



Health, Housing & Community Services

CONSENT CALENDAR  
December 1, 2020

To: Honorable Mayor and Members of the City Council  
From: Dee Williams-Ridley, City Manager  
Submitted by: Lisa Warhuus, Director, Health, Housing & Community Services  
Department  
Subject: Contract Amendment: Fred Finch Youth Center for Turning Point Transitional  
Housing for Transition Age Youth

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to amend an existing contract with Fred Finch Youth Center (“Fred Finch”) for their Turning Point Transitional Housing Program (“Turning Point”), adding \$200,000 total for fiscal years 2021 and 2022, at a rate of \$100,000 per year, to enable Fred Finch to sustain the Turning Point program.

FISCAL IMPACTS OF RECOMMENDATION

The total cost of the additional funding is \$200,000. This amount is available in the community agency budget code 011-51-507-506-0000-000-459-636110, and would be allocated as a one-time cost from the City’s General Fund. Due to the COVID-19 pandemic, certain community agencies were unable to expend all City funding allocated to their contracts for FY2020, and repaid those unspent funds. Funding will be added to Contract Number 31900257, increasing the not-to-exceed contract amount to \$557,020 for the period of FY 20 to FY 23.

CURRENT SITUATION AND ITS EFFECTS

Fred Finch Turning Point is a Strategic Plan Priority Project, advancing our goal to affordable housing and housing support service for our most vulnerable community members.

Turning Point is a transitional housing program located at 3404 King Street designed to assist young adults experiencing homelessness to obtain and maintain independent permanent housing. Program participants may reside in the program for up to 24 months depending on their needs. The program is supported through a mix of private, federal, and local funds. Both the federal HUD and local funding have remained essentially flat since 2006, despite living wage and operational cost increases. The program has been running a deficit and Fred Finch, the service provider, can no longer support it without additional financial resources.

In the fall of 2019, Fred Finch recommended to City staff that it support transitioning the HUD grant to Covenant House California. Covenant House operates the YEAH! shelter (YEAH!) for transition-age youth and was interested in assuming the grant and transitioning it to a scattered-site model. Covenant House intended to relocate to the YEAH! Shelter to 3404 King Street, which required the city to utilize the emergency shelter ordinance due to zoning restrictions. City staff recommended that Council approve this change in the fall of 2019. Covenant House determined not to proceed given the mixed support from the neighborhood and the associated lack of certainty regarding their ability to gain permanent authorization to operate a shelter at that location.

Should Council approve an augmentation of funding for Fred Finch Turning Point as proposed, City staff would have two additional years in which to identify another provider to assume the HUD grant and the property to avoid loss of this critical housing resource for young adults.

#### BACKGROUND

The Department of Housing and Urban Development (HUD), the City of Berkeley, and Fred Finch have been funding and operating the Turning Point project since 2003. The project has been instrumental in serving the City of Berkeley's transition age youth by providing housing and services to get youth permanently housed.

HUD funding for transitional housing generally remains stagnant and does allow for increases in cost of living expenses. Additionally, local funding has remained stagnant for this program. For these reasons, Fred Finch has been running the program on a deficit and has determined that they can no longer sustain the loss.

The additional funds will be used to cover expenses such as food, utilities, maintenance/repair, transportation, phones, security, COVID-19 related supplies, furnishings, and administrative costs. By allocating additional funds, it will ensure Fred Finch can afford to meet the Berkeley living wage requirement, fully staff the program so that someone is on site 24/7 to respond both to youth needs and neighborhood concerns, and maintain best practices on COVID-19 prevention.

#### ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental impacts or opportunities associated with the action recommended in this report.

#### RATIONALE FOR RECOMMENDATION

Fred Finch's Turning Point is the only transitional housing program targeted to serve Transitional Age Youth within the City of Berkeley. Because of increasing costs with stagnant budgets, they have been running in a deficit and have informed the city that they will no longer be able to run the program. If additional funding is not secured, Fred Finch will not submit an application to continue their HUD funding, and the project will close at the end of their current HUD-funded grant.

ALTERNATIVE ACTIONS CONSIDERED

Following Covenant House's decision not to acquire the property, Fred Finch identified an alternate provider for the HUD grant, which would operate the transitional housing using a peer based service model. This provider, however, was not approved by the Continuum of Care and no other providers of services have been identified yet to take over the grant.

CONTACT PERSON

Josh Jacobs, Homeless Services Coordinator, HHCS, (510) 981-5435

Attachments:

1: Resolution

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

CONTRACT AMENDMENT FRED FINCH CENTER TURNING POINT

WHEREAS, Fred Finch Turning Point is a Strategic Plan Priority Project, advancing our goal to create affordable housing and housing support service for our most vulnerable community members; and

WHEREAS, the program has been running a deficit and Fred Finch, the service provider, can no longer support it without additional financial resources; and

WHEREAS, \$200,000 is available in the community agency budget fund (011-51-507-506-0000-000-459-636110 add budget code here) and would be allocated as a one-time cost from the City's General Fund; and

WHEREAS, the additional funds will be used to cover expenses such as food, utilities, transportation, phones, security, COVID-19 related supplies, and furnishings; and

WHEREAS, if additional funding is not secured, Fred Finch will not submit an application to continue their HUD funding, and the project will close imminently.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to amend an existing contract with Fred Finch Youth Center ("Fred Finch") for their Turning Point Transitional Housing Program ("Turning Point"), adding \$200,000 total for fiscal years 2021 and 2022, at a rate of \$100,000 per year, and increasing the not-to-exceed contract amount to \$557,020 for the period of FY 20 to FY 23. A record copy of said agreement is on file with the City Clerk Department.