



AGENDA REPORT

Community Development

DATE:	December 19, 2023
TO:	Mayor Martinez and Members of the City Council
FROM:	Lina Velasco, Director of Community Development Jesus M. Morales, Housing Manager
Subject:	Amendment No. 1 to Contract with Housing Consortium of the East Bay (HCEB) for Rapid Rehousing and Housing Navigation Services for the Castro Encampment Resolution Funding Round 1 Project
FINANCIAL IMPACT:	The costs associated with this contract are part of the City's \$4.8 million Encampment Resolution Funding Round 1 award received from the California Interagency Council on Homelessness (Cal ICH), account 15061219-400201. Therefore, this contract will not have an impact on the City's General Fund.
PREVIOUS COUNCIL ACTION:	On December 20, 2022, the City Council approved a contract with HCEB, in an amount not to exceed \$1,264,423, to provide Rapid Rehousing and Housing Navigation services for the Castro Encampment Resolution Project.
STATEMENT OF THE ISSUE:	On April 5, 2022, the City accepted a \$4.8 million Encampment Resolution Funding Round 1 award from the California Interagency Council on Homelessness to help provide services using a Housing First approach at the Castro encampment to resolve the encampment and restore the site to its original use. After a competitive bidding process, Housing Consortium of the East Bay was awarded a contract on December 20, 2022, to provide Case Management and Client Care Services for the Castro Encampment Resolution Funding Project.

RECOMMENDED ACTION:	APPROVE an Amendment No. 1 to the contract with Housing Consortium of the East Bay to increase the contract amount by \$934,263, for a total not to exceed contract amount of \$2,198,686, for a term through June 30, 2024, to be funded using the City’s Encampment Resolution Funds – Community Development Department (Lina Velasco/Jesus Morales 510-620-6649).
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DISCUSSION:

In December 2021, the City applied for Encampment Resolution Funding (ERF) seeking resources from the State of California to fund a local demonstration project, which would provide services to address the immediate crisis of experiencing unsheltered homelessness in encampments; support people living in encampments onto paths to safe and stable housing; and result in sustainable restoration of public spaces to their intended uses while safeguarding the needs of unhoused people seeking shelter. Applications were required to focus on one encampment site. City staff selected the Castro Encampment for this funding application.

On February 24, 2022, the City was provided a notice of intent to award the ERF. The City Council accepted the grant at its April 5, 2022, meeting.

Summary of Castro Encampment Resolution Project (CERP)

The CERP includes funding to hire an ERF Project Manager, Way 2Love, Inc. to lead the Castro Site Care Team which includes, the Housing Navigator (Housing Consortium of the East Bay – HCEB), a dedicated CORE team comprised of an outreach specialist and social worker, and a security team (Ascend Services), to provide 24 hour security, Castro resident and site services such as food, water, showers, trash pickup, and other service providers working directly with encampment residents to triage and ensure services are timely, responsive, coordinated, trauma-informed, and achieving goals and objectives.

The Castro Encampment Resolution Project (CERP) encompasses a two-year plan to deliver an array of supportive services to individuals currently living in the 2.66-acre vehicle encampment near Castro and Hensley Streets. The first phase was to transition all residents from the Castro encampment by June 30, 2023, into emergency, transitional, or permanent housing. All residents were transitioned out of the encampment by June 30, 2023, into temporary, transitional, and/or permanent housing based on their individual needs and willingness to accept housing options offered. The project team continues to work with encampment residents to place them into stable housing by the end of December 2023.

HCEB’s Housing Navigation Services has been able to facilitate the transitioning of residents from the encampment to stable housing options and coordinate with other service providers to connect clients with services that include assessing behavioral,

wellness, and health needs, providing job-related training and support, and other individualized services. Coordinated Outreach, Referral, Engagement (CORE) has assisted to provide outreach and register all Castro program participants in the Homeless Management Information System (HMIS). Safe Organized Spaces Richmond (SOS) has provided water, showers, laundry, trash pickup, employment opportunities, and other sanitation and wellness services to Castro residents.

Grounded in Housing First principles, the CERP is an innovative model whose successes—and challenges—will be continuously evaluated, so that the approach can be refined and replicated throughout the State.

Summary of HCEB Rapid Rehousing and Housing Navigation Services

The original contract included the following personnel from HCEB: the Program Manager, Housing Navigator, and a Program Assistant who will work one on one with residents to develop a housing transition plan, ensure residents are document ready, assist with setting and attending appointments, and assist with housing search and support. In addition, HCEB will work with their network of housing providers as well as with leads provided by other program partners to find housing that meets the needs of the individual residents. HCEB will also work with prospective landlords to promote the program and maintain ongoing landlord relationships through the lease up process and occupancy period to address any issues related to the tenancy of the Castro encampment residents.

As of November 30, 2023, 55 former Castro encampment residents have been placed in permanent housing. Two residents are in single room occupancies (SROs), seven residents are in motels, one resident is currently incarcerated, one resident is in a shelter, one resident is currently hospitalized, 15 residents have refused housing options offered to them, 14 residents have left the site and have had no contact with the CARE team, one resident passed away, six residents with housing vouchers are being processed, and one resident has been dismissed from the program. The total population of eligible Castro encampment residents that have been provided housing services is 104 individuals. The work with the Castro encampment residents has been challenging and demanding but has provided housing for many residents that previously had experienced long-term homelessness.

The amendment to the contract includes an adjustment to cover the additional salary costs incurred for October, November, and December 2023, in providing the Housing Navigation Services to Castro encampment residents. The work to provide Castro residents housing options has been demanding, requiring additional work hours to address their housing needs. Starting January 1, 2024, HCEB will not be providing housing navigation services. However, they will continue to provide payment services to landlords/property owners per the terms of the Castro residents' lease agreements. HCEB will be charging an administrative fee to process the checks as outlined.

As part of the proposed contract amendment, HCEB would help in the distribution of the remaining \$800,000 of Housing Trust Funds, totaling \$1,800,000, to assist Castro encampment residents with rent assistance, housing deposits, utilities, housing document readiness, home furnishings, personal hygiene needs, storage, transportation, and other living necessities to assist the housed Castro encampment residents. HCEB will also have the obligation to verify and account for expenses outlined in approved Housing Plans for grant reporting purposes.

CONCLUSION:

As the former Castro residents are transitioning into housing, HCEB's roles in this work will shift mostly to paying rent, utilities, and reporting expenditures. Therefore, City staff is recommending an Amendment No. 1 to the current HCEB contract. The amendment includes \$800,000 with HCEB for the Rapid Rehousing and Housing Navigation Services for a total not to exceed contract amount of \$2,198,686, for a term through June 30, 2024, to be funded using the City's Castro Encampment Resolution Funds, ERF-R-1.

DOCUMENTS ATTACHED:

- Attachment 1 – Amendment 1 to HCEB Contract
- Attachment 2 – Original HCEB Housing Navigation Contract