



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Sara Bedford
Director, Human Services
Department

SUBJECT: Hult Lodge FEMA-reimbursed Lease

DATE: March 25, 2021

City Administrator Approval

Date: Mar 25, 2021

RECOMMENDATION

Staff Recommends that the City Council Adopt A Resolution Authorizing The City Administrator Or Designee To:

(1) Negotiate And Execute An Agreement For The City To Occupy Up To 92 Rooms In The Former Dormitory Located At 2332 Harrison Street In Oakland Owned By Vima Harrison 1 LLC (Hult 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, For The Purpose Of Providing Emergency Non-Congregate Shelter To Unhoused Individuals At High-Risk From Covid-19;

(2) Extend The Term Of The Hult Lodge Agreement At The Same Rate For A Cumulative Term Up To Twelve (12) Months, If The Federal Emergency Management Agency (FEMA) Extends The Period For Obtaining Reimbursement For Providing Said Emergency Non-Congregate Shelter;

(3) Select An Entity To Provide Building Operations Services At Hult Lodge, And Award A Professional Services Agreement To Said Entity, For A Term Of Up To One Year In A Total Amount Not To Exceed \$3.5 Million; And

(4) Waive The City's Advertising And Competitive Bidding Process For Procurement Of Services For Operations Of The Hult Lodge.

EXECUTIVE SUMMARY

Adoption of the proposed resolution would authorize the City Administrator to lease the 92-unit Hult Lodge, an unused dormitory building near Lake Merritt, to be used as a non-congregate shelter for people experiencing homelessness who are at high risk of complications from COVID-19. This program will be part of a larger statewide effort called Project Roomkey. The legislation would also authorize the City Administrator to enter into a professional services agreement with a homeless services provider to provide shelter operations and social services support to the building's residents. Providing non congregate shelter to this population dramatically reduces their risk of becoming infected with COVID-19.

City Council
March 29, 2021

BACKGROUND/LEGISLATIVE HISTORY

On a single night in January 2019, more than 4,000 people were experiencing homelessness in Oakland. Nearly four out of five (79 percent) of the people experiencing homelessness in Oakland are unsheltered and live outdoors or in tents or vehicles, often along the city's streets and parks. These numbers represent an unprecedented 47 percent increase in total homelessness in Oakland and a 63 percent increase in unsheltered homelessness since 2017. These numbers are expected to be even higher in 2021 and account for only a fraction of the people who become homeless over the course of a year.

For the past year, the City of Oakland, along with many other communities in this country, has been facing dual humanitarian crises of increasing homelessness and the COVID-19 pandemic. People experiencing homelessness are especially vulnerable to contracting COVID-19 as they have limited ability to safely shelter in place. Many unsheltered people also have underlying medical conditions which put them at especially high risk of serious illness or death from this disease.

The United States Centers for Disease Control (CDC) recommends that communities create protective housing options, such as non-congregate shelter, for people who are experiencing homelessness and are at increased risk for complications from COVID-19. Approximately 53 percent 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. Since the start of the pandemic, Alameda County has served over 1500 people experiencing homelessness in non-congregate shelters of this type (known as Safer Ground hotels), however the need for this type of shelter to serve people in Oakland is greater than the County's current capacity. There is an urgent need for additional non-congregate shelter rooms in Oakland.

In early February 2021, the Biden Administration issued a new directive stating that activities which had previously been eligible for partial Federal Emergency Management Agency (FEMA) reimbursement would be eligible for 100 percent FEMA reimbursement through the end of September 2021. This provides greater ability for jurisdictions to stand-up these interventions with the assumption that all, or most, of the costs will eventually be reimbursed.

ANALYSIS AND POLICY ALTERNATIVES

Staff recommends that the City lease the Hult Lodge, an unused 92-unit former dormitory building to provide non-congregate shelter for individuals experiencing homelessness who are at high-risk of complications from a COVID-19 infection and who would benefit from physical distancing and non-congregate shelter as a precautionary measure. The Hult Lodge is located near Lake Merritt in City Council District 3. This program will be part of a larger statewide effort called Project Roomkey. *The program will not serve people who are COVID positive, exposed, or symptomatic. People in these categories will continue to be referred to the County's Operation Comfort non-congregate shelter sites.*

In order to receive FEMA reimbursement, only individuals meeting all eligibility criteria can be served by the program. Eligibility is based on criteria established by the CDC.

Eligibility

Participants must come from one of the following living situations:

- Street/places not meant for habitation
- Congregate Emergency shelter
- Transitional housing program for individuals experiencing homelessness
- Exiting a health care facility or other institution with no identified residence at time of discharge
- In a congregate living facility for less than 90 days with no way to self-isolate AND was sleeping in one of the above categories prior to entering the facility

At the time of referral, *one or more* members of the household must document that they meet criteria for at least one high risk health condition **OR** at least two risk factors and provide medical documentation (see **Table 1**, below).

Table 1: High-Risk Conditions and Risk Factors

High-Risk Conditions (must have at least one)	OR	Risk Factors (must have 2 or more)
<input type="checkbox"/> Age 65 or older <input type="checkbox"/> Cancer <input type="checkbox"/> Chronic Kidney Disease, End Stage Renal Failure, or receiving dialysis <input type="checkbox"/> Chronic Obstructive Pulmonary Disease (COPD) <input type="checkbox"/> Diabetes, Type 2 <input type="checkbox"/> Downs Syndrome <input type="checkbox"/> Chronic heart conditions: heart failure, coronary artery disease, cardiomyopathies, pulmonary hypertension, heart attack, or pacemaker <input type="checkbox"/> Immunocompromised state from solid organ transplant <input type="checkbox"/> Obesity (BMI over 30) <input type="checkbox"/> Pregnancy <input type="checkbox"/> Sickle Cell Disease		<input type="checkbox"/> Asthma, moderate to severe <input type="checkbox"/> Cerebrovascular disease <input type="checkbox"/> Cystic fibrosis <input type="checkbox"/> Diabetes, Type 1 <input type="checkbox"/> Poorly controlled HIV infection with a CD4 count of < 300 or not on HIV treatment <input type="checkbox"/> Hypertension <input type="checkbox"/> Immunocompromised state from blood or bone marrow transplant, or immune deficiencies <input type="checkbox"/> Use of corticosteroids, or use of other immune weakening medications <input type="checkbox"/> Chronic Liver disease: Liver failure, encephalopathy, hepatic necrosis, alcohol related liver disease, cirrhosis, non-alcohol related fatty liver disease <input type="checkbox"/> Neurologic conditions: dementia, Alzheimer's, Amyotrophic Lateral Sclerosis (ALS), multiple sclerosis <input type="checkbox"/> Overweight (BMI 25-30) <input type="checkbox"/> Pulmonary Fibrosis <input type="checkbox"/> Thalassemia

Referrals

The program will not accept walk-in referrals. Because of the need to ensure eligibility, referrals to the program will be limited to specific street outreach teams, street health teams, community-based health teams, and housing resource centers who can document former living situation and medical conditions. All clients will be screened for COVID symptoms before being admitted to the program. As stated above, the Hult Lodge is located near Lake Merritt in City Council District 3. Priority for referrals will be given to eligible people experiencing homelessness in areas surrounding the Lake and in large encampments in District 3.

Services

The City will enter into a professional services agreement for an initial term ending September 30, 2021 with a provider to provide basic shelter operations. This includes 24-hour, 7 days-per-week (24/7) shelter counselors, 24/7 security, and a shelter manager. The service

provider will also be responsible for safely transporting people to the site. The services provider may subcontract for in-home supportive services and for on-site nursing care for clients who need that level of support. If FEMA extends the period for reimbursement, the services contract could be extended for the term of the occupancy agreement, not to exceed one year total.

The recommendation to open 92 rooms of emergency non-congregate shelter is aligned with the policy priority adopted by the City Council under the Permanent Access to Housing (PATH) Framework which includes preservation and expansion of crisis response beds.

Summary Of Terms

1. Form of agreement: Occupancy Agreement
2. Commencement: immediately
3. Term: expiring September 30, 2021 with option to extend if FEMA extends the reimbursement period up to a maximum, cumulative term of twelve (12) months
4. Number of rooms: 92
5. Rate: \$92 for each single occupant and \$10 for each additional occupant without meal service and \$132 for each single occupant and \$50 for each additional occupant with meal service. City must pay for all of the rooms on a rented floor regardless of whether a particular room is actually occupied (i.e., City cannot pay for partial floor use).
6. Included services: meal service three times daily, housekeeping at least twice weekly, free on-site laundry, free wireless internet, parking for up to 23 vehicles both on-site and within three blocks of the premises, reception, building maintenance

Service animals and emotional support animals are allowed on site. Pets may be allowed with a damage deposit. Ample storage is available on-site. In an effort to encourage residents to self-isolate and remain on the site, the program will provide all basic needs including three free meals a day, on-site laundry facilities, and free wireless internet.

Alternative

Should the City Council choose not to adopt the proposed resolution, the City will not lease the Hult Lodge and will not provide reimbursed non-congregate shelter to people experiencing homelessness who are at high risk from COVID.

FISCAL IMPACT

Expenditures supporting this initiative are authorized as emergency protective measures subject to FEMA reimbursement. Resolution No. 88075 CMS, 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. Based on recent FEMA directives and consultations with the California Office of Emergency Services, Alameda County, and the City's cost-recovery consultants, the City anticipates full reimbursement by FEMA. Such reimbursement, however, is not guaranteed, and delays in reimbursement could impact the

City's General Purpose Fund (1010) balance at the end of the current fiscal year (FY) 2020-21. The City anticipates that any such shortfall would be recouped in the following fiscal year, FY 2021-22. This approach is consistent with the City's expenditures on emergency protective measures since the beginning of the pandemic and is necessitated by FEMA's requirement that no alternative funding source is available for reimbursed expenditures.

Staff estimate that hiring staff and moving clients into the hotel will take one month. As a result, it is estimated that the first month of service will use 45 rooms. Costs including leasing and services are estimated to be \$470,000. Subsequent monthly costs for all 92 rooms of leasing costs plus services will be \$656,000 per month with a total cost for 6 months of \$3.75 million (inclusive of leasing and services costs). The higher dollar values in the resolution allows for an extension of the services contract for up to 12 months should FEMA extend the eligibility of this intervention for longer.

PUBLIC OUTREACH / INTEREST

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

COORDINATION

Several City departments, including the Human Services Department, Economic & Workforce Development Department, Finance Department and Office of the City Attorney have coordinated in drafting this proposed lease.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Staff has determined that the actions authorized by this resolution are exempt from CEQA pursuant to CEQA Guidelines section 15301 (existing facilities) as a lease of an existing property with no change of use, and Government Code section 8698.4(a)(4) as a lease for the purpose of providing emergency shelter.

SUSTAINABLE OPPORTUNITIES

Economic: The proposed action will result in up to an anticipated \$3.75 million in federal funding to be invested in Oakland to provide housing and services to people experiencing homelessness to eliminate and prevent homelessness and to prevent serious illness and death due to the COVID-19 pandemic.

Environmental: The provision of housing for homeless persons will help to reduce the environmental degradation caused by homeless individuals living on the streets.

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. 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. 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.

ACTION REQUESTED OF CITY COUNCIL

Staff Recommends that the City Council Adopt A Resolution Authorizing The City Administrator Or Designee To:

- (1) Negotiate And Execute An Agreement For The City To Occupy Up To 92 Rooms In The Former Dormitory Located At 2332 Harrison Street In Oakland Owned By Vima Harrison 1 LLC (Hult 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, For The Purpose Of Providing Emergency Non-Congregate Shelter To Unhoused Individuals At High-Risk From Covid-19;
- (2) Extend The Term Of The Hult Lodge Agreement At The Same Rate For A Cumulative Term Up To Twelve (12) Months, If The Federal Emergency Management Agency (FEMA) Extends The Period For Obtaining Reimbursement For Providing Said Emergency Non-Congregate Shelter;
- (3) Select An Entity To Provide Building Operations Services At Hult Lodge, And Award A Professional Services Agreement To Said Entity, For A Term Of Up To One Year In A Total Amount Not To Exceed \$3.5 Million; And
- (4) Waive The City's Advertising And Competitive Bidding Process For Procurement Of Services For Operations Of The Hult Lodge.

For questions regarding this report, please contact Lara Tannenbaum, Manager, Community Housing Services, Human Services Department, (510) 238-6187, LTannenbaum@oaklandca.gov.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Sara Bedford", is written over a horizontal line.

SARA BEDFORD
Director, Human Services Department

Reviewed by:

Stephen Walsh, Controller
Finance Department

Alexa Jeffress, Director
Economic & Workforce Development Department

Prepared by:

Lara Tannenbaum, Manager, Community Housing
Services
Human Services Department

Brendan Moriarty, Real Property Asset Manager
Economic & Workforce Development Department