



CITY OF OAKLAND

AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Emily Weinstein
Director, Department of
Housing & Community
Development

SUBJECT: **SUPPLEMENTAL** – Homelessness
Prevention Program Extension

DATE: April 15, 2025

City Administrator Approval


Jestin Johnson (Apr 16, 2025 15:58 PDT)

Date: **Apr 16, 2025**

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Amending Resolution No. 90475 C.M.S., Which Authorized Funding For The Homeless Prevention Pilot Program Grant To Bay Area Community Services, Inc. For A Total Amount Not To Exceed Four Million Dollars (\$4,000,000.00) And Grant Term Through June 30, 2026 To:

- (1) Extend The Grant Term To June 30, 2027;**
- (2) Increase The Authorized Grant Amount To A Total Amount Not To Exceed Five Million Dollars (\$5,000,000.00) And Allocating Previously Budgeted Funds To BACS' Homeless Prevention Pilot Program; And**
- (3) Authorize The City Administrator To Accept, Appropriate, And Increase The Grant Agreement Using Any State, Federal, Local, And/Or Private Funding That Becomes Available For BACS' Homeless Prevention Pilot Program During The Term Of The Grant Agreement, Without Return To Council**

REASON FOR SUPPLEMENTAL

At the City of Oakland Community and Economic Development (CED) Committee meeting on April 8th, 2025, councilmembers requested a supplemental report regarding the Homelessness Prevention Program. This supplemental report provides more information on the program, including budget breakdown, activities funded, populations served, and additional context around the urgent need for prevention resources.

CED Committee
April 22, 2025

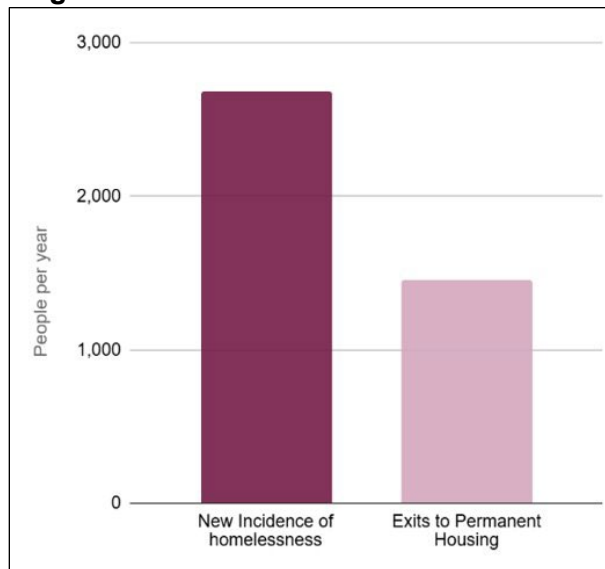
Homelessness Prevention: Oakland Context and Need

More people become homeless each year than those who exit homelessness to permanent housing. Bay Area-wide, three people become unhoused for every one that exits to permanent housing.

All Home, a regional organization that provides analysis, strategy development, and other resources designed to prevent and end homelessness, developed a ***Solutions Modeling tool*** to estimate the concurrent investments into service interventions required to reduce unsheltered homelessness¹. The model defines three core components of a homelessness solution system: (1) targeted **homelessness prevention**, (2) **permanent housing solutions**, and (3) **interim housing** (non-congregate shelters, etc.).

Oakland HCD is partnering with All Home to create models specifically for Oakland. According to All Home’s modeling based on Homeless Management Information System (HMIS) data, **an estimated 2,550 people are becoming homeless for the first time each year in Oakland, while only 1,500 people experiencing homelessness in Oakland are recorded as exiting to permanent housing**, based on an average of three years.

All Home System Modeling: Homelessness in Oakland – Estimates for FY22/23



The estimates above do not include those who return to homelessness, as opposed to becoming newly unhoused for the first time (11% of people who exit to housing return to homelessness within 12 months). **The estimates also do not include** those who become unhoused but do not enter an interim or permanent housing program. Thus, while 2,550 is the estimate of new homelessness using current data, it is unfortunately an undercount.

The table below estimates the investments required to reduce unsheltered homelessness in Oakland by 50% in five years. Staff selected a 50% reduction as a potential goal, though

¹ A detailed description of the model design and inputs can be found in [this methodology report](#).

the model also offers ratio investments for 25% and 100% reductions over the same time period.

Concurrent Investments Required to Reduce Homelessness by 50% in Five Years

Program	Total 5 Year Cost	% of Total New Investment	Average Cost per Year
Targeted Prevention	\$112M	10.5%	\$22.3M
Permanent Housing Solutions	\$649M	61.2%	\$130M
Interim Housing	\$300M	28.3%	\$60M
Total Cost	\$1.06B		

According to the model, if homelessness prevention is not adequately scaled, **Oakland’s overall homelessness solution system will increase in cost by over \$200 million in 5 years.** While preventing homelessness for a household costs the City approximately \$10,000, providing housing for that same household once they become unhoused, could cost the City over \$230,000 in capital housing development investments alone. Thus, compared to other types of investment and because of its impacts on the system flow, **homelessness prevention is by far the most cost-effective and time-critical investment for the overall system.**

Evidence-Based Program Design and Rigorous Evaluation

As was highlighted in the original agenda report, Oakland’s Homelessness Prevention Program, with its evidence-based targeting, provides prevention services to those most at-risk of experiencing homelessness, including emergency financial assistance and wraparound services, such as housing stability case management and legal services. A February 2025 impact evaluation by the Changing Cities Research Lab at Stanford University and the Housing Initiative at Penn at the University of Pennsylvania, “[Oakland’s Targeted Homelessness Prevention Pilot](#),” details the effectiveness of the program and its targeting.

FY 2023-2025 Homelessness Prevention Program Budget

The City of Oakland has allocated the following resources to the Homeless Prevention Pilot (HPP) to date:

FY 23/24: **\$2.8 million** (\$500k of which via the City’s HUD Annual Action Plan)

FY 24/25: **\$2.6 million** in FY24/25 (\$600k of which via the City’s HUD Annual Action Plan)

Therefore, the combined amount allocated to HPP in FY 2023-2025 is \$5.4 million since the program’s inception. This is roughly 10% of the annual need, as named in the table above.

City of Oakland funding was exhausted on April 11, 2025. The current unspent balance of the contract is less than \$500.

FY 2023-2025 Homelessness Prevention Program Budget Details

To date, the program has served 523 households comprised of 1,276 unduplicated persons. The median household size served by the HPP is two persons. Based on the total number of households served, the **total program expenditure per household is \$10,325**. Based on the total number of persons, the **total program expenditure per person is \$4,232**.

The table below depicts the Homelessness Prevention Program’s actual FY24/25 budget broken down by cost type, as well as the percent of total program cost (personnel, overhead, financial assistance, and partnerships). The table also demonstrates each cost and percent of the total if the proposed \$1 million extension were granted (adjusted).*

The actual programmatic budget comprises 88% of expenses, and the actual budget for overhead is approximately 12% (8.9% of which is indirect).

The **adjusted programmatic budget would be 91.63%**, and the **adjusted budget for overhead would be 8.37%**.

FY24/25 Homelessness Prevention Program Budget, Actual vs. Adjusted

COST TYPE	Actual Budget	Actual % of Total	Adjusted Budget	Adjusted % of Total
Personnel	\$723,011	27.76%	\$723,011	20.06%
Overhead (Non-Personnel & Indirect)	\$301,807	11.59%	\$301,807	8.37%
Financial Assistance	\$1,155,000	44.34%	\$2,155,000*	59.78%
Partnerships	\$425,000	16.32%	\$425,000	11.79%
Total	\$2,604,818	100.00%	\$3,604,818*	100%

**If approved, 100% of the additional \$1 million would go to financial assistance.*

Cost Types:

- **“Personnel” includes** services such as application/payment processing, interfacing with landlords/property managers, case management, employment supports, evaluation/reporting, supervision
- **“Overhead,” including non-personnel & indirect, includes** 6.4% indirect (overhead costs associated with the general operation and support of an organization as a whole, ex., accounting/legal, insurance, general office equipment, etc.); space costs; supplies; transportation

- **“Financial assistance” includes** flexible and needs-based financial assistance, including but not limited to utilities assistance, rental assistance for back/current/future rent, and other payments made to third parties on behalf of program participants to stabilize their housing; serve at least 348 households of varying sizes with an average amount of assistance of \$6,200 per household, if \$1 million extension were granted; otherwise, program will serve at least 186 households
- **“Partnerships” includes** services such as outreach, application assistance, information and referral, barrier removal, case management, eviction defense, and other housing-related legal services. Service partners include East Oakland Collective, Black Cultural Zone, The Unity Council, 211, Eviction Defense Center, and East Bay Community Law Center

The City of Oakland’s current investment of \$2.6 million via the Homelessness Prevention Program is about 10% of the \$22.3 million needed in the balanced investment strategy to reduce unsheltered homelessness by 50%. Though just a small portion of the overall need, Oakland HCD prioritizes additional funding for homelessness prevention whenever possible and continues to seek additional support for this critical intervention.

As of April 11, 2025, the City of Oakland’s funds in the HPP have been exhausted, and additional funds would support continued services to last through the end of the current fiscal year. Oakland HCD last released a Request for Proposal (RFP) for the Homelessness Prevention Program in 2023, with program launch in July 2023, and aims to continue partnering with BACS to leverage their philanthropic investments and existing infrastructure (e.g., the targeting technology paid by All Home).

Additional Information on Populations Served

Oakland’s portion of the funding for the Homelessness Prevention Program goes specifically to support **“Tier 1”** residents, or those who are most likely to become homeless if not assisted. As mentioned in the main report, these residents commonly have experiences such as: prior experience of homelessness, prior justice system involvement, being a non-leaseholder, and more.

Of all Tier 1 residents served:

- 76% of participants were Black
- 41% experienced homelessness in the last two years
- 58% paid 70% or more of their income on rent; and
- 74% of those with prior criminal justice system involvement were Black
- 26% of those served were non-leaseholders.

85% of all households served had extremely low incomes at or below 30% of Area Median Income (which is \$38,400 for a two-person household in 2025). The remaining 15% had incomes between 30-50% AMI, which is considered very low-income. **The eight most-served zip codes** (ranging from 16% to 7% of households served) are:

- | | |
|----------|----------|
| 1. 94605 | 4. 94603 |
| 2. 94606 | 5. 94621 |
| 3. 94601 | 6. 94607 |

7. 94612

8. 94609

More than 96% of financial assistance provided to households has gone to covering back rent. The average amount of back rent owed at the time of application is \$6,240. The median household size served is two persons. Based on the total number of households served (523), the total program expenditure per household is \$10,325. The 523 households are comprised of 1,276 persons. Based on the total number of persons, the total program expenditure per person is \$4,232.

64% of program participants received supportive services during their participation in the program. The most common supportive services included employment support, food pantry referrals, and housing stabilization case management.

BACS reports that there are currently 341 households on the waitlist. **HPP would need approximately \$2.1 million to meet the needs of households on the waitlist, as the average amount of financial assistance per household is \$6,200.**


ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Amending Resolution No. 90475 C.M.S., Which Authorized Funding For The Homeless Prevention Pilot Program Grant To Bay Area Community Services, Inc. For A Total Amount Not To Exceed Four Million Dollars (\$4,000,000.00) And Grant Term Through June 30, 2026 To:

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For questions regarding this report, please contact Hugo Ramírez, Deputy Director of Community Development, hramirez2@oaklandca.gov

Respectfully submitted,


Emily Weinstein (Apr 16, 2025 09:29 PDT)

Emily Weinstein
Director, Department of Housing and
Community Development