



Office of the City Manager

CONSENT CALENDAR
December 6, 2022

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Peter Radu, Assistant to the City Manager
 Subject: Amend Contract No. 32100161 with Dorothy Day House to extend Horizon Village Shelter and Safe RV Parking Program operations

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute an amendment to Contract No. 32100161 with Dorothy Day House (DDH) to add \$612,559 to cover costs to extend the Safe RV Parking Program (SPARK) through December 31, 2022 and costs to operate the Horizon Village Shelter (HVS) from October 1, 2022 through June 30, 2023 (including the Berkeley Inn from December 7, 2022 through June 30, 2022), for a total contact amount not to exceed \$2,270,177.

FISCAL IMPACTS OF RECOMMENDATION

If approved, this recommendation will result in a net appropriation of \$586,732. The total amount that needs to be added to the Dorothy Day House contract No. 32100161 to extend operations is \$612,559; this includes \$128,700, which was approved as part of the FY23-24 budget adoption but has not yet been added to the Dorothy Day House contract for Horizon/SPARK. Below is a summary of new funding needed to cover current operations at HVS and SPARK and future HVS operations at the Berkeley Inn through FY23. The funding table also includes costs, incurred by the City, to extend the lease at 742 Grayson through December 31, 2022. The amount needed accounts for overall HVS/SPARK cost savings through September 30, 2022. If approved, contract payments will be paid from Measure P general funds.

	Horizon Village Shelter and Safe RV Parking Extension Costs 10/1/22-12/31/22	Berkeley Inn Costs	Total Funds Needed	FY23-24 Budget Adoption	Delta – needed from Council
Dorothy Day House	\$181,018 ¹	\$431,541 ²	\$612,559*	\$128,700	\$483,859

¹ The total cost of these extended services is \$349,341. The remainder (\$168,323) was covered using FY21-23 contract savings.

² DDH costs from 1/1/23-6/30/23.

Berkeley Inn Lease costs		\$883,200 ³	\$883,200	\$883,200	\$0
City costs to extend lease through 12/31/22	\$102,873		\$102,873		\$102,873
TOTALS	\$283,891	\$1,314,741	\$1,598,632	\$1,011,900	\$586,732**

* This is the amount that needs to be added to the Dorothy Day House contract.

** This is the net amount that needs to be approved by Council.

CURRENT SITUATION AND ITS EFFECTS

To help alleviate the crisis of unsheltered and encampment homelessness in Berkeley, the City partnered with DDH in April, 2021 to launch the 50-bed HVS Program at 742 Grayson St in Southwest Berkeley. Since its opening in July 2021, the program has served 130 residents of the City’s most dangerous and impactful encampments. The City’s lease was expected to end on September 30, 2022, however, it was extended through December 31, 2022. The City asked DDH to extend its operations at HVS and to reinitiate operations at SPARK, after a brief service suspension, through December 31, 2023. The proposed Urgency Lease Ordinance to support relocation of the program to the Berkeley Inn is also on the Council’s December 6, 2022 agenda. If approved, DDH will begin relocating the HVS to the Berkeley Inn located at 1720 San Pablo Ave in December. The budget includes funding to transition the shelter from 742 Grayson St. to 1720 San Pablo Ave.

The total lease and DDH services contract will cost \$1,314,741. This covers six months of DDH program services (January through June 2023) and 12 months of lease costs (December 7, 2022 through December 6, 2023). DDH’s services costs beyond June 30, 2023 will be requested as part of the City’s annual Measure P budget process.

Primary referrals to Horizon come from the Homeless Response Team, assisting people in encampments with numerous health and safety violations into shelter. In the Homeless Response Team’s anecdotal experiencing talking to numerous residents on the streets every day, many who have moved into a bed at Horizon were unwilling to avail themselves of other congregate shelter opportunities. Over the course of the past year, Dorothy Day House has developed relationships with the residents who will be transitioning from Grayson to the Berkeley Inn, should Council approve that lease. Allowing for the continuation of this provider-client relationship by offering the Berkeley Inn service provision contract to Dorothy Day House provides critical continuity and stability for these vulnerable residents during what is otherwise a difficult period of relocation and change.

BACKGROUND

³ Berkeley Inn lease costs from 12/7/22-12/6/23.

On April 27, 2021, the Council adopted Urgency Ordinance No. 7,759–N.S. to authorize the lease of 742 Grayson St for the purposes of operating interim shelter for persons experiencing homelessness. On April 27, 2021, Council adopted Resolution No. 69,808–N.S., which authorized a contract with Dorothy Day House to operate the HVS a 50-bed interim shelter, at this site. On October 26, 2021, the Council authorized Resolution No, 70,075-N.S. to add \$548,096 for a new Safe RV Parking Program at the site. In March, 2022, the lease for the Grayson St property became month-to-month. The lease was expected to terminate on September 30, 2022 but on September 29, 2022, Council approved a lease extension through December 31, 2022. As the property owners are actively working with the City through the approval process to develop the parcel, there is no possibility for extending the term of this lease. On June 28, 2022, Council adopted the FY23-24 Biennial Budget, including \$1,011,900 annually in Measure P funds to continue the Grayson shelter at a new location. After applying the cost savings from Dorothy Day House’s original contract, DDH needs an additional \$181,018 to cover service costs for this period. Additionally, the City incurred costs for rent, zero waste, toilet and hygiene, and security services totaling \$102,873.

ENVIRONMENTAL SUSTAINABILITY

Helping unhoused people currently living in Berkeley’s encampments transition into interim non-congregate 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.

RATIONALE FOR RECOMMENDATION

Dorothy Day House has been contracting with the City since April 2021 to operate the HVS, successfully serving 130 of the most vulnerable people living in Berkeley’s most dangerous encampments, as identified by the Homeless Response Team.

ALTERNATIVE ACTIONS CONSIDERED

None. The initial cohort of residents at the Berkeley Inn will transition from 742 Grayson Street when that program ends. Dorothy Day House has been working with these HVS participants for months. Ensuring the continuity of the primary service provider will minimize the impact of a potentially difficult transition for many of the HVS residents; therefore, circulating an RFP for this contract would be disruptive and contrary to the best interest of the people it will serve.

CONTACT PERSON

Peter Radu, Assistant to the City Manager, 510-981-7045.

Attachments:
1: Resolution

RESOLUTION NO. XX,XXX N.S.

AUTHORIZING A CONTRACT EXTENSION WITH DOROTHY DAY HOUSE TO EXTEND AND FUND CITY OF BERKELEY SAFE RV PARKING (SPARK) PROGRAM THROUGH DECEMBER 31, 2022 AND HORIZON VILLAGE SHELTER (HVS) OPERATIONS THROUGH JUNE 30, 2023.

WHEREAS, the City of Berkeley is experiencing an ongoing crisis of street homelessness, with over 800 people sleeping in parks, on sidewalks, and in other places not meant for habitation on any given night according to the 2022 Federal Point-in-Time Count; and

WHEREAS, to help address this shortage, the City Council in April 2021 authorized a lease and program contract with Dorothy Day House to launch the 50-bed Horizon Transitional Village Program; and

WHEREAS, since July 2021, Dorothy Day House has served over 125 residents of Berkeley's most dangerous encampments from a health and safety perspective; and

WHEREAS, the owners of 742 Grayson are working with the City for parcel development approvals, with the City's lease for the site will be terminating on December 31, 2022; and

WHEREAS, the City Council, with the adoption of the FY23-24 Biennial Budget, approved \$1,011,900 in annual Measure P funding for the continuation of the Horizon shelter, signaling its intent to continue the program beyond Sept, 2022; and

WHEREAS, the City of Berkeley asked DDH to extend its operations at HVS and to reinstate operations at SPARK, after a brief service suspension, through December 31, 2023; and

WHEREAS, the City of Berkeley asked DDH to relocate the HVS and continue the program in the form of non-congregate shelter by master leasing the Berkeley Inn, transitioning those currently living at Horizon to the Berkeley Inn starting on December 7, 2022 and continuing services through June 30, 2023; and

WHEREAS, Dorothy Day House received \$128,700 of the \$1,011,900 to continue Horizon shelter operations through June 30, 2023 and the Berkeley Inn will receive \$883,200 for expenses between December 7, 2022 and December 6, 2023; and

WHEREAS, the City of Berkeley and Dorothy Day House require an additional net appropriation of \$586,732 to complete this work.

December 6, 2022

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley authorizes the City Manager to extend Contract #32100161 with Dorothy Day House through June 30, 2023 to operate a non-congregate interim housing program at the Berkeley Inn.

BE IT FURTHER RESOLVED that the City Manager is authorized to amend Contract # 32100161 with Dorothy Day House by adding \$612,559 to the contract, for a not-to-exceed total contract amount of \$2,270,177. Contract payments will be paid from Measure P general funds.

BE IT FURTHER RESOLVED, that the City Manager is authorized to provide an advance payment totaling \$396,788 to cover the Safe RV Parking expenses through December 31, 2022 and HVS expenses through March 31, 2023.

