under the California Environmental Quality Act of 1970 (Public Resources Code section 21000 *et seq.*; "CEQA") and the CEQA Guidelines (Cal. Code Regs., title 14, section 15000 *et seq.*; "CEQA Guidelines") under CEQA Guidelines section 15303, "New Construction of Conversion of Small Structures," which exempts the construction of limited numbers of new structures or facilities, and/or CEQA Guidelines section 15304, "Minor Alterations to Land," which exempts minor alterations in the condition of public land, including temporary uses, and/or CEQA Guidelines section 15311, "Accessory Structures," which exempts the construction of minor structures appurtenant to existing facilities, and/or CEQA Guidelines section 15332, "In Fill Development Projects," which exempts projects characterized as in fill development meeting certain specified.

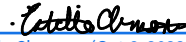
**ACTION REQUESTED OF THE CITY COUNCIL**

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4. Making Appropriate Findings Under The California Environmental Quality Act.

For questions regarding this report, please contact C'Mone Falls, Acting Manager, at  
CFalls@Oaklandca.gov

Respectfully submitted,



[Estelle Clemons \(Oct 6, 2022 15:06 PDT\)](#)

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ESTELLE CLEMONS  
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Community Homelessness Services

Prepared by:  
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Community Homelessness Services