



Office of the City Manager

CONSENT CALENDAR
March 12, 2019

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Kelly Wallace, Interim Director, Health, Housing and Community Services Department

Subject: Contract: Alameda County Housing and Community Development Department for California Homeless Emergency Aid Program (HEAP)

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to receive funds and to negotiate and execute a contract with the Alameda County Housing and Community Development Department, in an amount not to exceed \$4,032,711, for Berkeley's share of the California Homeless Emergency Aid Program (HEAP).

FISCAL IMPACTS OF RECOMMENDATION

Approving this recommendation would allow the City to execute a contract and any necessary amendments to that contract with Alameda County Housing and Community Development (CMS No. IYAFY) for a total not to exceed \$4,032,711. Recommended use of the funds was outlined in a January 15, 2019 Work Session report to Council and is as follows:

- Partially fund second year (FY 20) of the Pathways STAIR navigation center: \$2,000,000 in budget code 336-51-504-535-0000-000-444-636110.
- Partially fund two years (FY 20 and 21) of the Dorothy Day House Shelter at the Veterans Building: \$832,000 in budget code 336-51-504-535-0000-000-444-636110.
- Partially fund two years of encampment servicing/trash removal: \$729,847 in budget code 336-54-623-677-0000-000-444-511110- and benefit codes in this same sequence and 336-54-623-675-0000-000-431-612310.
- Fund two years (FY 20 and 21) of port-a-potty and sanitation efforts at existing and expanded locations: \$270,000 in budget code 336-52-541-598-0000-000-461-612990.
- Capital and services costs for one year (FY 20) of the pilot homeless locker program including expansion at a second site: \$100,000 in budget code 336-54-623-675-0000-000-431-612310.
- Administrative allowance at 2.5%: \$100,864 in budget code 336-51-504-535-0000-000-444-511110- and benefit codes in this same sequence

- \$2,932,864 in funds would be added to the Health, Housing and Community Services Department, \$829,847 in funds to the Public Works Department and \$270,000 to the Parks and Recreation Department.

CURRENT SITUATION AND ITS EFFECTS

The Homeless Emergency Aid Program (HEAP) is a flexible but time-limited and one-time source of funding from the State of California to address the homelessness crisis.

Broadly speaking, the funding:

- Must be used for services, capital construction costs, and/or housing subsidies that will be of direct benefit to people experiencing homelessness.
- The funds cannot be used as capitalized operating reserves or for activities directly related to enforcement, encampment closures, etc.
- Must be contractually obligated and 50% spent down by January 2020, and 100% spent down by June of 2021.
- Requires a County-imposed (but not statutorily required) 50% local match. Staff intend to meet this match requirement with existing general fund contributions to homeless services, which exceed the 50% threshold requirement.
- Is one-time only, with all unspent funds as of June 2021 returned to the State.

Given these parameters, staff previously recommended, in a Work Session report to Council on January 15, 2019, that these funds be used in a way that addresses City priorities while minimizing the risk of underspending and spending delays. Staff believe that the following allocations strike this balance:

- Partially fund second year (FY 20) of the Pathways STAIR navigation center: \$2,000,000.
- Partially fund two years (FY 20 and 21) of the Dorothy Day House Shelter at the Veterans Building: \$832,000.
- Partially fund two years of encampment servicing/trash removal: \$729,847.
- Fund two years of port-a-potty and sanitation efforts at existing and expanded locations: \$270,000.
- Capital and construction costs for one year (FY20) of a pilot homeless locker program including expansion at a second site: \$100,000
- Administrative allowance at 2.5%: \$100,864
- TOTAL: \$4,032,711

Since Berkeley's HEAP allocation was formulaically based and not derived from program costs, not all of these city priorities can be funded in full with the funds available and will need to be supplemented by other sources, such as Measure P. Spreading funds across multiple efforts, though, helps reduce the risk of underspending and needing to return unspent funds.

Staff recommend granting the City Manager the authority to negotiate and execute a contract with the County for use of these funds as described above. To ensure that all funds are spent within the state-mandated parameters and expenditure timelines, the City Manager may reconfigure this budget with contract amendments as needed.

BACKGROUND

Senate Bill 850, signed into law by Gov. Jerry Brown in June of 2018, created \$500M in one-time funding to address homelessness and its impacts across California. This program is the Homeless Emergency Aid Program (HEAP). HEAP funding is allocated by formula to Continuums of Care across the State, with Alameda County receiving approximately \$17M in funding as a result of its homeless count. Berkeley has been awarded \$4,032,711 million, an amount determined formulaically according to Berkeley's share of the County's unsheltered homeless population. Subtracting an administrative allowance of 2.5%, this brings Berkeley's expected allocation for direct services to \$3.9M. The funds are administered by the HEAP Administrative Entity for Alameda County, the County Housing and Community Development Department.

ENVIRONMENTAL SUSTAINABILITY

Adopting this resolution will add \$729,847 to the budget for encampment trash and debris removal, which will positively impact the environment by removing many tons of debris, including hazardous and human waste, from encampments. This reduces the likelihood such waste will wind up in the city's creeks, wetlands, or other environmentally sensitive areas.

RATIONALE FOR RECOMMENDATION

The singular long-term solution to homelessness in Berkeley is the creation and provision of affordable housing—a long-term goal that cannot be achieved overnight. In the meanwhile, Berkeley is contending with the immediate problem of inhumane, unsanitary conditions in encampments, which negatively impact both the people living in them and the communities that neighbor them. The one-time, short-lived nature of HEAP funding make it particularly amenable to emergency aid for street-based populations, such as portable toilets, washing stations, trash removal/sanitation, etc. We recommend that Berkeley's share of these State funds be used to support efforts to alleviate the impacts stemming from unsheltered homelessness.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Peter Radu, Homeless Services Coordinator, HHCS, (510) 981-5435.

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT: ALAMEDA COUNTY HOUSING AND COMMUNITY DEVELOPMENT
DEPARTMENT FOR CALIFORNIA HOMELESS EMERGENCY AID PROGRAM
(HEAP)

WHEREAS, California Governor Jerry Brown signed Senate Bill 850 into law on June 27, 2018, authorizing \$500 million in one-time emergency funding, known as the Homeless Emergency Aid Program (HEAP), to assist those communities having declared a shelter crisis; and

WHEREAS, the Berkeley City Council unanimously declared a Homeless Shelter Crisis on January 19, 2016 (Resolution No. 67,357-N.S.) and extended that declaration on November 15, 2016 (Resolution No. 67,746-N.S.) and again on October 31, 2017 (Resolution No. 68,206-N.S.); and

WHEREAS, the County of Alameda was awarded over \$17 million in HEAP funding, further distributing these funds to the County's jurisdictions formulaically according to their share of the unsheltered homelessness population; and

WHEREAS, the City of Berkeley's HEAP allocation totals \$4,032,711 and may be used for homeless services, housing subsidies, and/or capital construction costs for projects that benefit persons experiencing homelessness; and

WHEREAS, these funds are one-time and must be 50% spent by January 2020 and 100% spent by June 2021; and

WHEREAS, the City Manager previously recommended uses for the funds in a Work Session report to the City Council on January 15, 2019; and

WHEREAS, acceptance of these funds will result in a contract of \$4,032,711 between the City of Berkeley and Alameda County Housing and Community Development Department, with funds to be deposited in 421-7906-331.12-30 (FUNDS) and 336-51-504-535-0000-000-000-431110 (ERMA)

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to receive these funds and to negotiate and execute a contract (CMS No. IYAFY), and any amendments needed to that contract, with the Alameda County Housing and Community Development Department for an amount not to exceed \$4,032,711 for Berkeley's share of the California Homeless Emergency Aid Program (HEAP). A signed copy of said documents, agreements, and any amendments will be kept on file with the Office of the City Clerk.