



Office of the City Manager

CONSENT CALENDAR
June 25, 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: Bay Area Community Services (BACS) for Pathways STAIR Center Year Two Operations

RECOMMENDATION

Adopt a Resolution authorizing the City Manager or her designee to execute an amendment to Contract No. 10904 with Bay Area Community Services (BACS) for Pathways STAIR Center operations, extending the program through June 30, 2020 and adding \$2,091,305 for Year Two (FY 2020).

FISCAL IMPACTS OF RECOMMENDATION

This Resolution adds \$2,050,000 in HEAP funding (authorized by Council Resolution No. 68,779-N.S.) and \$150,000 in funding from the Kaiser Permanente Northern California Community Benefit Program (authorized for the STAIR Center by Council Resolution 68,767-N.S.) to the Pathways STAIR Center for FY 2020 (ERMA code 311-51-504-530-0000-000-444-636110) for the second year of program operations. Both funding sources will be appropriated in the First Amendment to the FY 2020 Annual Appropriations Ordinance. HCS Staff will continue to pay for the trailer building leases, at an annual total of \$108,695 to be paid for by the HEAP allocation, and will withhold this amount from the program contract with BACS.

To support the first 13 months of operation, the Council originally authorized a contract of \$2,440,000 in General Funds, proceeds from the Berkeley Homeless Fund, and Alameda County Housing and Community Development Department funds on March 27, 2018 with Resolution No. 68,372-N.S. Approving the recommendation in this report would allow the City to execute an amendment to this existing contract with Bay Area Community Services (Contract No. 10904B, CMS No. QI7RB) in the Housing and Community Services Division of the HHCS Department, by adding \$2,091,305 in HEAP and Kaiser Permanente Northern California Community Benefits Program grant funds, as well as \$214,298 in ESG funds previously approved by Council on March 12, 2019 with Resolution No. 68,780-N.S. These new additions will create a revised total not-to-exceed (NTE) amount of \$4,636,908 for the first two years of operations combined. The attached resolution extends the term of the original contract to run through June 30, 2020 and align the contract period with the City's fiscal year.

CURRENT SITUATION AND ITS EFFECTS

The Pathways STAIR Center was originally funded for 13 months of operations with a one-time allocation of City General Funds and a one-time grant from Alameda County's Housing and Community Development Department. No permanent funding source has been identified for this program's ongoing operations after Year Two.

The proposed use of HEAP funds is consistent with the HEAP budget that staff presented and Council discussed at its March 12, 2019 Council meeting before accepting those funds with Resolution 68,779-N.S. The proposed use of Kaiser grant funds is consistent with the proposal presented to Council at its February 26, 2019 meeting where accepting those funds was approved with Resolution 68,767-N.S.

As was the case in FY19, HHCS staff will continue to directly pay the \$108,695 in lease expenses for the Pathways modular trailers.¹ Adding the two funding sources above and then subtracting this trailer lease expense from that total yields the new total budget allocation (\$2,091,305) to extend the contract through the end of FY2020, thus bringing the total two-year, amended contract's not-to-exceed amount to \$4,636,908.

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) to operate the STAIR Center as a partial realization of that referral on March 27, 2018 (Resolution No. 68,372-N.S.). Council further authorized an amendment to the contract's term and total budget on March 12, 2019 (Resolution No. 68,780-N.S.). As of this writing, the program had housed 95 people and had served 127 people total over the first 10 months of operations.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental impacts associated with this report.

RATIONALE FOR RECOMMENDATION

The Pathways STAIR Center was originally funded with a one-time allocation of General Funds and a one-time grant from Alameda County's Housing and Community Development Department. No ongoing funding source has been determined for the program, though staff recommended in a work session report to the Council on January 15, 2019 that the Pathways STAIR Center's annual costs be referred to the Measure P process for possible ongoing funding through that new source after FY2020.

ALTERNATIVE ACTIONS CONSIDERED

Staff have not identified another approach that would allow the Pathways STAIR Center to continue operations.

¹ 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.

CONTACT PERSON

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

Attachments:

1: Resolution

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

CONTRACT NO. 10904 AMENDMENT: BAY AREA COMMUNITY SERVICES (BACS)
FOR STAIR CENTER OPERATIONS

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, the City Council, on March 12, 2019, voted to authorize an amendment to said contract that extended the term through the end of Fiscal Year 2019 and increased the total not-to-exceed budget amount to \$2,545,603; and

WHEREAS, the City has not identified an ongoing funding source to support the program's operations into fiscal year 2020; and

WHEREAS, in the absence of an ongoing source, at its March 12, 2019 meeting, the City Council discussed dedicating \$2,000,000 in California Homeless Emergency Aid Program (HEAP) money to support the program through FY2020, and specified that an additional \$50,000 in HEAP to support an RV outreach and flex fund program through Resolution 68,779-N.S. that BACS has agreed to implement on a one-time basis until said funding is expended; and

WHEREAS, the City obtained an additional \$150,000 in funding to support the program's FY2020 operations through the Kaiser Permanente Northern California Community Benefits program, which Council approved accepting through Resolution 68,767-N.S.; and

WHEREAS, the City wishes to support continued operation of the Pathways STAIR Center through a second year.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager or her designee is authorized to execute an amendment to Contract No. 10904 (Contract No. 10904B, CMS # QI7RB) with Bay Area Community Services (BACS), adding \$2,091,305 for an amount not-to-exceed \$4,636,908 for two fiscal years of programming for the Pathways STAIR Center. A signed copy of said documents, agreements, and any amendments will be kept on file with the Office of the City Clerk.