



AGENDA REPORT

Community Development

DATE:	June 18, 2024
TO:	Mayor Martinez and Members of the City Council
FROM:	Lina Velasco, Director of Community Development Jesus Morales, Housing Manager
Subject:	Amendment No. 2 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 amendment, up to \$300,000, are allocated within the City Council approved Unhoused Interventions budget recommended through the Reimagining Public Safety Community Task Force (15061219-400201-RI160).
PREVIOUS COUNCIL ACTION:	December 20, 2022 and December 19, 2023
STATEMENT OF THE ISSUE:	On April 5, 2022, the City accepted a \$4.8 million Encampment Resolution Funding Round 1 (ERF-1) award from the California Interagency Council on Homelessness to provide services using a Housing First approach at the Castro encampment to resolve the encampment and restore the site to its original use. The ERF-1 grant ends on June 30, 2024. As part of the grant closeout, staff anticipates there will be additional project costs and liabilities that require funds be added to the HCEB contract to ensure they can be reimbursed for payments made associated with rental and flex funds assistance provided to former Castro residents.

RECOMMENDED ACTION:	APPROVE an Amendment No. 2 to the contract with Housing Consortium of the East Bay to increase the contract amount by \$300,000, for a total not to exceed contract amount of \$2,498,686, for a term through July 31, 2024, to pay anticipated costs related to services provided at the Castro Encampment – 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 Castro Encampment Resolution Project (CERP) encompassed a two-year plan to deliver an array of supportive services to individuals living in a 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.

Housing Consortium of the East Bay’s (HCEB) Housing Navigation Services have been able to facilitate the transitioning of residents from the encampment to housing 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. Contra Costa County’s Coordinated Outreach, Referral, Engagement (CORE) team 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.

Summary of HCEB Rapid Rehousing and Housing Navigation Services

The total population of eligible Castro encampment residents that have been provided housing services is 102 individuals. The following is an update as of April 30, 2024:

- 70 former Castro encampment residents were placed in housing, including 15 residents who were able to get housing vouchers that were sourced by HCEB.
- 12 unhoused clients have not been reachable by service providers
- Nine (9) clients have refused housing options offered to them and have not been responsive to follow-up efforts
- Two (2) clients are in jail
- One (1) client is in a shelter
- Two (2) clients are in hospital/rehabilitation
- Three (3) clients have been dismissed from the program
- Two (2) clients have passed away, and
- One (1) client was transferred to another program.

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 additional liabilities that have been identified by staff including rent payments through June – July 2024, claims for damages submitted by landlords/property owners for housed clients, utility and storage payments, and other program closeout obligations.

CONCLUSION:

As the grant performance period ends for the Castro Encampment Resolution Program, HCEB's work will shift to paying outstanding obligations per direction from City staff. Therefore, City staff is recommending an Amendment No. 2 to the current HCEB contract to add \$300,000 for a total not to exceed contract amount of \$2,498,686, for a term through July 31, 2024, to cover any remaining expenses for the project as described above.

DOCUMENTS ATTACHED:

Attachment 1 – Amendment No. 2

Attachment 2 – Original Contract and Amendment No. 1