



Office of the City Manager

CONSENT CALENDAR
November 19, 2024

To: Honorable Mayor and Members of the City Council
From: Paul Buddenhagen, City Manager
Submitted by: Peter Radu, Assistant to the City Manager
Subject: Encampment Resolution Funding Round 3 Grant Award

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to receive a \$5,395,637.04 Encampment Resolution Funding Round 3 grant award from the State of California, and to enter into contract and all necessary amendments with the State of California resulting from this funding.

FISCAL IMPACTS OF RECOMMENDATION

It is anticipated that the \$5,395,637.04 state grant will fully fund two years of operations (i.e., master leasing the Howard Johnson motel and contracting with Dorothy Day House to be the service provider for the provision of interim housing for persons experiencing homelessness). Extending beyond the first two years will require additional funding. Consistent with the guidance from the Budget and Finance Policy Committee on January 25, 2024, years 3-4 would need to be covered by Measure P general fund. The total anticipated yearly expenses for the program are as follows:

- Year 1 (November 12, 2024 – Dec 31, 2025) - \$4,058,348.72 (funding source: State ERF-3, fund 336)
- Year 2 (January 1, 2026 – Dec 31, 2026) - \$1,337,288.32 (funding source: State ERF-3, fund 336)
- Year 3 (January 1, 2027 – Dec 31, 2027) - \$2,568,081.84 (funding source: Measure P, fund 011)
- Year 4 (January 1, 2028 – Dec 31, 2028) - \$2,604,895.56 (funding source: Measure P, fund 011)

Funds will be appropriated in the First Amendment to the FY 2025 Annual Appropriations Ordinance.

CURRENT SITUATION AND ITS EFFECTS

Despite significant work from the City of Berkeley, there are still a considerable number of people living outside in Berkeley encampments. To help at least 26 homeless people move into noncongregate temporary housing, staff completed and submitted an application on April 30, 2024 for \$5.4M in funding to support two years of operations and services to master lease the Howard Johnson, a 27-room motel located on University Avenue in West Berkeley.

The City's Homeless Response Team, managed by the Neighborhood Services Division in the City Manager's Office, proposes to work with Dorothy Day House to assist those living in Northwest Berkeley encampments into noncongregate interim housing at the Howard Johnson. The purpose of this funding is specifically to address and resolve encampments, and staff were required to identify encampments of focus in the grant application to the State. Howard Johnson rooms will be available to other homeless people in Berkeley should there be rooms open after focusing on Northwest Berkeley and should adequate funding remain.

The City's application was awarded \$5,395,637.04 by the State on September 27, 2024 and must be fully expended by June 30, 2027. To meet this deadline and in order to lease the Howard Johnson and contract with Dorothy Day House for services, it is important to have the City Council adopt a resolution authorizing receipt of these funds for this purpose as quickly as possible.

Creating this temporary homeless housing aligns with the City of Berkeley's strategic plan priorities.

BACKGROUND

On November 27, 2023, the State of California's Interagency Council on Homelessness (Cal ICH) released a Notice of Funding Availability (NOFA) for the Encampment Resolution Funding Program, Round 3, Rolling Application (ERF-3-R), a \$400M statewide competitive grant opportunity to fund local demonstration projects that assist people living in encampments to safe, low-barrier, and stable housing pathways. The ERF program is intended to fund actionable, person-centered local proposals that resolve the experience of unsheltered homelessness for people residing in encampments, necessarily also addressing the safety and wellness of people within encampments, resolving critical encampment concerns, and transitioning individuals into interim shelter with clear pathways to permanent housing or directly into permanent housing, using data-informed, non-punitive, low-barrier, person-centered, Housing First, and coordinated approaches.

On January 25, 2024, City staff presented a plan, including the proposed priority encampment and a request for local Measure P match funding, to the Budget and Finance Policy Committee of the Council; the Committee voted to approve staff's application and to include a 1:1 Measure P match commitment in the application. (Given the short time between Council's return from Winter recess and the deadline for the grant application on

February 28, there was no time to bring this item before the full City Council for consideration.) Staff successfully completed and submitted the application on January 31, 2024. The City's application was initially declined by the State on April 22, but staff addressed the State's feedback, resubmitted the grant, and were awarded the full amount on September 27, 2024.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Helping unhoused people currently living in West Berkeley transition into interim and permanent housing placement will minimize the detrimental environmental impacts associated with encampment homelessness over the long run, including vector and fire hazards, accumulation of trash and waste, and impacts on sensitive waterways. It will also reduce the impact of these environmental elements on the health and safety of people with no shelter.

RATIONALE FOR RECOMMENDATION

With the adoption of Resolution No. 71, 513-N.S., "Encampment Policy Resolution to Promote Healthy and Safe Neighborhoods," on Sept 10, 2024, the Council directed staff to prioritize the encampments on 2nd St for closure. Accepting this resource and contributing local Measure P general fund as match will be critical in allowing staff to implement this direction.

ALTERNATIVE ACTIONS CONSIDERED

Alternate city funding could be considered, and/or the resolution of these encampments could be suspended.

CONTACT PERSON

Josh Jacobs, Homeless Services Coordinator, 510 225-8035

Attachments:

- 1: Resolution
- 2: Award Letter from California Housing and Community Development

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

ACCEPTING THE STATE OF CALIFORNIA'S ENCAMPMENT RESOLUTION
ROUND 3 FUNDING GRANT AWARD

WHEREAS, on November 27, 2023, the State of California released a Notice of Funding Availability (NOFA) for the Encampment Resolution Funding Round 3 (ERF-3-R) Program, a Statewide, competitive \$400M funding opportunity to further the State's understanding of best practices to compassionately resolve encampments by assisting their residents into safe and stable pathways to housing; and

WHEREAS, on January 25, 2024, the Budget and Finance Policy Committee of the City Council unanimously voted to approve city staff's grant application and the inclusion of a local Measure P match commitment in that application; and

WHEREAS, on January 31, 2024, staff submitted a grant application to the ERF requesting \$5.4M to support 4 years of operations for the Howard Johnson on University Avenue in Berkeley to operate as noncongregate shelter; and

WHEREAS, staff propose the use of the Howard Johnson motel as noncongregate interim housing for individuals currently residing in Northwest Berkeley encampments; and

WHEREAS, the City's Homeless Response Team will partner with Alameda County and other nonprofit organizations to assist those individuals living in Northwest Berkeley encampments into the Howard Johnson and onto pathways to stable housing; and

WHEREAS, the University of California, San Francisco's Benioff Homelessness and Housing Initiative will partner with the City to perform evaluative research on this program, to better advance knowledge and best practices on effectively and compassionately ending encampment homelessness; and

WHEREAS, the City Manager was notified on September 27, 2024 that the City's ERF-2 application will be funded at the full amount, supporting two years of operations and services for the shelter program at the Howard Johnson motel.

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley authorizes the City Manager to accept and receive an award from the State of California, and to enter into contract and all necessary amendments with the State, for \$5,395,637.04 in Encampment Resolution Funding grant funding, fund 336, with funds to be appropriated in the First Amendment to the FY 2025 Annual Appropriations Ordinance.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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September 27, 2024

Josh Jacobs
Homeless Services Coordinator
City of Berkeley
City Manager's Office, Neighborhood Services Division,
Berkeley, California 94704

**RE: ERF Award Announcement – City of Berkeley
#24-ERF-3-R- 100026 Award Amount: \$5,395,637.04**

Dear Josh Jacobs:

This award is under a media and public announcement embargo until publicly released by the California Department of Housing and Community Development (HCD) or otherwise notified by HCD staff.

HCD is pleased to announce that the City of Berkeley has been awarded an Encampment Resolution Funding award for their application under ERF Round 3R, Window 2 in the amount of **\$5,395,637.04**.

Awardees will be able to draw down funds when the Standard Agreement is fully executed, and any general and special conditions have been cleared in writing.

HCD intends to issue a Standard Agreement within 90 days of receipt of the documentation required to execute this contract. A program representative will be in communication with you to discuss and confirm any documents needed.

Congratulations on your successful application. For further information, please contact Jeannie McKendry at jeannie.mckendry@hcd.ca.gov or HPDhomelessnessgrants@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Megan Kirkeby".

Megan Kirkeby
Deputy Director, Housing Policy Development Division

