



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

City Council
December 21, 2021

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 bbalance 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,



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