



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 & Community Services Department

Subject: Contract No. 10904 Amendment: Agreement with Bay Area Community Services (BACS) to Operate the Pathways Project

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute an amendment to the existing Contract No. 10904 with Bay Area Community Services (BACS) for Pathways STAIR Center operations, adding \$105,603 for a revised total contract amount not to exceed \$2,545,603 and a contract end date of June 30, 2019.

FISCAL IMPACTS OF RECOMMENDATION

Approving this recommendation would allow the City to execute an amendment to an existing contract with Bay Area Community Services (Contract No. 10904B, CMS No. QI7RB) in the Housing and Community Services Division of the HHCS Department adding \$105,603 for a total not-to-exceed (NTE) amount of \$2,545,603. The original contract amount, \$2,440,000, was reduced by \$108,695, with that sum retained by HHCS to pay trailer lease expenses for the program. The revised NTE amount for BACS was \$2,331,305. Staff have identified \$214,298 in unspent funds in Contract Number 10568 with the Berkeley Food and Housing Project (BFHP) that are at risk of recapture if not spent by 6/30/2019. BACS will be able to spend these funds by the deadline. The funds are Emergency Solutions Grant funds and will be repaid by BFHP and placed in (FUND\$ code 045-7902-463.35-10, ERMA code 311-51-504-530-0000-000-444-636110). Approving this recommendation adds this sum back into the BACS contract to reach the revised NTE of \$2,545,603.

CURRENT SITUATION AND ITS EFFECTS

On March 27, 2018, Council voted to authorize the City Manager to execute a contract, and any necessary amendments to that contract, with Bay Area Community Services (BACS) for a total not-to-exceed amount of \$2,440,000. As this was an entirely new program in the City's existing portfolio of homeless services, staff estimated the cost of service delivery and the expected outcomes of the program.

Since that time, and as of this writing, the STAIR Center has experienced an unexpected level of success, having housed 53 people. The program is projected to

overspend its budget unless all housing placements stop for the remainder of this fiscal year (i.e., through June 30, 2019). Stopping all new housing placements would create substantial operational challenges at the program and would prevent future vacant beds from being offered to other encampment residents.

In partnership with BACS leadership, staff have engaged in a rigorous analysis of actual and projected expenses at the STAIR Center, and propose adjusting the contract's not-to-exceed total to \$2,545,603. This new amount reflects:

- A reduction of \$108,695 in lease expenses for the Pathways modular trailers. BACS had originally been expected to make lease payments on the trailers, but City staff determined that making the payments directly to the modular vendor was optimal for insurance purposes.
- An addition of \$214,298 in funding for additional Rapid Rehousing placements through the remainder of Fiscal Year 2019. City staff have identified unspent funds in the Emergency Solutions Grant (ESG) allocation of the City of Berkeley, which is currently set aside for rapid rehousing through the Coordinated Entry contract, as the funding source for this adjustment.

This brings the new contract not-to-exceed (NTE) amount to \$2,545,603. Staff recommend adopting a resolution to authorize a contract amendment that reflects this corrected NTE amount. Staff also recommend extending the contract period's end date (now 6/9/2019) to 6/30/2019 to align with the City's fiscal calendar.

BACKGROUND

The City Council authorized the implementation of the Pathways Project with a referral to the City Manager on April 4, 2017 and a services contract with Bay Area Community Services (BACS) as a partial realization of that referral on March 27, 2018 (Resolution No. 68,372-N.S.). Since that time, and as of this writing, the STAIR Center has housed 53 homeless people in Berkeley, has served 106 total clients at the shelter site, and has made over 685 outreach contacts at encampments throughout Berkeley.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects associated with this report.

RATIONALE FOR RECOMMENDATION

This recommendation supports the City Council's October 31, 2017 extension of its January 19, 2016 and November 15, 2016 resolutions declaring a homeless shelter crisis in Berkeley through January 19, 2020. In devising a first-year program budget, City staff underestimated the pace at which BACS (program operator) would be making permanent placements via rapid rehousing. This amendment and revised NTE amount more accurately reflects the program's cost, and would allow the program to continue housing the residents currently living at the program (who would otherwise have no access to flex funding for housing until the start of the next fiscal year on July 1, 2019) and provide future shelter beds to more residents currently living on the streets.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

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

Attachments:

1: Resolution

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

CONTRACT NO. 10904 AMENDMENT: AGREEMENT WITH BAY AREA COMMUNITY SERVICES (BACS) TO OPERATE THE PATHWAYS PROJECT

WHEREAS, the Berkeley City Council authorized the implementation of a Pathways Project to Address Homelessness in Berkeley on April 4, 2017; and

WHEREAS, the City Council, on March 27, 2018, voted to authorize the execution of a contract with Bay Area Community Services (BACS) for operation of the STAIR Center, an amount not to exceed \$2,440,000, in partial fulfillment of the Pathways Project referral; and

WHEREAS, over the first 7 months of operations since its opening on June 27, 2018, the STAIR Center has demonstrated unexpected success, having housed 53 homeless people in Berkeley, having served 106 total clients at the shelter site, and having made over 685 outreach contacts at encampments throughout Berkeley through January, 2019; and

WHEREAS, the STAIR Center is projected to overspend its budget, and would need to halt all new housing placements, without a budget adjustment that reflects current operational success; 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, halting all placements at the STAIR Center would prevent current STAIR residents from accessing funds to support their housing, prevent their beds from turning over and serving future unsheltered residents, and thus fails to respond to City's shelter crisis; and

WHEREAS, City staff have identified unspent grant funds from HUD's Emergency Solutions Grant (ESG) program's fiscal year 2019 allocation to the City of Berkeley as the source of funding to cover additional housing exits at the STAIR Center through the remainder of the program's first year of operations, and

WHEREAS, these ESG funds were originally allocated to Berkeley Food and Housing Project in Contract Number 10568; these funds will be repaid by BFHP so that they can be reallocated.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute an amendment to Contract No. 10904 (Contract No. 10904B, CMS No. QI7RB) with Bay Area Community Services (BACS), adding \$105,603 for an amount not-to-exceed \$2,545,603 and a contract end date of June 30, 2019. A signed copy of said documents, agreements, and any amendments will be kept on file with the Office of the City Clerk.