

FILED
OFFICE OF THE CITY CLERK
OAKLAND

22 JUL -7 PM 5:54

APPROVED AS TO FORM AND LEGALITY



CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. 89338 C.M.S.

RESOLUTION:

1. AUTHORIZING EXTENSION OF THE OCCUPANCY AGREEMENT BETWEEN THE CITY OF OAKLAND AND VIMA HARRISON 1 LLC, OWNER OF 2332 HARRISON STREET IN OAKLAND (LAKE MERRITT LODGE) THROUGH JUNE 30, 2023 ON THE SAME TERMS AS THE EXISTING AGREEMENT (DAILY ROOM RATE OF \$132 PER ROOM FOR ONE OCCUPANT PLUS \$50 FOR EACH ADDITIONAL OCCUPANT) FOR THE PURPOSE OF PROVIDING UP TO 92 ROOMS OF EMERGENCY NON-CONGREGATE SHELTER TO UNHOUSED INDIVIDUALS AT HIGH-RISK FROM COVID-19;
2. WAIVING COMPETITIVE REQUEST FOR PROPOSAL/ QUALIFICATION (RFP/Q) REQUIREMENT AND AUTHORIZING AMENDMENT OF THE PROFESSIONAL SERVICES AGREEMENT WITH HOUSING CONSORTIUM OF THE EAST BAY TO EXTEND THE TERM THROUGH JUNE 30, 2023 AND TO INCREASE THE AMOUNT BY TWO MILLION TWO HUNDRED SEVENTY-SEVEN THOUSAND FORTY-EIGHT DOLLARS (\$2,277,048) FOR A TOTAL NOT TO EXCEED AMOUNT OF FOUR MILLION FIVE HUNDRED FIFTY FOUR THOUSAND NINETY-EIGHT DOLLARS (\$4,554,098) TO PROVIDE BUILDING OPERATIONS AND SERVICES AT LAKE MERRITT LODGE;
3. ALLOCATING ANY REMAINING BALANCE IN THE FUNDS ALLOCATED TO THE EXTENSION OF THE OCCUPANCY AGREEMENT AND PROFESSIONAL SERVICES AGREEMENT AS MATCHING FUNDS TOWARD A FUTURE PURCHASE AND/OR OPERATIONS OF LAKE MERRITT LODGE BY THE CITY OR QUALIFIED NON-PROFIT PARTNER FOR PERMANENT AFFORDABLE HOUSING, WITHOUT COMMITTING TO ANY FUTURE PURCHASE; AND

4. MAKING NECESSARY FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

WHEREAS, approximately 53% of people experiencing homelessness in Oakland are in the CDC defined groups identified as being at high-risk for severe medical complications from a COVID-19 infection; and

WHEREAS, individuals living in encampments are unable to effectively socially distance to avoid contracting COVID-19, and thus require emergency non-congregate shelter to protect themselves and members of the public; and

WHEREAS, there is currently an unmet need in the County of Alameda, and a disproportionate need within the City of Oakland, to provide non-congregate shelter to unhoused individuals, many of which are over the age of 65 or have chronic health conditions; and

WHEREAS, providing emergency shelter utilizing existing living quarters such as motels and hotels has shown to be an effective and rapid response to street homelessness; and

WHEREAS, Resolution No. 88075 C.M.S., adopted on March 12, 2020, ratified the City Administrator's proclamation declaring a state of emergency and provides authority for such actions to assure the safety and welfare of City residents; and

WHEREAS, the Federal Emergency Management Agency (FEMA) has approved reimbursement for certain emergency protective measures taken by the State of California and local government agencies to respond to COVID-19, including certain expenditures for emergency non-congregate shelter if necessary, for public health and safety, until June 30, 2022; and

WHEREAS, Lake Merritt Lodge (formerly Hult Lodge), owned by Vima Harrison 1 LLC (Owner), was a vacant, six-story former dormitory building located at 2332 Harrison Street in Oakland with 92 dormitory units, commercial kitchen and common areas; and

WHEREAS, Resolution No. 88572 C.M.S., adopted on March 29, 2021, authorized the City Administrator to negotiate and execute an agreement for the City to occupy up to 92 rooms in the Lake Merritt Lodge for an initial term ending September 30, 2021, at a maximum daily rate of \$132 per room for one occupant and \$50 for each additional occupant and extend the term of this agreement up to twelve (12) months if FEMA extended the reimbursement period; and

WHEREAS, the City entered into an Emergency Occupancy Agreement with Owner dated April 27, 2021 allowing the City to occupy rooms in the Lake Merritt Lodge on the terms described in Resolution 88572 CMS; and

WHEREAS, Resolution No. 88572 C.M.S. authorized the City Administrator to select an entity to provide building operations services at Lake Merritt Lodge, and award a professional services agreement to said entity for a term of up to one year, terminating concurrently with the occupancy agreement, in a total amount not to exceed \$4,554,098 and waive the City's advertising and competitive bidding process for procurement of these services; and

WHEREAS, the City entered into a Professional Services Agreement with the Housing Consortium of the East Bay dated May 1, 2021 to provide services to ensure the safe and secure operation of the Lake Merritt Lodge in a total amount of \$2,277,048; and

WHEREAS, Resolution No. 89099 C.M.S., adopted on March 15, 2022, authorized the extension of the Lake Merritt Lodge Occupancy Agreement and the Operating PSA with HCEB through June 30, 2022; and

WHEREAS, City Council has expressed interest in continuing homeless intervention services at the Lake Merritt Lodge beyond the FEMA reimbursement deadline; and

WHEREAS, extending the Emergency Occupancy Agreement and Professional Services Agreement from June 30, 2022 to June 30, 2023 is expected to cost approximately \$6.8 million; and

WHEREAS, in the FY 21-23 Biennial Budget process, City Council allocated \$2.2 million in one-time Measure W funds to provide exit resources for Lake Merritt Lodge, and funds are still available to pay for these costs in Vacant Property Tax Fund (2270), Community Housing Services Org (78411), Project (1000017); and

WHEREAS, in the FY2 22-23 Midcycle Budget Amendment, the City Council will allocate \$8.9 million to continue leasing and operating Lake Merritt Lodge through June 30, 2023 in GPF Fund (1010), Community Housing Services Org (78411), Project (1000017); and

WHEREAS, the current state of the pandemic remains unknown and Alameda County, including the City of Oakland, continues to have increased Covid-19 rates; and

WHEREAS, failing to extend the Emergency Occupancy Agreement and Professional Services Agreement would cause 92 current households to be displaced by July 2022 amidst this continued global pandemic, placing some of our most vulnerable residents at risk of severe health concerns and loss of life; and

WHEREAS, OMC section 2.04.051(B) authorizes the City Council to waive the competitive RFQ/RFP process for contracts for professional services, upon a finding that doing so is in the best interest of the City; and

WHEREAS, to ensure continued services and avoid displacement of clients, staff recommends that it is in the City's best interests to further waive the competitive RFQ/RFP process for the increased and extended building and operation services at Lake Merritt Lodge because the Housing Consortium of the East Bay is uniquely qualified to continue providing the services; and

WHEREAS, the City Administrator has determined that the Professional Services Agreement is of a professional and temporary nature and shall not result in the loss of salary or employment by anyone having permanent status in competitive civil service; and

WHEREAS, the potential future acquisition and operation of Lake Merritt Lodge for permanent supportive housing would allow the building to continue to house vulnerable residents and is in the best interests of the City; and

WHEREAS, allocating City funds toward a purchase and/or continued operation of the Lake Merritt Lodge by the City or a qualified non-profit partner would incentivize the purchase of the building for permanent affordable housing and help to leverage purchase funds from other public and private sources, but such allocation would not commit the City Council to approving any future purchase of the Lake Merritt Lodge; now, therefore, be it

RESOLVED: That the City Council finds and determines that the foregoing recitals are true and correct; and be it

FURTHER RESOLVED: That the City Council finds and determines that the actions authorized by this Resolution are exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 (existing facilities) and Government Code section 8698.4(a)(4); and be it

FURTHER RESOLVED: That the City Administrator, or designee, is authorized to amend the Emergency Occupancy Agreement with Vima Harrison 1, LLC, as owner of the Lake Merritt Lodge, to extend the term through June 30, 2023 on the same terms as the existing agreement (daily room rate of \$132 per room for one occupant plus \$50 for each additional occupant) for the purpose of providing emergency non-congregate shelter for unhoused, high-risk individuals; and be it

FURTHER RESOLVED: That the City Administrator is authorized to amend the Professional Services Agreement with Housing Consortium of the East Bay to extend the term through June 30, 2023, and increase the agreement by \$2,277,048 to provide building operations and services at Lake Merritt Lodge for a total contract amount not to exceed \$4,554,098, and be it

FURTHER RESOLVED: Pursuant to OMC Section 2.04.051(B), the City Council hereby finds and determines that it is in the best interests of the City to further waive the competitive RFQ/RFP selection requirements, based on the reasons set forth in this Resolution and the Report accompanying this Resolution, and so does hereby waive these requirements; and be it

FURTHER RESOLVED: That any remaining balance in the funds allocated to the extension of the Emergency Occupancy Agreement and Professional Services Agreement may be used as matching funds toward a future purchase and/or operations of Lake Merritt Lodge by the City or qualified non-profit partner for permanent affordable housing, however, this funding allocation does not commit the City to approving any such acquisition or continued operation of the Lake Merritt Lodge; and be it

FURTHER RESOLVED: That the City Administrator, or designee, is authorized to conduct all negotiations; execute and submit all documents, including but not limited to applications, agreements, amendments, modifications, and payment requests; and to take any other related actions consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That prior to execution, all agreements, grants and amendments shall be reviewed and approved as to form and legality by the City Attorney and executed copies of same shall be filed with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, **JUL 19 2022**

PASSED BY THE FOLLOWING VOTE:

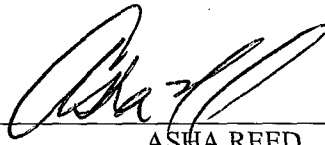
AYES - ~~MM~~ GALLO, KALB, ~~MM~~ REID, TAYLOR, THAO AND
PRESIDENT FORTUNATO BAS - 6

NOES - 0

ABSENT - 0

ABSTENTION - 0

2 Excused - Fife & Kayle ATTEST:



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