



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Sara Bedford
Director, Human Services

SUBJECT: Homelessness Services Report

DATE: March 18, 2021

City Administrator Approval 

Date: Mar 18, 2021

RECOMMENDATION

Staff Recommends That The City Council Approve A Report And Recommendations On: 1) The Evaluation Report From Human Service Department ; 2) Co-Governed Encampment; 3) Progress And Proposal On Using Hotels & Motels For Homeless Intervention; And 4) Identifying Public Land In Each District For Homeless Intervention Such As Modular Housing And Pallet Shelter With Power And Running Water.

EXECUTIVE SUMMARY

This report provides information requested by the Life Enrichment Committee at the meeting of February 8, 2021. Furthermore, it identifies eligible funding from various sources to use to achieve some of the requested goals without compromising current supported activities.

Given the number of unsheltered Oaklanders, it is staff's recommendation that all 681 current emergency beds / spaces serving vulnerable unhoused individuals and families be maintained. The differences between the various models of service are tangible, but an array of options is required to sufficiently serve the wide-ranging needs of the unhoused community. This is evidenced by the occupancy of the current programs for RV spaces, cabin sites, transitional housing, non-congregate shelter, and some congregate shelter options, which are all full. St. Vincent de Paul's (SVdP) congregate shelter supports approximately 35 people overnight and during the recent periods of inclement weather served more. And SVdP is also expanding options for clients to stay at the center during the daytime so as to be more useful for people.

HUD Evaluation

In 2019-20, Alameda County and the City of Oakland received technical assistance from the Federal Office of Housing and Urban Development (HUD) to support improvements to the homeless system. The City of Oakland specifically requested an evaluation of existing crisis response interventions. The evaluation examined interventions from 2017 through 2019. The completion of this evaluation was delayed due to COVID and is still not complete; staff will bring the report to City Council as soon as it is made available. City staff did not pay for this project but it is funded and ultimately managed by HUD's technical assistance contractors.

Life Enrichment Committee
March 22, 2021

Other Models of Service to Consider

Co-Governed Encampments

A co-governed model can be attached to any type of physical living structure that meets the California Building Code standards for emergency shelter or permanent dwellings (tents, cabins, modular shelter, etc.) and any type of services model from light touch to intensive services. Therefore, this philosophy could be applied to any new interventions as well as to existing interventions. In 2019, as part of the Five-Year Permanent Access to Housing (PATH) Framework a co-governed encampment was defined as a model where:

- Unsheltered residents agree how they will live together in a community setting of an encampment.
- Community residents: select site leadership, determine eligibility for participation, develop community conditions of behavior and management of the site, hold community members accountable to the conditions, and maintain the health and safety of the community residents.
- An operating agency (nonprofit/community based agency) is chosen jointly by the City and site leadership and works alongside residents to support the residents in the design, leadership and operations of the site.
- The operating agency is the contracting entity with the City/funder and holds ultimate accountability for ensuring the safety and security of the site.

Population specific sites

There are models of services that focus on specific populations which often dictates another service strategy. Having an entire community focused on similar goals allows services to be tailored to the specific needs of the community and provides a high level of community and peer support to the residents.

For example, in fiscal year (FY) 2020-21 the Miller Community Cabin site (also called Turning Point), operated by Roots Community Health Center, transitioned from a model that served any interested unsheltered person to one that is workforce focused. All residents of the site are either working or ready and able to work. New site services include workforce development activities including resume development, job search, and interview preparation. Some residents participate in Roots existing workforce development programs while other residents are connected with other workforce programs or assisted to find and maintain paid employment.

Youth Spirit Artworks is piloting a co-governed site for transitional age youth (18-24) who are experiencing homelessness. Staff is also considering a site that focuses on recovery, possibly converting an existing site. For individuals focusing on their sobriety, it is very difficult to maintain their program in low barrier sites that allow substance use.

Staff will continue to pursue these focused models that can support the varied needs of the unsheltered community. Having a variety of options is critical.

RV Sites With Program Fees

In response to requests from the City Council, staff has researched options for RV Safe Parking sites that would charge small program fees from residents similar to most transitional housing models. The Wood St. Safe RV parking site will be the first to deploy this model. After 6 months at the site, all residents will be asked to pay 30 percent of their income to provide program fees that contribute to the operation. This site will also be the first RV Safe Parking site to have a full-time housing navigator to provide housing focused case management to residents in a manner similar to other transitional housing programs.

Identifying Public Land In Each District For Homeless Intervention

To assist in identifying public land for homeless interventions, **Attachment A** is list of all City-owned vacant sites of significant size, sorted by Council District, excluding parks and open spaces. This list includes the 16 properties that City Council has designated as surplus and which will be offered for development, with a priority for affordable housing, in accordance with the State Surplus Lands Act over the next several years. **Attachment B** is a similar list which includes non-City owned sites. Some properties are flagged as unsuitable or of low suitability if they are subject to existing agreements, are too small or sloped, or located far from services.

Staff seeks direction from City Council on which City-owned sites to prioritize for interventions in each Council District, and requests that Councilmembers also identify privately owned parcels in their districts which could potentially be leased at below market rates for homeless interventions.

A map of all City-owned properties is available at www.oaklandca.gov/resources/map-of-city-owned-parcels.

In 2018 staff made a request to Alameda County for a list of available public lands that could be used for a homeless intervention. The response to this request was that the County was working on a master plan for all of their unused land and therefore could not offer any particular parcel for consideration.

Land Uses

Table 1, below, shows use opportunities provided by public lands. Uses are ordered according to the proposed duration of the intervention matched with the necessary infrastructure to support that use. In addition, the cost of the use increases as you go down the chart. These uses are not mutually exclusive, and one parcel of land could be used for different interventions over time. For example, properties which City Council has designated as surplus and intended for development can serve as temporary housing sites until agreements are negotiated and land use approvals are achieved, a process which typically takes several years.

Table 1: Three options for public land use to address homelessness

Type and Anticipated Mobilization Time	Use	Infrastructure/Capital Description and Costs	Services Model
Emergency Housing 2-4 months	Shelter/ Safe camping/ Safe parking 3+ years	Minimal infrastructure w/ or w/out plumbed restroom facilities, with or w/out full electricity	Range from fully staffed to co-governed with minimal staffing.
Semi-permanent 6-8 months	Emergency Sheltering meant for longer term use 5+ years	Full electricity and running water; bathrooms and kitchen may be shared or may be in individual units; hotels/motels	Range from full staffed to co-governed, transitional housing to long term housing
Permanent Housing	Deeply affordable permanent housing	New or rehabbed housing units, modular or traditional construction	Requires permanent per unit operating subsidies to support formerly homeless residents

Examples of One Time Estimated Costs and Timing

In considering new interventions, the services model (co-governed or provider operated), type of living structure (platforms/tents, cabins, safe RV parking, hard sided individual shelters, etc), and level of infrastructure (paving, portapotties, plumbing, low voltage electricity, full electricity) will all impact costs (**Attachment C**). Current emergency bed models are staffed with 24/7 security, portapotties/ shower truck service, case management, and flexible funds to support exits to permanent housing. In a co-governed site, staff anticipates residents will provide some of the operations support to the site, thereby reducing costs.

Tables 2 and 3, below, provides estimates of one-time capital costs for various models are based on past experience and will vary substantially by site, by provider, by land conditions (e.g., contamination), and by structure. Critical elements impacting costs include paving vs gravel, closeness of electrical and plumbing infrastructure to tie into the site, how level the lot is, needs for fencing and lighting, etc.

Table 2: Sample Costs For Various Interim – Permanent Strategies

	Temporary	Semi-Permanent	Permanent
ESTMATED Capital COSTS FOR 20 UNITS	Pallet \$1 million Includes 20 units and plumbed shared facilities	Modular Estimate \$3M Does NOT include site set up/ plumbing	Hotel Conversion \$5 million PLUS operating subsidies
One-Time Capital Cost/ Unit	\$50,000	\$150K++ Not including site prep	\$250K ++
On-going cost/unit/year	\$20K-\$45K/ unit/year	\$20K-\$45K /unit/year	\$10-13K/unit
On-going costs (management, utilities, cleaning, supplies, food, etc)	\$400,000--\$900,000 Dependent on level of service, exit resources; could be more	\$400,000 --\$900,000 Assumes no operating subsidy, dependent on level of service	\$200,000--\$260,000 Subsidies support bldg. operations and light services
Comments	Can be used on land to be developed	Could be temporary or subsidized as permanent with multi-year subsidy	Permanent, deeply affordable housing, requires multi-year subsidy.

Table 3: Examples of One-Time Site Preparation Costs

Site Prep lite- 20 cabins at Northgate already paved, electricity near-by	Fencing, bring low voltage electrical to each unit, staff offices, community tent, site lighting, pedestrian gate No plumbing	\$250,000
Site prep lite – possible site for Pallet shelters Already paved, electricity and water nearby	Fencing, full electrical to each unit, lighting, community tent, staff offices, pedestrian gate, No plumbing	\$436,000
Site Prep- Wood St- Safe RV Parking on one side, TBD on other side	Site lighting, grading, gravel, some paving, space striping, full plumbing to a modular bathroom unit, electrical services to 40 RV spaces,	\$1,300,000

Table 3: Examples of One-Time Site Preparation Costs		
Unpaved, water and electrical service nearby	shipping containers for storage	
Site Prep for full utilities- Homebase site with 67 FEMA trailers	Fencing, full electricity and plumbing (water and sewage hook ups) to each unit, site lighting, staff office space, minor re-paving, pavement striping	\$1,500,000
Already paved, water and electrical connections nearby		
Modular bathroom	5 toilets/5 showers	\$125,000 each
Site prep to install 3 modular bathrooms at Mandela	Reconfiguring cabins, additional fencing, Sewer and water connections	\$400,000
Pallet Shelters -prefabricate units	Individual sleeping units for 1-2 people	\$8000 each

Opportunities for more permanent solutions include Project Homekey which would be subject to waiver of local zoning requirements and would expedite implementation for hotel conversion. There are HOME funds of \$11.5 million and potentially other stimulus funding available specifically for this purpose.

Public Land Sites Available for Alternate Use Now

Three locations across the City have been identified as potential sites for co-governed encampments and planning for these sites has commenced. Staff also requests that the City Council select additional sites from those identified in **Attachment A** for additional homeless interventions. Staff requests direction from City Council to pursue and vet the associated pending proposals and set aside funds to support implementation at these or alternative sites if proposed. As the models for both housing structures and services vary, costs are not currently available but will be determined as part of the review.

If all sites in **Table 4**, below, are determined to be viable and approved, it would provide opportunity for new co-governed sites in District 2, District 3, and District 5. District 7 has recently launched Youth Spirit Artworks at the HomeBase site which is a transition age youth, co-governed site. District 1, District 6 and District 4 would be the only locations without a co-governed site. It is critical to note, none of the proposed sites would have funding past FY 2021-22 unless allocated by City Council or self-funded by the provider.

Table 4: Sites Proposed

Community Served	Agency/ Organization	Location	Type of Living Structure	Current Status
Union Point Park community	TBD	D5-E 11 th and 23rd	Self-built structures	<ul style="list-style-type: none"> Community of 16 former residents of Union Pt Park have come together to design a co-governed community Residents and backbone agency have submitted application for land and funding (for infrastructure and services) to City for review. Under review by staff
Wood Street encamped community as priority	TBD (BOSS is RV site provider)	D3 – Wood st parcel – northern half. Southern half is 40 vehicle RV site set to open April 2021	TBD	<ul style="list-style-type: none"> Planned community meeting and outreach survey of community's expressed interest in specific model.
District 2 Focus	TBD	TBD	Pallet Shelters –	<ul style="list-style-type: none"> D2 Council office moving forward to identify land, decide on living structure and determine eligibility

Proposed Funding for Public Lands Projects

Consistent with staff's recommendation to retain occupied beds and ensure no displacement of unsheltered people, the following funds could be reprogrammed without modification to the original funding recommendation for FY 2021-22:

- Re-program \$850,000 originally proposed for Lake Merritt Cabins (Homeless Housing, Assistance and Prevention (HHAP) Grant Program)
- \$900,000 already allocated in Council approved FY 2020-21 budget for co-governed site(s) but not yet implemented.
- \$2.2 million due to late starting programs (funding not approved by Council until Dec. 2020) in savings during FY 2020-21 in HHAP Round 1

Total: \$3.9 million for use in FY 2021-22 for any new interventions.

It is important to note that maintaining existing crisis response beds/spaces in FY 2021-22 will be contingent on the estimated \$9 million of HHAP-Round 2 funds which are anticipated to be received in late spring 2021. Staff will return to City Council for authorization to accept and

allocate these funds, once awarded. In addition to sustaining existing beds (estimated at a cost of \$7 million) there would be funds within HHAP-Round 2 for new projects.

Note: after FY 2021-22, the vast majority of funds in the emergency bed system have been used or will expire. It is critical to prioritize which strategies will be on-going and to plan for their continued funding.

The City of Oakland is expected to receive \$11.9M in HOME funds from the American Rescue Plan Act of 2021. In partnership with the Housing & Community Development Department (HCD), staff propose to use 70 percent these one-time funds for the acquisition of hotels/motels or similarly situated properties retaining the remainder for possible Homekey local match, which is expected to be funded in the Governors Executive Budget. HCD staff plan to bring this request to the City Council as soon as they are formally noticed of the funding.

Definition of Successful Exits from Community Cabins

On September 17, 2018 Human Services Department (HSD) staff presented a supplemental informational report to the Life Enrichment Committee (LEC) to address specific questions raised by LEC members about the Community Cabins program and broader homelessness response. One of the questions was specifically to define a successful, or positive, exit from the Cabin program. As stated in that report "A 'positive exit' is defined as a program participant who has exited the program by ending their unsheltered status. This could include permanent housing, transitional housing or reunification with friends and family."

The confusion, not misrepresentation, about Community Cabin exits is the distinction between ending one's homeless status versus ending one's unsheltered status. In most homeless services programs, a successful exit is to permanent housing. However, the Cabins were first established as an emergency intervention to quickly transition people out of those encampments that had some of the worst health and safety threats in the city and into locations that offered increased health and safety. From there, staff worked to identify other permanent or interim housing options. Therefore, the definition of a successful exit was expanded to include both permanent housing and exits to temporary locations such as transitional housing.

Progress And Proposal On Using Hotels & Motels For Homeless Intervention

Background Information on FEMA reimbursement for hotels

In January 2021, the new Biden administration released a memo stating that the Federal Emergency Management Agency (FEMA) would reimburse up to 100 percent of costs through September 2021 for housing individuals who are homeless, at high risk of COVID in non-congregate settings. The following requirements must be met:

- **Eligible population:** must be over 65 and /or have one of a specific list of underlying medical conditions.
- **Eligible Funding:** Jurisdictions must use unbudgeted funds for new interventions. Funded or even budgeted, but unimplemented interventions, are NOT eligible for reimbursement. .

- **Timeframe:** The 100 percent reimbursable costs are eligible from January 2021 through September 2021.
- **Eligible activities:** Examples are hotel leasing, food, building operations, medical care. However, typical supports provided to such a high-risk population such as case management, housing navigation, and flexible exit funding are NOT reimbursable.

Current Status of standing up a FEMA reimbursable hotel

- Staff is moving forward with lease negotiations with the Hult Lodge, a 92-room former dormitory building on Harrison St. by Lake Merritt and is moving forward to identify a provider.
- Roughly 6 months hotel cost is estimated to be \$2 million for rooms only, plus will require service contract for provider as well.
- In total the costs are expected to be approximately \$250/room/night.
- Staff expects to contract for both under the City's COVID Emergency Order and Resolution Declaring a Local Emergency.
- Staff has toured other hotels and will continue to pursue additional hotel options and other FEMA reimbursable non congregate shelter options, but timing is critical since the FEMA reimbursement ends September 30, 2021.

Important FEMA Considerations

Standing-up a hotel for vulnerable populations will require an investment in the exit strategy for clients. Specific resources for exits from a City operated COVID response hotel have not been identified yet. However, staff feel that there is urgency in moving people inside now and that with the variety of new resources coming into the City over the next few months funding can be identified to prioritize permanent housing exits for people in hotels. It is critical to invest in exit resources for individuals, so they do not return to the street. However, these investments in exit strategies will NOT be reimbursable.

Furthermore, most jurisdictions have yet to receive reimbursement for submitted claims. There are also concerns that some costs will be disallowed based on unclear rules or regulations. The City must be prepared that some amount of the funds are at risk of not being reimbursed and that in order for people to not exit to the street, hotels stays may extend past the September 30th FEMA reimbursement period.

Homeless Administrator Funding

In the FY 2020-21 mid cycle budget, \$905,000 of Measure Q funding was allocated to the Homelessness Administrator to support encampment management activities. Under the direction of the former Homelessness Administrator, \$750,000 of these funds were set aside for expanded street outreach activities and awarded to Operation Dignity. The expanded team began work in early March 2021, will work in teams deployed geographically and has added mental health expertise to work intensively with some individuals. The balance of \$150,000 remains available to be used as directed by the City Administrator's Office, including for hotels. Staff is also looking for opportunities and funding to contract with grassroots, community led agencies that applied under the request for qualifications (RFQ) to augment the encampment outreach and further support the City's Encampment Management Team.

In addition, limited hotel funding is available in certain providers' contracts. As an example, the Union Point Hotels are being initially paid for with hotel funds in Operation Dignity's outreach contract at the direction of the Homeless Administrator.

Consumer Input

Seeking input from consumers on program design and implementation and seeking feedback on how programs are operating is a priority for Human Services staff and is a requirement of some homelessness funding. Currently, all grantees have some mechanism for receiving consumer feedback ranging from weekly community meetings and anonymous suggestion boxes, to more robust semiannual surveys and focus groups. Grantees also have a variety of ways in which the feedback is used to make programmatic changes- ranging from data being used at the program level to data being shared across an agency with senior staff, Quality Improvement Committees, and an agency's Board of Directors. Ensuring that all homeless services grantees have strong systems in place for receiving and acting on client input is an area of focus this year.

Additional Recommendations

- If additional funds are identified or determined underspent, staff recommends a variety of improvements could be considered in existing programs including: expanding contracts with small community organizations that applied under the RFQ to support the encampment management policy and adding Day Services at St Vincent de Paul and storage options to make this facility more useful to unsheltered residents and maintain it as an emergency shelter. This was a critical facility during last year's smoke emergency.
- Adding plumbed bathroom units to existing RV and Cabin sites, especially larger ones like Mandela serving 100 people to improve quality of life for residents.

Summary Actions

- Maintain existing inventory of all (681) crisis response beds/spaces by supporting original recommendations.
- Request that each Councilmember identify the most appropriate City property in their District for a homeless intervention
- Provide direction for specific types of structures and models of services at each site using the \$3.9 million that is currently available to support this request.
- Affirm Council support for the use of emergency COVID Ordinance to stand-up a FEMA hotel(s) providing non-congregate living for vulnerable populations currently living on the street.
- Identify a portion of the \$3.9 million to support exit resources for FEMA hotel.
- Direct staff to return with enabling legislation to support public lands, co-governed site implementation, for additional consideration.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Approve A Report And Recommendations On: 1) The Evaluation Report From Human Service Department ; 2) Co-Governed Encampment; 3) Progress And Proposal On Using Hotels & Motels For Homeless Intervention; And 4) Identifying Public Land In Each District For Homeless Intervention Such As Modular Housing And Pallet Shelter With Power And Running Water.

For questions regarding this report, please contact Lara Tannenbaum, Manager, Community Housing Services, at 510-238-6187.

Respectfully submitted,



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Attachments (3):

- A: List of City owned public lands
- B: List of non-City owned public lands
- C: Average Intervention Costs